FEE-FOR-SERVICE CONTRACT AMENDMENT

Amendment #	Original Contract CMS (CLIN) #	Amendment CMS #
12	06-00010	50187

1) PARTIES

This Amendment to the above-referenced Original Contract ("Contract") is entered into by and between the Governing Board for the Colorado State 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 dated July 1, 2005 (CLIN #06-00010), the First Amendment (CLIN #06-00021), the Second Amendment (CLIN #07-00006), the Third Amendment (CLIN #08-00008), the Fourth Amendment (CLIN #09-00007), the Fifth Amendment (CMS #3831), the Sixth Amendment (CMS #6050), the Seventh Amendment (CMS #24866), the Eighth Amendment (CMS #24869), the Ninth Amendment (CMS #33701), the Tenth Amendment (CMS #33966), and the Eleventh Amendment (CMS #45136) 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 2012-13 allocation**

The Department will transfer an additional sixty-four million, one hundred ninety-eight thousand, four hundred ninety-two dollars ($64,198,492) for a total contract amount of five hundred fifty six million, eight hundred thirty six thousand, seven hundred fifty two

dollars ($556,836,752) through the end of FY 2012-13 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 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.

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.**

CONTRACTOR Colorado State University	STATE OF COLORADO John Hickenlooper. GOVERNOR Department of Higher Education
By: _____ By: Michael Martin Title: Chancellor	By: _____ By: Lt. Gov. Joseph A. Garcia, Executive Director
By: _____ By: Joseph Zimlich Title: Chair, Board of Governors	

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: 10/24/12

Exhibit A-12
Statement of Work
Colorado State University System

1. Graduate and Other Educational Services

The General Assembly has found that some services which are offered by institutions of higher education support undergraduate and graduate 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 the selected educational services for the benefit of students. In accordance with 23-1-109.7, Colorado Revised Statutes (C.RS.) 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 are 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;

(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 Services

In order to purchase graduate services the Department, in conjunction with the System, has developed a cost model that identifies expenses incurred by the System in educating undergraduate and 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 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 graduate and other specialized educational services to the Department which are consistent with its statutory role and mission. The Department on a credit hour cost basis shall purchase these services. The Institution shall ensure that any

graduate, high cost undergraduate, or other specialized educational service purchased by the Department on a per credit hour basis will benefit all students for which the service is being purchased.

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:

Specialized and High Cost Educational Services

The Department recognizes that certain courses and degrees have a higher cost to the System to provide to students than others offered by the System. The Department finds that many of these "high cost" programs and degrees benefit the state through increased knowledge and support for the businesses located here. Some of these courses and degrees are offered at the undergraduate level and provide needed services. These courses and degrees include: Agriculture and Landscape Architecture, Biological Sciences, , Computer and Information Systems, Education, Engineering and related technologies, Mathematics, Natural Resources, Nursing, Physical and Biological Sciences, Psychology, Teacher Education, Visual and Performing Arts, Business Courses, Health Professions and Related Sciences (Food Science and Human Nutrition; Exercise and Sports Science; Human Development; Social Work; Environmental Health; Music Therapy; and Dance Therapy).

Further, 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.

Professional Degrees

The Department recognizes that the System runs an excellent veterinary teaching hospital for animal care. The benefits of this hospital and teaching facility to the state are numerous including state of the art animal health care, innovative research, and economic development opportunities from the transfer of technology. In order to continue the benefits of this program for the state, the Department shall purchase, on a per credit hour basis, professional services from the hospital.

Reciprocal Agreements

In accordance with 23-1-112, Colorado Revised Statutes, the Department "shall identify those circumstances where the waiving of the non-resident 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 offerings at institutions outside of Colorado.

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.

Cooperative Extension Services, Agricultural Experiment Services, and Forestry

The Department shall purchase services in forestry, cooperative extension services, and agricultural research. Specifically, the Department shall purchase services in the Cooperative Extension program that provides staff throughout the state to interact with local communities and provide information on topics developed by higher education professionals. Such topics include, but are not limited to, agriculture, and family/consumer issues, horticulture, natural resources, and nutrition resources. Further, the Department shall purchase services in experimental agriculture research that shall include, but not be limited to disciplinary and interdisciplinary research in the following areas:

- environmental quality - the interaction of agricultural and natural resource systems;
- improvement of plant and animal resources;
- integrated agricultural systems;
- alternative uses for agricultural commodities;
- food quality and safety; and
- enhancing agricultural and rural economies.

Such services shall be purchased for the benefit of citizens to ensure access to a large and diverse informational base of knowledge that supports the improvement of business and citizen's daily lives in the state.

The Department shall also purchase services for forestry related issues that provide for natural resource protection in mountains, plains, and urban settings from damaging effects of fire, insects, disease, wind, water, and people. The purchase of such services is for the improvement of Colorado's renewable natural resource base while being sensitive to future needs. In addition, the purchase of these services enhances public understanding of forestry's role and value in a healthy environment. The purpose of purchasing such services shall be to protect the natural environment of the state for the enjoyment and educational benefit of citizens. The System shall provide an annual report produced by each of the agencies which clearly demonstrates that the services purchased herein were provided as required by this contract. The Department may audit such services periodically to ensure service was provided to the specified minimum number of citizens.

Colorado State University - Ft. Collins

The Department will purchase from System the following units of graduate and other services for a total of fifty eight million, six hundred eighty three thousand, twelve dollars ($58,683,012).

a. The Department shall purchase 4,349.25 credit hours for Graduate I (master level) services. The rate at which such credit hours shall be purchased will be one thousand seventy dollars ($1,070) per credit hour, in accordance with the costs

identified in Exhibit C-12, for a total of four million, six hundred fifty three thousand, six hundred ninety eight dollars ($4,653,698).

b. The Department shall purchase 1,481.38 credit hours for Graduate II (Doctorate level) services. The rate at which such credit hours shall be purchased will be one thousand three hundred six dollars ($1,306) per credit hour in accordance with costs identified in Exhibit C-12 for a total of one million, nine hundred thirty four thousand, six hundred eight two dollars ($1,934,682).

c. The Department shall purchase 23,066.36 credit hours of specialized educational services and high cost undergraduate programs. The rate at which such credit hours shall be purchased will be three hundred ninety one ($470) per credit hour in accordance with costs identified in Exhibit C-12 for a total of ten million, eight hundred forty one thousand, one hundred eighty nine dollars ($10,841,189).

d. The Department shall purchase 6,587.45 credit hours of Veterinary Medicine professional service programs. The rate at which such credit hours shall be purchased will be two thousand, two hundred ninety nine dollars ($2,299) per credit hour for a total of fifteen million, one hundred forty four thousand, five hundred forty eight dollars ($15,144,548).

e. The Department shall purchase specialized services for 6,829.57 citizen assists and treatment of 20,000,000 acres of timber. Such services shall be purchased at an average cost of six hundred fifteen dollars ($615) per citizen assist and these services to be provided by the State Forest Service agency within the Colorado State University system for a total of four million, two hundred thousand, one hundred eighty six dollars ($4,200,186).

f. The Department shall purchase specialized services for 814,408.2 citizen contacts provided by the Cooperative Extension program within the Colorado State University System at an average cost of thirteen dollars ($13) per contact for a total of ten million, five hundred eight seven thousand, three hundred seven dollars ($10,587,307).

g. The Department shall purchase specialized services that enable 276,131.80 acres of Colorado farmland to be planted in CSU developed crop varieties provided by the Agriculture Experiment Station within the Colorado State University system for a total of eleven million, three hundred twenty one thousand, four hundred four dollars ($11,321,404). The department shall purchase these services by acre at an average cost of forty one dollars ($41) an acre.

Colorado State University - Pueblo

The Department will purchase from System the following units of graduate and other services for a total of five million, five hundred fifteen thousand, four hundred eighty dollars ($5,515,480):

a. The Department shall purchase 1,945.65 credit hours for Graduate I (master level) services. The rate at which such credit hours shall be purchased will be six hundred twenty nine dollars ($629) per credit hour, in accordance with the costs identified in Exhibit C-12, for a total of one million, two hundred twenty three thousand, eight hundred fourteen dollars ($1,223,814).

b. The Department shall purchase 5,927.28 credit hours of specialized educational services and high cost undergraduate programs. The rate at which such credit hours shall be purchased will be three hundred fifty nine dollars ($359) per credit hour in accordance with costs identified in Exhibit C-12 for a total of two million, one hundred twenty seven thousand, eight hundred ninety four dollars ($2,127,894).

c. The Department shall purchase 6,027.22 credit hours for courses that assist students in career development, retraining, and specialized high cost education. The rate at which such credit hours shall be purchased will be three hundred fifty nine dollars ($359) per credit hour for a total of two million, one hundred sixty three thousand, seven hundred seventy two dollars ($2,163,772)

In order to ensure that such services are provided in a reasonable and fiscally responsible manner, the System shall report annually, through the Student Data 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 verifying 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.