FEE-FOR-SERVICE CONTRACT AMENDMENT

Amendment #	Original Contract CMS (CLIN) #	Amendment CMS #
11	06-00002	33759

1) PARTIES

This Amendment to the above-referenced Original Contract ("Contract") is entered into by and between the Governing Board for the Community College System ("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 dated July 1, 2005 (CLIN #06-00002), the First Amendment (CLIN# 06-00016), the Second Amendment (CLIN #06-00022), the Third Amendment (CLIN #07-00001), the Fourth Amendment (CLIN #08-00002), the Fifth Amendment (CLIN #09-00002), the Sixth Amendment (CLIN #09-00018), the Seventh Amendment (CLIN #10-00002), the Eighth Amendment (CMS #17403), the Ninth Amendment (CMS #20017), and the Tenth Amendment (CMS #33700) 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 2010-11.
- 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 2011-12.

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. FY 2010-11 close out

The Department has adjusted the FY 2010-11 amount by an additional six hundred forty-five thousand, one hundred thirty-one dollars (\$645,131) for a total contract amount of one hundred thirty-seven million, two hundred twenty thousand, eighty-nine

dollars (\$137,220,089) through the end of FY 2010-11. This adjusted the earlier agreement by 1,589.54 credit hours of courses that assist students in other educational services in rural areas or communities at a FY 2010-11 rate of \$405.86 per credit hour.

b. FY 2011-12 allocation

The Department will transfer an additional five million, eight hundred ninety-four thousand, eighty-six dollars (\$5,894,086) for a total contract amount of one hundred forty-three million, one hundred fourteen thousand, one hundred seventy-five dollars (\$143,114,175) through the end of FY 2011-12 for the purchase of the higher education services set forth in **Exhibit A-11**, attached hereto and incorporated by reference, under Fund Number <u>1EX</u>, Appropriation Account <u>FFS</u>.

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, 2011.

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.

CONTRACTOR Community College System	STATE OF COLORADO John Hickenlooper. GOVERNOR Department of Higher Education
By: Mancy McCallin Title: President By: Maury Dobbie Title: Chair	By: M. Gov. Joseph A. Garcia, Executive Director

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.

STATE CONTROLLER David J. McDermott, CPA	
By: Bol UC	
Date: 7-6-//	
	By: Bol Colombia

EXHIBIT A-11 STATEMENT OF WORK Community College System

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.

Vestibule Labs

The Department finds that students may need preparatory guidance to help get them to the level of work expected at a postsecondary institution and to gain the necessary skills to obtain a degree. Vestibule labs allow students the opportunity to fully participate in the educational experience by preparing them to perform in such an environment. Without such services, some students would have a lack of proper skills in areas important to degree completion and career development. The Department shall purchase these services from the Institution in order to ensure the availability of these services to students.

Reciprocal Agreements

In accordance with 23-1-113 (1) (b) (I) (B) Colorado Revised Statutes, the Department "shall identify those circumstances where the waiving of the nonresident differential in tuition rates, on a reciprocal basis with other states, would enhance educational opportunities for Colorado residents. The Department shall purchase services from the Institution in order to ensure the availability of these services in accordance with Colorado Commission on Higher Education policy authorizing this service. The purpose for purchasing such services shall be to ensure educational opportunities for Colorado residents in other states in order that they have access to unique programs and offering at institutions outside of Colorado.

Rural Educational Services

The Commission is responsible for ensuring the provision of 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. The Department shall purchase these services from the Institution in order to ensure the provision of these services to students in rural areas. Such services shall be purchased by the Department in accordance with the cost model set forth in **Exhibit C-11**.

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

- a. The Department shall purchase 30,300 credit hours of other educational services for Vestibule labs at the rate of ninety-two dollars (\$92) per credit hour for a total of two million seven hundred eighty seven thousand six hundred dollars (\$2,787,600).
- b. The Department shall purchase 2,100 credit hours of other educational services for Reciprocal programs at the rate of ninety-two dollars (\$92) per credit hour for a total of one hundred ninety three thousand two-hundred dollars (\$193,200).
- c. The Department shall purchase 7,838.16 credit hours of educational services in rural areas or communities at a rate of three hundred seventy one dollars and sixty-eight cents (\$371.68) for a total of two-million nine hundred thirteen thousand two-hundred eighty-six dollars (\$2,913,286). See Cost Model in Exhibit C-11. The COF stipend amount of \$62 per credit hour is not included in the per credit hour amount reimbursed through the fee-for-service contract.

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, 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 System from enrolling students above and beyond the units contracted for under Other Educational Services.

FY11-12 credit hours estimate	ours estimate		
	SFTE	Credit Hours	Purchase price
Vestibule Labs*	1,010.00	30,300	2,787,600
Reciprocal*	20.00	2,100	193,200
Total	1,080.00	32,400	2,980,800
*Source: Based on FY 10 actuals plus enrollment forecast	ecast		
Total Vestibule Lab and Recipocal	\$2,980,800		

30 \$92

Credit Hours Per SFTE Rate per Credit Hour

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	System Piscal	Rural
	unity College 3	Orban
4	colorado Commi	Rural
•		Urban
		Urban
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Exhibit C-11.2		

			8	Colorado Community College System Fiscal Year 2009-10 Operating Expenses by SRECNA Category	ity College Syn	stem Fiscal Ye	ar 2009-10 Ope	rating Expens.	as by SRECNA	Category					
	Urban	Urban	Urban	Rural	Urban	Rural	Rural	Rural	Rural	Urban	Urban	Urban	Rural		
Oceration Expenses	ACC	SCA C	933	CNCC	FRCC	227	MCC	NJC	OC	PPCC	PCC	RRCC	TSJC	SO	Total
Characters Lyberson	\$14.931.648	\$11.862.793	\$16,275,364	\$4,500,355	\$35,164,786	\$2,204,976	\$4,104,106	\$5,386,852	\$11,744,008	\$17 444 878	\$23,891,389	\$17,557,039	\$5,755,340	\$32,542,544	\$203,366,078
Distriction Control	\$4 632	\$270.140	\$582,792	(\$11,011)	\$645,286	0\$	\$102,230	\$27,858	\$237,777	\$200,171	S	\$2,256,365	\$87,962	8	\$4,404,203
Public Collection	£3 RR2 427	\$1.855.874	\$4 683,142	\$715.741	\$4,865,735	\$910,620	\$1,015,097	\$505,416	\$189,521	\$2,985,815	\$4,600,140	\$2,390,847	\$1,425,803	\$4.387,652	\$34,413,831
Acedemic outpot	\$3.391.393	\$3.054.920	\$8 823 889	\$1,314,257	\$8,262,206	\$1,521,415	\$803,399	\$1,914,528	\$1,349,074	\$4,942,508	\$5,375,807	\$3,735,380	\$3,067,459	\$325,329	\$47,881,565
SUCCESSION OF VICES	£3 225 868	\$2 041 227	\$6.498.346	\$1.219.252	\$7,868,745	\$1,147,930	\$1,465,425	\$2,179,931	\$1,166,049	\$6,138,044	\$5,682,627	\$2,959,046	\$1,265,836	\$24,743,059	\$67,501,384
Describer & Meintenance of Diant	\$4 793 126	\$3.919.221	\$2,798,638	\$2 159 987	\$6,872,797	\$922,166	\$820,324	\$1,055,056	\$1,702,527	\$4,538,897	\$8,147,703	\$3,819,957	\$1,521,449	\$3,997,404	\$47,069,253
Copolombine B. Fallowships	\$1.551.731	\$1,887,520	\$3,378,948	\$34,923	\$2,896,517	\$356,955	\$470,615	\$131,866	\$261,623	\$2,354,932	\$4,049,978	\$1,961,227	\$462,756	2	\$19,789,690
Accellant Releases Expense	\$1.334.150	\$707.007	\$504.823	\$1,647,171	\$9,436,531	\$1,218,694	\$638,122	\$3,695,269	\$2,304,859	\$4,059,337	\$8,308,183	\$3,288,313	\$3,031,511	\$106,089	\$40,280,060
Auxiliary Enterprise Expense	\$1.951.567	\$445.573	\$243.247	\$1,075,226	\$3,950,476	\$408,077	\$574,824	\$824,953	\$487,714	\$2,190,843	\$1,585,449	\$1,308,811	\$1,131,336	\$4,081,354	\$20,259,450
Total Operation Expenses	35 066 543	26 044 075	43,789,186	12.655.902	79,963,179	8,691,034	9,984,142	15,721,730	19,443,153	44,855,426	61,641,276	39,276,986	17,749,451	70,183,431	485,075,514
SO Expense Altocation	6,746,966	5,134,476	8,753,709	947,519	15,674,146	847,642	1,429,821	1,796,475	1,588,836	11,784,193	6,007,087	7,611,692	1,860,870		70,183,431
TOTAL FY 10 SFTE Rural Expenditures per SFTE	6,359	4,185	7,282	862	12,836	763 \$12,502	1,121 \$10,191	1,467	1,312	9,513	4,703	6,075	1,575		57,053 \$13,149
110 CO XX	76.4	2,00,5	A 68.1	164	11 927	645	1.088	1,367	1,209	8,987	4,571	5,782	1,416	The Party of the Party of	53,405
Kesidem ritto or in	5.0	20,5	2012	School very spirit					THE PERSON NAMED IN				O STANDARD S		
Cost of rural education Number of credit hours of rural education served Cost of rural education for Resident SFTE only \$62 COF Signer provided by State Difference Amount of FFS Contract \$ used for Rural Services	SFTE only SFTE only or Rural Services			\$13,803,421 25,860 11,378,267 \$1,341,080 \$10,037,207		100 22,880 22,880 8,083,484 51,189,700 \$6,883,784	\$11,423,963 \$11,423,963 11,097,664 \$2,023,690 \$9,063,984	NJC \$17,518,205 44,010 16,324,053 \$2,542,620 \$13,781,433	60,000 \$21,031,989 39,360 19,380,850 \$2,248,740 \$17,132,110			- www.sprc.de.busheses	TSJC \$18,610,321 47,250 17,630,612 \$2,633,760 \$14,996,852	F	Total Rural \$92,726,574 213,000 83,864,940 \$11,969,560 \$71,875,380 \$2,913,286

Uncollectable Rural Costs

\$68,962,094

Source for Expenditure Data: SRECNA reports for each college

\$371.68 7,838.16 Cost of rural education - stipend / credit hour Credit hours purchased in FFS contract