FEE-FOR-SERVICE CONTRACT AMENDMENT

Amendment #	Original Contract CMS (CLIN) #	Amendment CMS #
14	06-00006	60351

1) PARTIES

This Amendment to the above-referenced Original Contract ("Contract") is entered into by and between the Governing Board for Colorado Mesa 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 #06-00006), the first Amendment (CLIN#06-00013), the Second Amendment(CLIN #07-00004), the Third Amendment(CLIN #08-00004), the Fourth Amendment(CLIN #09-00004), the Fifth Amendment(CLIN #09-00015), the Sixth Amendment(CMS #2176), the Seventh Amendment(CMS #17793), the Eighth Amendment(CMS #22743), the Ninth Amendment (CMS #33704), the Tenth Amendment (CMS #33973), the Eleventh Amendment (CMS #45132), the Twelfth Amendment (CMS #47837), and the Thirteenth Amendment (CMS #60350) 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.

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 2013-14.

d. Prior to the Eleventh Amendment and FY2011-12, Colorado Mesa University was known as Mesa State College. The change was made by the General Assembly in SB11-265 with an effective date of August 10, 2011.

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 close out**

The Department has adjusted the FY 2012-13 amount by an additional three hundred fifty-eight thousand, six hundred seventy dollars ($358,670) for a total contract amount of seventy million, eight hundred twenty-three thousand, one hundred three dollars ($70,823,103) through the end of FY2012-13. This adjusted the earlier agreement by 1,440 credit hours of courses that assist student in specialized education courses and professional degrees at a FY 2012-13 rate of $249 per credit hour.

b. **FY 2013-14 allocation**

The Department will transfer six million, five hundred ninety-nine thousand, two hundred fifty-one dollars ($6,599,251) for a total contract amount of seventy-seven million, four hundred twenty-two thousand, three hundred fifty-four dollars ($77,422,354) through the end of FY 2013-14 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**. Upon the commencement of the Fourteenth 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.

1) **START DATE**

This Amendment shall take effect on the later of its Effective Date or July 1, 2013.

2) **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.

3) **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 Colorado Mesa University	STATE OF COLORADO John Hickenlooper. GOVERNOR Department of Higher Education
By: _____ By: Timothy Foster Title: President _____ By: Daniel R. Robinson Title: Chair, Board of Trustees	By: _____ By: Lt. 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: _____

Date: 9/11/13

EXHIBIT A-14
STATEMENT OF WORK
Colorado Mesa University

The General Assembly has found that some services which are offered by institutions of higher education reinforce or 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 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 postsecondary 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 System shall provide educational services to the Department consistent with its statutory role and mission. These 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-14**.

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 Customized Job Training

The Department shall purchase career development, and retraining services that include customized job training programs designed to improve the educational competency of employees. 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 private, state and local businesses. Failure to deliver such programs could result in increased unemployment rates and the outward migration of business that will leave the state to find the skilled work force it needs to sustain its business. Examples of such courses and programs shall include but not be limited to: Administrative Office Technology, CAD, Construction Technology, Culinary Arts, Electric Linemen work, BLM certification, Technology Integration, Transportation Services, Marketing, Management training, Travel/Hospitality programs, Welding, and Manufacturing Technology.

Specialized Educational Services and Professional Degrees

Although higher education is a business, its core mission is education and program prioritization cannot be made solely on costs. To secure the well being of the state, and to enhance and maintain its diversified economy the Department shall purchase services that will ensure that specialized educational programs and professional degrees are provided. These Specialized Educational services and professional degrees include Business, Physical Sciences, Teacher Licensure, Computer Science, Computer Information Systems, Accounting, Nursing, Health Care, Emergency Medical Technicians, Transportation, Peace Officers Standards Training program, Criminal Justice, and Radiology Technology.

Because these programs are very costly to deliver due to low faculty to student ratios, specialized instrumentation requirements and integration of high end technologies, the Department shall purchase these services on a credit hour basis as identified in the CCHE Cost Model. The purchase of these services shall be net of the College Opportunity Fund Stipend reimbursement made to the College on behalf of students enrolled there.

During the period of this agreement, the Department will purchase from **CMU** the following units of services for a total six million, five hundred ninety-nine thousand, two hundred fifty-one dollars ($6,599,251).

a. The Department shall purchase 1,048 credit hours for Graduate I (Master level) services. The rate at which such credit hours shall be purchased will be four hundred eighty-six dollars ($486) per credit hour for a total of five hundred nine thousand, three hundred twenty-eight dollars ($509,328).

b. The Department shall purchase 11,832 credit hours for courses that assist students in career development and retraining. The rate at which such credit hours will be purchased is two hundred thirty-nine dollars ($239) (as calculated in Exhibit C-14) per credit hour for a total of two million, eight hundred twenty-seven thousand, and eight hundred forty-eight dollars ($2,827,848).

c. The Department shall purchase 13,649 credit hours of specialized educational courses and professional degrees. The rate at which such credit hours will be purchased is two hundred thirty-nine dollars ($239) (as calculated in Exhibit C-14) for a total of three million, two hundred sixty-two thousand, and seventy five dollars ($3,262,075).

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

The Colorado Commission on Higher Education
Undergraduate/Graduate Cost Study

Colorado Mesa University
FY 2014 - FFS Cost Exhibit

Student and Faculty FTE

	FTE Student		FTE Faculty		Student to Faculty Ratio
Undergraduate	7,588.50	100%	384.34	99%	19.74
Graduate I	36.56	0%	3.88	1%	9.42
Graduate II	-	0%	-	0%	0.00
Total	**7,625.06**	**100%**	**388.22**	**100%**	**19.64**

FTE Source: Census Report
Facutly FTE Source: Computed from Format 30, Line 20

E&G Expenditures

	E&G Expenditures
Instruction	$ 30,994,801
Research	
Public Service	$ -
Academic Support	$ 7,376,342
Student Services	$ 8,759,790
Institutional Support	$ 5,512,244
O&M of Plant	$ 7,542,915
Scholarships and Fellowships	$ 5,398,237
Hospitals	$ -
Transfers	$ 3,997,438
Total	**$ 69,581,767**

Source: Format 20

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	$	4,093
Graduate I	$	4,093
Graduate II	$	4,093

Variable Costs

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

Undergraduate	$	5,006
Graduate I	$	10,495
Graduate II		$0

Total Costs

Methodology: Fixed Costs + Variable Costs			**Per Credit Hour**	**Less COF Stipend**
Undergraduate	$	9,099	303	239
Graduate I	$	14,589	486	
Graduate II	$	4,093	136	