

## FEE-FOR-SERVICE CONTRACT AMENDMENT

|                          |   |                                 |
|--------------------------|---|---------------------------------|
| <b>Amendment #</b><br>14 | <b>Original Contract CMS (CLIN) #</b><br>06-00004 | <b>Amendment CMS #</b><br>60354 |
|--------------------------|---|---------------------------------|

**1) PARTIES**

This Amendment to the above-referenced Original Contract ("Contract") is entered into by and between the Governing Board for the Western State Colorado 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 #06-00004), the first Amendment (CLIN# 06-00015), the Second Amendment (CLIN #07-00003), the Third Amendment (CLIN #08-00007), the Fourth Amendment (CLIN #09-00010), the Fifth Amendment (CLIN #09-00023), the Sixth Amendment (CMS #3363), the Seventh Amendment (CMS #20320), the Eighth Amendment (CMS #24703), the Ninth Amendment (CMS #33710), the Tenth Amendment (CMS #33994), the Eleventh Amendment (CMS #45144), Twelfth Amendment (CMS #49703), and the Thirteenth Amendment (CMS #60353) 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 FY 2012-13, Western State Colorado University was known as Western State College of Colorado. The change was made by the General Assembly in HB12-1331 with an effective date of August 1, 2012.

**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 increased the FY 2012-13 amount by forty-one thousand, thirteen dollars (\$41,013) for a total contract amount of fifty-three million, nine hundred eighty thousand, nine hundred thirty-six dollars (\$53,980,936) through the end of FY2012-13. This adjusted the earlier agreement by 88 credit hours of courses that assist students in career development, retraining, and specialized high cost education at FY 2012-13 rates.

**b. FY 2013-14 allocation**

The Department will transfer an additional seven million, one hundred forty-four thousand, four hundred twenty-nine dollars (\$7,144,429) for a total contract amount of sixty-one million, one hundred twenty-five thousand, three hundred sixty-five dollars (\$61,125,365) 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 Thirteenth 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.

**7) START DATE**

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

**8) ORDER OF PRECEDENCE**

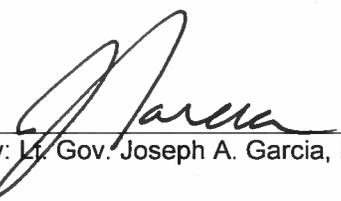
In the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Amendment and any of the provisions of the Contract, the provisions of this Amendment shall in all respects supersede, govern, and control.

**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.

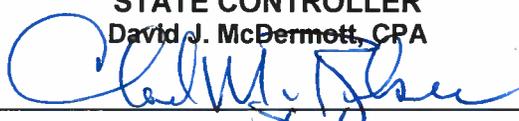
**THE PARTIES HERETO HAVE EXECUTED THIS AMENDMENT**

**\* 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.**

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| <b>CONTRACTOR</b><br>Western State Colorado University  | <b>STATE OF COLORADO</b><br>John Hickenlooper. GOVERNOR<br>Department of Higher Education  |
| By: <u></u><br>By: Brad Baca<br>Title: Interim President       | By: <u></u><br>By: Lt. Gov. Joseph A. Garcia, Executive Director |
| <u></u><br>By: Todd Wheeler<br>Title: Chair, Board of Trustees |  |

**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.**

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|---|
| <b>STATE CONTROLLER</b><br>David J. McDermott, CPA  |
| By: <u></u> |
| Date: <u>9/11/13</u>  |

**EXHIBIT A-14**  
**STATEMENT OF WORK**  
**Western State Colorado University**

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;
- (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.

**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.

**Career Development, Retraining, and Specialized Education**

The Department shall purchase career development, retraining and specialized education programs that provide focused educational training for students improving or changing careers. Additionally, the department shall purchase specialized education programs in which job retraining and career development opportunities provided by the institution require smaller class sizes with increased costs. 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 state and local businesses. Such 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**.

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

a. The Department shall purchase 0 credit hours of other educational services for Reciprocal program at the rate of sixty-four dollars (\$64) per credit hour for a total of zero dollars (\$ 0).

b. The Department shall purchase 14,573 credit hours for courses that assist students in career development, retraining, and specialized high cost education. The rate at which such credit hours are purchased varies and is detailed in **Exhibit C-14**. The total amount of high cost program support purchased is seven million, one hundred forty four thousand, four hundred twenty nine dollars (\$7,144,429).

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



Exhibit C-14: FY2011-12 Year End Actual Detail (1)

| Fiscal Year | CIP Code                                     | CIP Description | Dept Code | Total Student FTE | Total Faculty FTE | Total Faculty Compensation Cost | Total Faculty Instructional Costs | Total Other Instructional Costs | Total Instructional Costs | Total Instructional Cost Per Student FTE | Total Instructional Cost Per Credit | Percentage of Avg. Instructional Cost | Total All Other E&G Costs | Total All Other E&G Costs per Student FTE | Total All Other E&G Costs per Credit | Grand Total Cost per Student FTE | Grand Total Cost per Credit | Percentage of Average Cost |
|-------------|--|-----------------|-----------|-------------------|-------------------|---------------------------------|-----------------------------------|---------------------------------|---------------------------|--|-------------------------------------|---------------------------------------|---------------------------|---|--------------------------------------|----------------------------------|-----------------------------|----------------------------|
| 2012 03     | CONSERVATION & RENEWABLE NATL RESOURCES      | ENVS            | 5728      | 392               | 169,285           | 23,370                          | 192,655                           | 3,363                           | 112                       | 69.2%                                    | 497,223                             | 8,681                                 | 289                       | 12,044                                    | 401                                  | 88.9%                            |                             |                            |
| 2012 09     | COMMUNICATIONS                               | CALL            | 7273      | 494               | 376,902           | 35,347                          | 412,249                           | 5,668                           | 189                       | 116.6%                                   | 631,338                             | 8,681                                 | 289                       | 14,349                                    | 478                                  | 105.9%                           |                             |                            |
| 2012 11     | COMPUTER & INFORMATION SCIENCES              | MCIS            | 2406      | 125               | 99,533            | 9,720                           | 109,253                           | 4,541                           | 151                       | 93.4%                                    | 208,855                             | 8,681                                 | 289                       | 13,221                                    | 441                                  | 97.6%                            |                             |                            |
| 2012 13     | EDUCATION                                    | EDUC            | 2422      | 508               | 178,592           | 44,613                          | 223,205                           | 9,216                           | 307                       | 189.5%                                   | 210,244                             | 8,681                                 | 289                       | 17,896                                    | 597                                  | 132.1%                           |                             |                            |
| 2012 16     | FOREIGN LANGUAGES & LITERATURES              | CALL            | 2298      | 279               | 212,866           | 11,168                          | 224,034                           | 9,749                           | 325                       | 200.5%                                   | 199,480                             | 8,681                                 | 289                       | 18,430                                    | 614                                  | 136.1%                           |                             |                            |
| 2012 23     | ENGLISH LANGUAGE & LITERATURE/LETTERS        | CALL            | 11054     | 725               | 553,146           | 53,722                          | 606,868                           | 5,490                           | 183                       | 112.9%                                   | 959,551                             | 8,681                                 | 289                       | 14,171                                    | 472                                  | 104.6%                           |                             |                            |
| 2012 24     | LIBERAL ARTS & SCI, GEN STUDIES & HUMANITIES | HONOR           | 2372      | 170               | -                 | 13,568                          | 13,568                            | 572                             | 19                        | 11.8%                                    | 205,903                             | 8,681                                 | 289                       | 9,253                                     | 308                                  | 68.3%                            |                             |                            |
| 2012 26     | BIOLOGICAL SCIENCES/LIFE SCIENCES            | NES             | 10810     | 696               | 505,776           | 88,210                          | 593,986                           | 5,495                           | 183                       | 113.0%                                   | 938,370                             | 8,681                                 | 289                       | 14,175                                    | 473                                  | 104.7%                           |                             |                            |
| 2012 27     | MATHEMATICS                                  | MCIS            | 11141     | 681               | 542,253           | 45,010                          | 587,263                           | 5,271                           | 176                       | 108.4%                                   | 987,103                             | 8,681                                 | 289                       | 13,952                                    | 465                                  | 103.0%                           |                             |                            |
| 2012 30     | BIOL & PHY SCI                               | NES             | 1790      | 099               | 71,942            | 14,606                          | 86,548                            | 4,835                           | 161                       | 99.4%                                    | 155,382                             | 8,681                                 | 289                       | 13,516                                    | 451                                  | 99.8%                            |                             |                            |
| 2012 31     | PARKS, RECREATION, LEISURE & FITNESS STUDIES | RESS            | 17719     | 1085              | 684,244           | 198,630                         | 882,874                           | 4,983                           | 166                       | 102.5%                                   | 1,538,111                           | 8,681                                 | 289                       | 13,663                                    | 455                                  | 100.9%                           |                             |                            |
| 2012 38     | PHILOSOPHY & RELIGION                        | CALL            | 2275      | 096               | 73,244            | 11,057                          | 84,301                            | 3,706                           | 124                       | 76.2%                                    | 197,483                             | 8,681                                 | 289                       | 12,386                                    | 413                                  | 91.5%                            |                             |                            |
| 2012 40     | PHYSICAL SCIENCES                            | NES             | 17715     | 1042              | 757,211           | 144,554                         | 901,765                           | 5,090                           | 170                       | 104.7%                                   | 1,537,764                           | 8,681                                 | 289                       | 13,771                                    | 459                                  | 101.7%                           |                             |                            |
| 2012 42     | PSYCHOLOGY                                   | BASS            | 11553     | 411               | 241,158           | 25,301                          | 266,459                           | 2,306                           | 77                        | 47.4%                                    | 1,002,867                           | 8,681                                 | 289                       | 10,987                                    | 366                                  | 81.1%                            |                             |                            |
| 2012 45     | SOCIAL SCIENCES & HISTORY                    | BASS            | 27792     | 1358              | 796,820           | 60,864                          | 857,684                           | 3,086                           | 103                       | 63.5%                                    | 2,412,505                           | 8,681                                 | 289                       | 11,767                                    | 392                                  | 86.9%                            |                             |                            |
| 2012 50     | VISUAL AND PERFORMING ARTS                   | ART             | 19562     | 1489              | 911,691           | 244,581                         | 1,156,272                         | 5,911                           | 197                       | 121.6%                                   | 1,698,094                           | 8,681                                 | 289                       | 14,591                                    | 486                                  | 107.7%                           |                             |                            |
| 2012 52     | BUSINESS MNGMNT & ADMIN SERVICES             | BUS             | 19887     | 1139              | 1,238,277         | 101,821                         | 1,340,098                         | 6,739                           | 225                       | 138.6%                                   | 1,726,306                           | 8,681                                 | 289                       | 15,419                                    | 514                                  | 113.9%                           |                             |                            |
| 2012 54     | HISTORY                                      | BASS            | 6056      | 330               | 193,627           | 12,970                          | 206,597                           | 3,411                           | 114                       | 70.2%                                    | 525,696                             | 8,681                                 | 289                       | 12,092                                    | 403                                  | 89.3%                            |                             |                            |
|             |  |                 | 1798,53   | 111,19            | 7,606,567         | 1,139,112                       | 8,745,679                         | 4,863                           | 162                       |  | 15,612,273                          | 8,681                                 | 289                       | 13,543                                    | 451                                  |                                  |                             |                            |

Exhibit C-14: FY2011-12 Year End Actual Detail (2)

ALLOCATION OF INSTRUCTIONAL COSTS: FY2011-12 Actual

| ACADEMIC DEPARTMENT                           | DEPARTMENT CODE | FACULTY FTE | TOTAL FACULTY COMPENSATION | AVERAGE COMPENSATION PER FACULTY FTE | STUDENT FTE | OTHER INSTRUCTIONAL COSTS /1 | TOTAL INSTRUCTIONAL COSTS PER STUDENT FTE |
|---|-----------------|-------------|----------------------------|--------------------------------------|-------------|------------------------------|---|
| Art and Music                                 | ART             | 14.9        | \$ 911,691                 | \$ 61,228                            | 195.6       | \$ 244,581                   | \$ 5,911                                  |
| Behavior and Social Sciences                  | BASS            | 21.0        | \$ 1,231,605               | \$ 58,676                            | 454.0       | \$ 99,135                    | \$ 2,931                                  |
| Business, Accounting, & Economics             | BAE             | 11.4        | \$ 1,238,277               | \$ 108,716                           | 198.9       | \$ 101,821                   | \$ 6,739                                  |
| Communication Arts, Languages, and Literature | CALL            | 15.9        | \$ 1,216,158               | \$ 76,296                            | 229.0       | \$ 111,294                   | \$ 5,797                                  |
| Education                                     | EDUC            | 5.1         | \$ 178,592                 | \$ 35,156                            | 24.2        | \$ 44,613                    | \$ 9,216                                  |
| Environmental Studies                         | ENVV            | 3.9         | \$ 169,285                 | \$ 43,185                            | 57.3        | \$ 23,370                    | \$ 3,363                                  |
| Honors Program /2                             | HONOR           | 1.7         | \$ -                       | \$ -                                 | 23.7        | \$ 13,568                    | \$ 572                                    |
| Mathematics and Computer Information Sciences | MCIS            | 8.1         | \$ 641,786                 | \$ 79,626                            | 135.5       | \$ 54,730                    | \$ 5,141                                  |
| Natural and Environmental Sciences            | NES             | 18.4        | \$ 1,334,929               | \$ 72,669                            | 303.2       | \$ 247,370                   | \$ 5,220                                  |
| Recreation and Exercise Sports Sciences       | RESS            | 10.9        | \$ 684,244                 | \$ 63,064                            | 177.2       | \$ 198,630                   | \$ 4,983                                  |
|   |                 | 111.2       | \$ 7,606,567               | \$ 68,411                            | 1,798.5     | \$ 1,139,112                 | \$ 4,863                                  |

/1 Other instructional costs include support assistants, student work-study, capital, travel, and other current expenses (OCE).

/2 The Honors program is an interdisciplinary program with no faculty directly assigned to the department. The faculty FTE reflected represent the allocation of faculty from other programs who taught Honors courses.

ALLOCATION OF OTHER E&G COSTS: FY2011-12 Actual

| MACUBO CATEGORY       | TOTAL COST    | AVERAGE COST PER STUDENT FTE | AVERAGE COST PER CREDIT |
|-----------------------|---------------|------------------------------|-------------------------|
| Public Service        | \$ 43,381     | \$ 24                        | \$ 1                    |
| Academic Support      | \$ 1,803,675  | \$ 1,003                     | \$ 33                   |
| Student Services      | \$ 3,639,283  | \$ 2,023                     | \$ 67                   |
| Institutional Support | \$ 2,938,659  | \$ 1,634                     | \$ 54                   |
| O&M of Plant          | \$ 1,809,604  | \$ 1,006                     | \$ 34                   |
| Scholarships          | \$ 1,333,142  | \$ 741                       | \$ 25                   |
| Depreciation /1       | \$ 3,423,370  | \$ 1,903                     | \$ 63                   |
| Transfers             | \$ 621,159    | \$ 345                       | \$ 12                   |
|                       | \$ 15,612,273 | \$ 8,681                     | \$ 289                  |

/1 Depreciation of GF facilities, equipment and library materials only.

**Exhibit C-14 Detail (3)**  
**ALLOCATION OF TOTAL COSTS: FY2012-13 Estimated Actual**

| NACUBO CATEGORY       | ESTIMATED TOTAL COST | ESTIMATED AVERAGE COST PER STUDENT FTE (1,791.89) | ESTIMATED AVERAGE COST PER CREDIT |
|-----------------------|----------------------|---|-----------------------------------|
| Instruction           | \$ 9,084,889         | \$ 5,070  | \$ 169                            |
| Public Service        | \$ 42,672            | \$ 24   | \$ 1                              |
| Academic Support      | \$ 1,827,205         | \$ 1,020  | \$ 34                             |
| Student Services      | \$ 3,579,068         | \$ 1,997  | \$ 67                             |
| Institutional Support | \$ 3,253,943         | \$ 1,816  | \$ 61                             |
| O&M of Plant          | \$ 1,699,251         | \$ 948  | \$ 32                             |
| Scholarships          | \$ 3,353,493         | \$ 1,871  | \$ 62                             |
| Depreciation /1       | \$ 3,454,411         | \$ 1,928  | \$ 64                             |
| Transfers             | \$ 395,879           | \$ 221  | \$ 7                              |
|                       | \$ 26,690,811        | \$ 14,895   | \$ 497                            |

/1 Depreciation of GF facilities, equipment and library materials only.

**ALLOCATION OF TOTAL COSTS: FY2013-14 Budget**

| NACUBO CATEGORY       | BUDGETED TOTAL COST | ESTIMATED AVERAGE COST PER STUDENT FTE (1,791.89) | BUDGETED AVERAGE COST PER CREDIT |
|-----------------------|---------------------|---|----------------------------------|
| Instruction           | \$ 9,358,350        | \$ 5,223  | \$ 174                           |
| Public Service        | \$ 41,721           | \$ 23   | \$ 1                             |
| Academic Support      | \$ 1,886,173        | \$ 1,053  | \$ 35                            |
| Student Services      | \$ 3,706,834        | \$ 2,069  | \$ 69                            |
| Institutional Support | \$ 3,268,377        | \$ 1,824  | \$ 61                            |
| O&M of Plant          | \$ 2,097,189        | \$ 1,170  | \$ 39                            |
| Scholarships          | \$ 4,091,614        | \$ 2,283  | \$ 76                            |
| Depreciation /1       | \$ 3,454,411        | \$ 1,928  | \$ 64                            |
| Transfers /2          | \$ 125,007          | \$ 70   | \$ 2                             |
|                       | \$ 28,029,676       | \$ 15,643   | \$ 521                           |

/1 Depreciation of GF facilities and equipment budgeted at FY2012-13 actual.

/2 Includes indirect cost recovery from federal financial aid.