FEE-FOR-SERVICE CONTRACT ADDENDUM

Addendum #	Original Contract CMS (CLIN) #	Addendum CMS #
13	05-00004	60357

1) PARTIES

This Addendum to the above-referenced Original Contract ("Contract") is entered into by and between the Governing Board for the University of Colorado System ("Institution"), and the STATE OF COLORADO ("State") acting by and through the Department of Higher Education ("Department").

2) EFFECTIVE DATE

This Addendum 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 #05-00004), the first Amendment (CLIN# 06-00015), the First Addendum (CLIN #07-00003) the Second Addendum (CLIN #08-00007), the Third Addendum (CLIN #09-00010), the Fourth Addendum (CLIN #09-00023), the Fifth Addendum (CMS #3363), the Sixth Addendum (CMS #3940), the Seventh Addendum (CMS #19722), the Eighth Addendum (CMS #20924), the Ninth Addendum (CMS #33708), the Tenth Addendum (CMS #33990), the Eleventh Addendum (CMS #45141), and the Twelfth Addendum (CMS #49698) 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 Addendum. 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 Addendum is incorporated by reference into the Contract, and the Contract and all prior amendments or addenda thereto, if any, remain in full force and effect except as specifically modified herein.

6) MODIFICATIONS

a. FY 2012-13 adjustment

The Department will transfer an additional two million, six hundred thirteen thousand, thirty-seven dollars ($2,613,037) for a total contract amount of seven hundred ninety-seven million, six hundred sixty-six thousand, twenty-nine dollars ($797,666,029) 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**. Upon the commencement of the Thirteenth 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.

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 Addendum 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 Addendum and any of the provisions of the Contract, the provisions of this Addendum 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 University of Colorado	STATE OF COLORADO John Hickenlooper. GOVERNOR Department of Higher Education
By: _____ By: Bruce Benson Title: President By: _____ By: Michael Carrigan Title: Chair, Board of Regents	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: 9/12/13

EXHIBIT A-13

STATEMENT OF WORK
THE REGENTS OF THE UNIVERSITY OF COLORADO

The General Assembly has found that some services that 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 for the Department to purchase these selected postsecondary educational services for the benefit of students. In accordance with 23-1-109.7 Colorado Revised Statutes (CRS) 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) Educational services required of the commission to meet its obligations under reciprocal agreements pursuant to section 23-1-112;

c) Graduate school services;

d) Educational services that may increase economic development opportunities in the state, including courses to assist students in career development and retraining; and

e) Specialized educational services and professional degrees, including but not limited to the areas of dentistry, medicine, veterinary medicine, nursing, law, forestry, and engineering.

I. Graduate and Other Educational Services

In order to purchase graduate educational services the Department and the Institution have developed a cost model that identifies expenses incurred by the 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. The Department on a credit hour cost basis shall purchase such services. The Institution shall ensure that all similarly situated students shall benefit from Graduate or Other Educational Services purchased by the Department on a per credit hour basis.

Other postsecondary 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:

a. The Department shall purchase 69,086 credit hours for Graduate I (Master level) services. The rate at which such credit hours shall be purchased will be $392 per credit hour in accordance with costs identified in Exhibit C-13 for a total of $27,066,707

b. The Department shall purchase 11,137 credit hours for Graduate II (Doctorate level) services. The rate at which such credit hours shall be purchased will be $1,457 per credit hour in accordance with costs identified in Exhibit C-13 for a total of $16,223,640

II. Specialized educational services and professional degrees

The Department shall purchase specialized educational services to support high cost health sciences programs that provide educational services for the training of students in the fields of medicine, dentistry, nursing, pharmacy, and other health sciences programs and professional degrees. Such services are vital to providing training for health sciences professionals in numerous fields in which the citizens of this state benefit.

The Department shall purchase 17,535 graduate credit hours of Health Sciences professional service programs. The rate at which such credit hours shall be purchased will be $2,843 per credit hour for a total of $49,688,134.

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, and the Final Student Enrollment Report, or by other means established by the Department, on the number of student FTE served and credit hours provided by each category listed in this exhibit. If such report 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 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.