FEE-FOR-SERVICE CONTRACT AMENDMENT

Amendment #	Original Contract CMS (CLIN) #	Amendment CMS #
13	06-00002	47004

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), the Tenth Amendment (CMS #33700), the Eleventh Amendment (CMS #33759), and the Twelfth Amendment (CMS #45128) 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.

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 2011-12 close out

The Department/JBC has adjusted the FY 2011-12 amount by an additional five hundred seventy four thousand three hundred and on dollars (\$574,301) for a total contract

amount of one hundred forty eight million, one hundred twenty six thousand, four hundred thirty six dollars (\$148,126,436) through the end of FY 2011-12. This adjusted the earlier agreement by 1,545.15 credit hours of courses that assist students in other educational services in rural areas or communities at a FY 2011-12 rate of 371.68 per credit hour.

b. FY 2012-13 allocation

The Department will transfer an additional fifteen million, one hundred sixty-four thousand, one hundred seven dollars (\$15,164,107) for a total contract amount of one hundred sixty three million, two hundred ninety thousand, five hundred and forty three dollars (\$163,290,543) through the end of FY 2012-13 for the purchase of the higher education services set forth in **Exhibit A-13**, attached hereto and incorporated by reference, under Fund Number 100, Appropriation Account FFS.

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.

CONTRACTOR **Community College System**

Title: President

By: John Trefny Title: Chair

By: Nancy McCallin

By: By: Lt. Gov. Joseph A. Garcia, Executive Director

STATE OF COLORADO

John Hickenlooper. GOVERNOR Department of Higher Education

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

EXHIBIT A-13 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) (l) (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-13**.

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 29,250 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 sixty thousand dollars (\$2,691,000).
- b. The Department shall purchase 2,250 credit hours of other educational services for Reciprocal programs at the rate of ninety-two dollars (\$92) per credit hour for a total of two hundred and seven thousand dollars (\$207,000).
- c. The Department shall purchase 33,115.84 credit hours of educational services in rural areas or communities at a rate of three hundred seventy dollars and forty cents (\$370.40) for a total of twelve million two hundred sixty-six thousand one hundred and seven dollars (\$12,266,107). See Cost Model in Exhibit C-13. 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.

FY12-13 cre	FY12-13 credit hours estimate		
	SFTE	Credit Hours	Purchase price
Vestibule Labs*	975.00	29,250	2,691,000
Reciprocal*	75.00	2,250	207,000
Total	1,050.00	31,500	2,898,000
*Source: Based on FY 11 actuals plus enrollment forecast	nt forecast		
Total Vestibule Lab and Recipocal	\$2,898,000		

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Credit Hours Per SFTE Rate per Credit Hour

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			20	Colorado Community College System Fiscal Year 2010-11 Operating Expenses by SRECNA Category	nity College Sy	stem Fiscal Ye	ar 2010-11 Op	erating Expens	es by SRECNA	Category					
	Urban	Urban	Urban	Rural	Urban	Rural	Rural	Rural	Rural	Urban	Urban	Urban	Rural		
Operating Expenses	ACC	CCA	CCD	CNCC	FRCC	227	MCC	NJC	onc	PPCC	PCC	RRCC	TSJC	So	Total
Instruction	\$15,143,897	\$13,904,892	\$17,737,985	\$4,385,498	\$37,520,232	\$2,271,281	\$4,262,065	\$5,972,996	\$13,301,475	\$27,299,054	\$18,848,853.60	\$19,196,420	\$6,293,858	\$30,575,950	\$216,714,455
Public Service	\$7,441	\$131,581	\$844,160	\$2,301	\$591,008	05	\$35,048	\$20,491	\$312,744	\$	\$216,417.96	\$1,947,659	\$70,843	80	\$4,179,695
Academic Support	\$4,523,348	\$1,866,739	\$5,459,543	\$657,588	\$5,035,040	\$901,176	\$1,016,770	\$301,208	\$171,038	\$4,477,935	\$2,733,942.43	\$2,505,367	\$1,017,309	\$3,983,380	\$34,650,384
Student Services	\$3,381,034	\$3,382,974	\$10,077,892	\$1,361,009	\$9,006,036	\$1,744,461	\$804,723	\$1,853,613	\$1,694,952	\$5,930,751	\$4,131,776.50	\$4,080,692	\$3,413,068	\$329,485	\$51,192,466
Institutional Support	\$4,177,412	\$3,542,827	\$5,176,999	\$1,524,211	\$9,105,037	\$1,022,103	\$1,517,456	\$1,570,762	\$1,344,706	\$6,467,600	\$5,037,377.19	\$3,674,750	\$1,477,254	\$25,804,843	\$71,443,337
Operation & Maintenance of Plant	\$4,125,503	\$4,346,293	\$3,553,605	\$1,481,198	\$7,943,696	\$889,194	\$770,450	\$571,844	\$1,514,677	\$7,226,023	\$3,813,016.50	\$3,452,991	\$1,463,408	\$4,473,500	\$45,625,398
Scholarships & Fellowships	\$2,097,704	\$2,223,244	\$4,319,992	\$1,074,631	\$3,354,487	\$216,126	\$527,241	\$275,020	\$380,570	\$5,339,383	\$2,094,872.21	\$3,031,452	\$522,295	80	\$25,457,019
Auxiliary Enterprise Expense	\$1,225,981	\$196,560	\$73,388	\$1,831,808	\$9,881,563	\$1,198,398	\$701,700	\$4,498,652	\$2,356,836	\$10,306,496	\$4,707,537.41	\$3,406,869	\$2,996,484	\$132,643	\$43,514,915
Depreciation	\$2,085,550	\$489,127	\$346,839	\$1,008,047	\$4,160,341	\$430,681	\$675,679	\$991,104	\$581,638	\$1,644,168	\$2,384,766.37	\$1,348,578	\$977,720	\$4,266,316	\$21,420,555
Total Operating Expenses	36,777,871	30,084,239	47,590,403	13,326,292	86,617,438	8,673,420	10,311,132	16,055,691	21,658,635	68,691,410	43,968,560	42,644,777	18,232,240	69,566,118	514,198,225
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SO Expense Allocation	6,684,923	5,340,627	8,937,207	869,075	15,396,901	768,843	1,379,672	1,712,208	1,416,227	12,068,001	5,855,940	7,436,077	1,700,416		69,566,118
TOTAL FY 11 SFTE	5,949	4,693	8,273	903	14,051	763	1,210	1,531	1,339	10,882	5,083	6,650	1,614		62,941
Rural Expenditures per SFTE				\$15,720		\$12,375	\$9,662	\$11,605	\$17,233				\$12,350		\$13,158
Resident FY 11 SFTE	5,669	4,529	7,579	737	13,057	652	1,170	1,452	1,201	10,234	4,966	906,3	1,442		58,994
Cost of rural education Number of credit hours of rural education served Cost of rural education for Resident SFTE only 62 COF Silpend provided by State Difference Amount of FFS Contract \$ used for Rural Services	on served TE only tural Services		o	\$14,195,367 \$14,195,367 27,090 11,585,809 \$1,370,820 \$10,214,989		\$9,442,262 22,890 8,068,617 \$1,212,720 \$6,855,897	\$11,690,804 36,300 11,304,331 \$2,176,200 \$9,128,131	\$17,767,899 45,930 16,851,071 \$2,700,720 \$14,150,351	\$23,074,862 \$23,074,862 40,170 20,696,721 \$2,233,860 \$18,462,861			-	\$19,932,656 \$19,932,656 48,420 17,808,482 \$2,682,120 \$15,126,362	F	Total Rural \$96,103,851 220,800 86,315,031 \$12,376,440 \$73,938,591 \$12,266,107

Uncollectable Rural Costs

\$61,672,484

Source for Expenditure Data: SRECNA reports for each college

Cost of rural education - stipend / credit hour Credit hours purchased in FFS contract

\$370.40