

## FEE-FOR-SERVICE CONTRACT AMENDMENT

<b>Amendment #</b> 12	<b>Original Contract CMS (CLIN) #</b> 06-00007	<b>Amendment CMS #</b> 62231
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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 Colorado School of Mines ("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 #06-00007), the first Amendment (CLIN# 06-00018), the Second Amendment (CLIN #07-00010), the Third Amendment (CLIN #08-00006), the Fourth Amendment (CLIN #09-00003), the Fifth Amendment (CLIN #09-00019), the Sixth Amendment (CMS #3594), the Seventh Amendment (CMS #18195), the Eighth Amendment (CMS #22742), the Ninth Amendment (CMS #45134), the Tenth Amendment (CMS #49701), and the Eleventh Amendment (CMS # 62230) 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.

**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 closeout**

The JBC has adjusted the FY 2012-13 amount by one hundred fifty-seven thousand, seven hundred thirteen dollars less (\$157,713) for a total contract amount of ninety-eight million, three hundred thirty thousand, eight hundred forty-four dollars

(\$98,330,844) through the end of FY 2012-13. This adjusted the earlier agreement by 12,558 credit hours of courses that assist students in career development, retraining, and specialized high cost education services at a FY 2012-13 rate of \$644 per credit hour.

**b. FY 2013-14 allocation**

The Department will transfer an additional eleven million, six hundred fifty-eight thousand, three hundred forty-seven dollars (\$11,658,347), for a total contract amount of one hundred nine million, nine hundred eighty-nine thousand, one hundred ninety-one dollars (\$109,989,191) through the end of FY 2013-14 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 Addendum, 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, 2013.

**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**

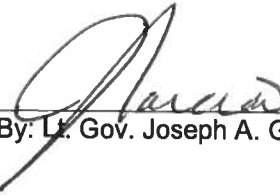
\* Persons signing for Contractor hereby swear and affirm that they are authorized to act on Contractor's behalf and acknowledge that the State is relying on their representations to that effect.

**CONTRACTOR**  
Colorado School of Mines

By:   
By: M.W. Scoggins  
Title: President

By:   
By: James Spaanstra  
Title: Chair, Board of Trustees


**STATE OF COLORADO**  
John Hickenlooper. GOVERNOR  
Department of Higher Education

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: 11/4/13



**EXHIBIT A-12**  
**STATEMENT OF WORK**  
**Colorado School of Mines**

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/Institution 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. Graduate services shall be purchased by the Department on a credit hour cost basis as identified in the cost model completed by the Department/Institution as set forth in **Exhibit C-12**.

**Specialized Educational Services and Professional Degrees**

The Department shall purchase specialized educational services for the area of engineering services and related undergraduate programs in the math and sciences. Such programs have a higher cost than many undergraduate programs because of smaller class sizes, more intensive instruction requirements, and additional costs associated with education labs where supplies are expensive and constantly required.

**Purchase of Graduate and Specialized Educational Services – July 1, 2013 through June 30, 2014:**

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

a. The Department shall purchase 2,761 credit hours for Graduate services. The rate at which such credit hours shall be purchased will be one thousand, four dollars (\$1,004) per credit hour in accordance with costs identified in **Exhibit C-12** for a total of two million, seven hundred seventy-two, forty-four dollars (\$2,772,044).

b. The Department shall purchase 13,484 credit hours of specialized educational services for high cost engineering, math, and sciences programs at the graduate and undergraduate levels. The rate at which such credit hours shall be purchased will be six hundred fifty-nine dollars (\$659) per credit hour in accordance with costs identified in **Exhibit C-12** for a total of eight million, eight hundred eighty-six thousand, three hundred three dollars (\$8,886,303). The COF stipend amount of \$64 per credit hour is not included in this amount reimbursed through the FFS 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 notices and established by the Department, the number of student FTE served and credit hours provided. 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.

<b>Fiscal Year 2013 FFS - True Up</b>		
<b>Actual FY2011 NACUBO Cost of Education = \$21,199</b>		
<b>NACUBO COST / 30 Credit Hours = \$706</b>	<b>UG (less \$62 stipend)</b>	<b>full cost</b>
Total Less Stipend	\$644	\$981
Credit Hours Used For Budgeting	79,200	16,496
Total State Support required for NACUBO cost	\$51,004,800	\$16,189,522
Total State Support Available	\$8,087,380	\$2,850,479
Post Secondary Enrollment Options	\$0	
<b>TOTAL STATE SUPPORT</b>	<b>\$10,937,859</b>	
<b>Credit Hours Purchased</b>		
Graduate Services		\$2,850,786
Funded Rate		\$981.00
Credit hours purchased		2,906
Specialized Engineering	\$8,087,352	
Funded rate	\$644.00	
Credit hours purchased	12,558	
Post Secondary Enrollment Options	\$0	
Funded rate (funded through COF stipends)	\$62	
Credit hours purchased	-	

<b>Fiscal Year 2014 FFS</b>		
<b>Actual FY2012 NACUBO Cost of Education = \$21,686</b>		
<b>NACUBO COST / 30 Credit Hours = \$723</b>	<b>UG (less \$64 stipend)</b>	<b>full cost</b>
Total Less Stipend	\$659	\$1,004
Credit Hours Used For Budgeting	80,550	16,496
Total State Support required for NACUBO cost	\$53,082,450	\$16,561,440
Total State Support Available	\$8,885,971	\$2,772,376
Post Secondary Enrollment Options	\$0	
<b>TOTAL STATE SUPPORT</b>	<b>\$11,658,347</b>	
<b>Credit Hours Purchased</b>		
Graduate Services		\$2,772,044
Funded Rate		\$1,004.00
Credit hours purchased		2,761
Specialized Engineering*	\$8,885,956	
Funded rate	\$659.00	
Credit hours purchased	13,484	
Post Secondary Enrollment Options	\$0	
Funded rate (funded through COF stipends)	\$64	
Credit hours purchased	-	
Add \$347.00 to tie to Appropriation for a net of \$8,886,303		