

## FEE-FOR-SERVICE CONTRACT AMENDMENT

<b>Amendment #</b> 14	<b>Original Contract CMS (CLIN) #</b> 06-00002	<b>Amendment CMS #</b> 59997
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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 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), the Twelfth Amendment (CMS #45128), and the Thirteenth Amendment (CMS #47004) 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 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 2012-13 allocation**

The Department will transfer an additional seven million, two hundred twenty-five thousand, six hundred six dollars (\$7,225,606) for a total contract amount of one hundred seventy million, five hundred sixteen thousand, one hundred forty-nine dollars (\$170,516,149) through the end of FY 2012-13 for the purchase of the higher education

services set forth in **Exhibit A--14, attached hereto and incorporated by reference,** under Fund Number **100**, Appropriation Account **FFS**.

**b. 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**

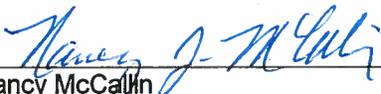
In the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the Contract, the provisions of this Amendment shall in all respects supersede, govern, and control.

**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.

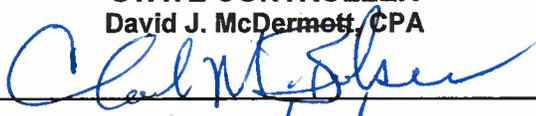
**THE PARTIES HERETO HAVE EXECUTED THIS AMENDMENT**

**\* 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> Community College System	<b>STATE OF COLORADO</b> John Hickenlooper. GOVERNOR Department of Higher Education
By: <u></u> By: Nancy McCallin Title: President	By: <u></u> By Lt. Gov. Joseph A. Garcia, Executive Director
By: <u></u> By: John Trefny Title: Chair	

**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: <u></u>
Date: <u>9/11/13</u>

**EXHIBIT A-14**  
**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-14**.

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 six hundred ninety-one 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 52,623.42 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 nineteen million four hundred ninety one thousand seven hundred and thirteen dollars (**\$19,491,713**). See Cost Model in **Exhibit C--14**. 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.

Exhibit C-14.1

	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
<b>Total</b>	<b>1,050.00</b>	<b>31,500</b>	<b>2,898,000</b>

\*Source: Based on FY 11 actuals plus enrollment forecast

Total Vestibule Lab and Reciprocal      \$2,898,000

Credit Hours Per SFTE      30  
 Rate per Credit Hour      \$92

Colorado Community College System Fiscal Year 2010-11 Operating Expenses by SRECNA Category

	Urban		Urban		Urban		Rural		Urban		Rural		Urban		Rural		Urban		Rural		SO	Total
	ACC	CCA	CCD	CNC	FRGC	LCC	MCC	NCC	OJC	PRGC	PGC	RRGC	TSJC									
Operating Expenses																						
Instruction	\$15,143,897	\$13,904,892	\$17,737,995	\$4,385,498	\$37,620,232	\$2,271,281	\$4,282,065	\$5,972,996	\$13,301,475	\$27,299,054	\$18,048,953.60	\$19,195,420	\$6,239,858	\$30,575,950								\$216,714,455
Public Service	\$7,441	\$1,311,561	\$844,160	\$2,301	\$591,000	\$0	\$35,046	\$20,491	\$32,744	\$0	\$216,417.96	\$1,947,659	\$70,843	\$0								\$4,179,695
Academic Support	\$4,623,348	\$1,866,799	\$5,459,543	\$657,588	\$3,035,040	\$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	\$3,386,974	\$10,077,692	\$1,361,009	\$9,006,036	\$1,744,461	\$904,723	\$1,653,613	\$1,694,852	\$5,930,751	\$4,131,776.50	\$4,080,692	\$3,413,068	\$3,299,485								\$51,192,466
Institutional Support	\$4,177,412	\$3,542,827	\$5,176,899	\$1,524,211	\$9,105,037	\$1,022,103	\$1,517,456	\$1,570,792	\$1,344,706	\$6,487,600	\$6,037,377.19	\$3,674,750	\$1,477,254	\$25,804,643								\$71,443,337
Operation & Maintenance of Plant	\$4,125,503	\$4,346,293	\$3,553,695	\$1,461,198	\$7,943,686	\$889,194	\$770,459	\$571,844	\$1,514,677	\$7,226,023	\$3,813,016.50	\$3,629,991	\$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	\$701,700	\$275,020	\$1,546,672	\$5,339,383	\$2,084,872.21	\$3,031,452	\$2,995,484								\$25,457,018
Auxiliary Enterprise Expense	\$1,225,981	\$196,560	\$73,388	\$1,831,608	\$9,881,653	\$1,198,398	\$527,241	\$701,700	\$4,499,632	\$2,356,636	\$10,306,496	\$4,707,537.41	\$3,406,869	\$2,995,484								\$43,514,915
Depreciation	\$2,085,550	\$489,127	\$326,639	\$1,008,047	\$4,180,341	\$340,891	\$675,679	\$981,104	\$581,638	\$1,644,168	\$2,384,766.37	\$1,340,578	\$977,720	\$1,262,643								\$21,420,555
Total Operating Expenses	36,777,871	30,084,239	47,590,403	13,326,282	86,617,438	8,673,420	10,311,132	16,055,691	21,659,636	88,691,410	43,968,560	42,644,777	18,232,240	69,566,118								514,198,225
SO Expense Allocation	6,684,923	5,340,627	8,997,207	869,075	15,396,901	768,843	1,379,672	1,712,208	1,416,227	12,088,001	5,855,940	7,436,077	1,700,416	69,566,118								
TOTAL FY 11 SFTL	5,948	4,683	8,273	903	14,051	763	1,210	1,531	1,339	10,882	5,083	6,660	1,614	62,841								
Rural Expenditures per SFTL				\$15,720		\$12,376		\$9,882		\$17,233				\$12,350								
Resident FY 11 SFTL	5,669	4,529	7,579	737	13,057	652	1,170	1,452	1,201	10,234	4,968	6,306	1,442	58,994								

Cost of rural education  
 Number of credit hours of rural education served  
 Cost of rural education for Resident SFTL only  
 COP Stipend provided by State  
 Difference  
 Amount of FFS Contract \$ used for Rural Services  
 Uncollectible Rural Costs  
 Source for Expenditure Data: SRECNA reports for each college

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

CNCC \$14,185,387  
 LCC \$9,442,262  
 MCC \$11,690,894  
 NCC \$17,767,999  
 OJC \$23,074,862  
 TSJC \$19,932,656  
 Total Rural \$96,103,951

27,080  
 11,585,809  
 \$1,370,820  
 \$10,214,989

22,980  
 8,068,617  
 \$1,212,720  
 \$6,855,897

36,300  
 11,304,331  
 \$2,176,200  
 \$9,128,131

45,930  
 18,851,071  
 \$2,700,720  
 \$14,150,351

40,170  
 20,698,721  
 \$2,233,890  
 \$18,464,831

48,420  
 17,808,482  
 \$2,692,120  
 \$15,116,362

86,315,031  
 \$12,376,440  
 \$73,938,591  
 \$19,481,713

\$370,40  
 \$2,623,42

\$54,446,676