

**STATE OF COLORADO
DEPARTMENT OF HIGHER EDUCATION
PERFORMANCE CONTRACT**

This Performance Contract, effective the date of approval by the Colorado Commission on Higher Education (hereinafter referred to as the "Commission"), is by and between the Department of Higher Education (hereinafter referred to as the "Department") and the Board of Governors of the Colorado State University System (hereinafter referred to as the "Governing Board").

RECITALS

WHEREAS, in its passage of SB 04-189, known as the College Opportunity Fund, the General Assembly has found that it is imperative that an increased number of Coloradans pursue education beyond high school.

WHEREAS, the General Assembly has determined that a postsecondary educational experience for Coloradans is essential for the State to compete in the new global economy and to develop a new generation of leaders and active participants in state and local civic affairs.

WHEREAS, the General Assembly has found that it is critical that the rate of postsecondary participation by low-income Coloradans, males, and minorities, who are currently under-represented, be increased at every State institution of higher education.

WHEREAS, the General Assembly has determined that it is appropriate to support programs that are designed to encourage participation in postsecondary education, that increase citizens' awareness of the value of and need for a postsecondary education, and that make citizens aware of the financial support provided by them through the General Assembly to students and institutions of higher education.

WHEREAS, the General Assembly enacted the College Opportunity Fund Act, Title 23, Article 18, Section 101 *et seq.*, Colorado Revised Statutes, which states that performance contracts should provide for greater flexibility and a more focused accountability for institutions of higher education to students and the people of Colorado.

WHEREAS, Title 23, Article 5, Section 129, Colorado Revised Statutes requires each governing board of a State institution of higher education to negotiate a performance contract with the Department that specifies the performance goals the institution shall achieve during the period that it operates under the performance contract.

WHEREAS, Title 23, Article 5, Section 129, Colorado Revised Statutes provides that a State institution of higher education's compliance with the goals specified in the performance contract may be in lieu of requirements in Article 1 and Article 13 of Title 23, Colorado Revised Statutes.

WHEREAS, Title 23, Article 5, Section 129, Colorado Revised Statutes requires that the specified procedures and goals set forth in the performance contract must be measurable and tailored to the role and mission of each institution and may include, but shall not be limited to: (1) improving Colorado residents' access to higher education; (2) improving quality and success in higher education; (3) improving the efficiency of operations; and (4) addressing the needs of the State.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing and intending to be bound hereby, the Parties agree as follows:

1. Scope of Contract. This contract and Addenda A and B, which are hereby expressly incorporated herein, (the "Performance Contract"), sets forth the performance goals of Colorado State University and Colorado State University-Pueblo, (hereinafter referred to as "CSU" or "CSU-Pueblo" or collectively the "CSUS"). CSU has the statutory role and mission of a comprehensive graduate research university with selective admission standards offering a comprehensive array of baccalaureate, masters, and doctoral degree programs. CSU-Pueblo has the statutory role and mission of a regional, comprehensive university, with moderately selective admissions standards. This Performance Contract establishes the goals and reporting requirements pursuant to S.B. 04-189.

2. Term of Contract. This Performance Contract shall be effective after execution by the Governing Board and the Department and on the date the Performance Contract is approved by the Colorado Commission on Higher Education and shall remain in effect until June 30, 2009.

3. Statutory Requirements Exempted by Performance Contract. Title 23, Article 5, Section 129(2)(a), Colorado Revised Statutes provides that a State institution of higher education's compliance with the goals specified in the Performance Contract may be in lieu of the requirements of Article 1 of Title 23 and the "Higher Education Quality Assurance Act," Article 13 of Title 23, for the term of this Performance Contract. As of the Effective Date of this Performance Contract, CSUS's compliance with the terms set forth in this Performance Contract will be in lieu of CSUS's compliance with the requirements of Article 1 of Title 23 and the "Higher Education Quality Assurance Act," Article 13 of Title 23 set forth in Addendum B.

4. Academic and Vocational Program Approval. While operating pursuant to this Performance Contract, the Governing Board will not be required to consult with or obtain approval from the Commission to create, modify, or eliminate academic and vocational programs offered by CSUS, so long as such creations, modifications, and eliminations are consistent with CSUS's statutory role and mission. The Commission shall have the authority pursuant to Title 23, Article 5, Section 129(6)(b), Colorado Revised Statutes, to override any creation or modification of an academic or vocational program if the change made by the Governing Board is inconsistent with CSUS's statutory role and mission. The Governing Board will comply with the Commission's Policy and Procedures for the Approval of New Academic Programs in Public Institutions of Higher Education in Colorado Operating Under a Performance Contract adopted on October 7, 2004.

5. Reporting of Budget and Proposed Tuition Increases. Title 23, Article 5, Section 129(6)(c), Colorado Revised Statutes requires the Governing Board to report to the Commission its plans for any tuition increases for the following academic year for the Commission to forward to the General Assembly during the annual budget process. The Governing Board shall submit this information in accordance with the requirements of the Title 24, Article 37, Colorado Revised Statutes and in the form and manner prescribed by the Commission. The General Assembly has expressly retained the authority in Title 23, Article 5, Section 129, Colorado Revised Statutes, to approve tuition spending authority for the Governing Board of CSUS during the term of this agreement.

6. Resident Applicant Admission Requirements. While operating pursuant to this Performance Contract, Title 23, Article 5, Section 129(7)(b), Colorado Revised Statutes, directs that the Governing Board shall continue to require CSUS to admit Colorado resident applicants within the requirements of Title 23, Article 1, Section 113.5, Colorado Revised Statutes, who meet the admissions criteria of CSUS.

7. Data Reporting Requirements. The Governing Board shall transmit to the Department all annual reports and data required in this Performance Contract including that specified in Addendum A, attached hereto, in the form and manner prescribed herein or as required by Commission Policy. CSUS shall continue to provide all data required by the Student Unit Record Data System (SURDS) and the United States Department of Education through the Department. When possible, the Department shall provide notice and consult with the institutions before requiring any additional or new SURDS data. The Governing Board shall submit to the Department an annual certification as to the overall material accuracy and completeness of the data submitted in accordance with the terms set forth herein. All data must be handled by the Commission and Department consistent with the statutory requirements set forth in Title 23, Article 1, Section 108(9), Colorado Revised Statutes.

8. Performance Goal Achievement. This Performance Contract sets forth those goals, standards and requirements upon which the Department and the Governing Board have mutually agreed. The Governing Board shall undertake those actions and efforts and implement such initiatives and programs that will enable CSUS to achieve the performance goals set forth in this Performance Contract. The ability of the Governing Board to fulfill the terms of this contract expressly assumes adequate funding which shall, at a minimum, be no less than at a level which approximates the Department funding appropriated by the General Assembly during fiscal year 2003-2004, and is contingent upon other external factors such as the quality and ability levels of entering students, the economic and population growth necessary to provide external placement opportunities for students and the availability of sufficient review cycles for consideration of core curricular courses. Any material change in the external factors noted above, in the level of general funds available to students as stipends, to institutions under fee-for-service contracts under the College Opportunity Fund, and state general fund financial aid allocated through the Commission, shall cause the parties to this agreement to meet and discuss whether a change in any provisions of this agreement is appropriate. The actions undertaken by the Governing Board and System pursuant to this Performance Contract shall be performed consistently with applicable state and federal law.

9. Issue Resolution. In the event that a party to this Performance Contract fails to take those actions agreed upon herein or perform as set forth in this Performance Contract, the other party shall notify the first party of the failure to act or perform (a "Performance Failure"). The notice shall indicate the nature of the Performance Failure and request that responsive action be taken to correct the alleged Performance Failure. If the party fails to use its best efforts to resolve the alleged Performance Failure within a reasonable period of time, the official representatives of the parties, as designated in the Performance Contract, shall promptly meet to discuss a remediation plan for resolution of the alleged Performance Failure or modification of this Performance Contract as may be required by the circumstances.

10. Performance Report. Performance on this Performance Contract shall be reported by the Department to the Governor and General Assembly pursuant to Title 23, Article 5, Section 129(5), Colorado Revised Statutes.

11. Point of Contact and Notices. For the purposes of this Performance Contract, the individuals identified below are hereby designated as the official representatives of the respective parties. Either party may from time to time designate in writing new or substitute representatives. All notices given hereunder shall be deemed given and sufficient if delivered in writing by (i) United States mail or (ii) overnight delivery such as Federal Express to:

For the Department:

Richard F. O'Donnell
Executive Director
Colorado Department of Higher Education
1380 Lawrence Street, Suite 1200
Denver, CO 80202

For the Governing Board:

Larry Edward Penley, Chancellor
Colorado State University
Fort Collins, CO 80523

12. No Third-Party Beneficiary. Nothing in this Performance Contract shall be construed or implied to confer third-party beneficiary status on any person or entity.

13. Severability. To the extent that this Performance Contract may be executed and performance of the obligations of the parties may be accomplished within the intent of the Performance Contract, the terms of this Performance Contract are severable, and should any term or provision hereof be declared invalid or become inoperative for any reason, such invalidity or failure shall not affect the validity of any other term or provision hereof.

14. Governing Law. This Performance Contract shall be governed by and construed in accordance with the laws of the State of Colorado.

15. Entire Agreement. This Performance Contract is intended as the complete integration of all understandings between the parties regarding performance contracts authorized by Title 23, Article 5, Section 129, Colorado Revised Statutes. No prior or contemporaneous addition, deletion or other amendment hereto shall have any force or effect whatsoever, unless embodied herein in writing. No subsequent novation, renewal, addition, deletion or other amendment hereto shall have any force or effect unless embodied in a writing executed and approved by both parties to this Performance Contract.

16. Approval Required. Pursuant to Title 23, Article 5, Section 129(3), Colorado Revised Statutes, this Performance Contract and any modification or addition thereto shall not become effective until reviewed and approved by the Commission.

IN WITNESS WHEREOF, the parties have executed this Performance Contract this 21st day of February, 2005.

For the Governing Board:

By 
Larry Edward Penley
Chancellor

For the Department of Higher Education:

By 
Richard F. O'Donnell
Executive Director

APPROVED:

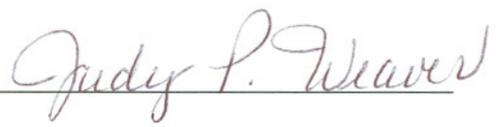
Governing Board

By 
Chair

Dated: 2-21-05

APPROVED:

Colorado Commission on Higher Education

By 
Chair

Dated: 2-8-05

ADDENDUM A

Goal #1: Access and Success

WHEREAS, the Commission has determined that it is a highest priority of the State to ensure widespread access to Colorado's public colleges and universities with particular focus on expanding the number of students who are prepared, apply and enroll, and increasing retention and graduation rates with particular emphasis on increasing the participation and success of underserved students.

WHEREAS, the Department will develop and deliver a statewide marketing campaign with the goal of convincing every student and parent in the State of Colorado that college is accessible and affordable and that it is important to prepare academically for it in order to increase the college-going and completion of students, especially underserved students, which include low-income, male and minority students.

WHEREAS, the Department will work with the State and institutions to design efficient and effective financial aid strategies.

WHEREAS, the Department will work to make CollegeinColorado.org a fully integrated and user-friendly Pre-Collegiate Online Guidance System.

WHEREAS, the Department will lead the organization and operation of the Colorado College Access Consortium to coordinate and support K-12, pre-collegiate and college preparation programs.

NOW, THEREFORE, the Parties agree as follows:

Section 1: Retention Rates

1.1 By December 31, 2008, CSU shall increase its fall-to-fall retention rate for first-time, full-time freshman from 83.1% to 85.1%. CSU-Pueblo shall increase its fall-to-fall retention rate for first-time, full-time freshman from 64.4% to 67.0%. CSU shall increase its fall-to-fall retention rate for first-time, full-time freshman, including transfers to other institutions, from 89.3% to 91.3%. CSU-Pueblo shall increase its fall-to-fall retention rate for first-time, full-time freshman, including transfers to other institutions, from 76.2% to 79.0%.

1.2 The Governing Board shall report to the Department on or before December 31st of each year the results of its current efforts and any new or additional plans or programs to increase its fall-to-fall retention rates for first-time, full-time freshman.

Section 2: Graduation Rates

2.1 By December 31, 2008, CSU shall increase its 6-year graduation rate for first-time, full-time degree-seeking freshmen from 62.9% to 63.6%. By December 31, 2008, CSU-Pueblo shall increase its 6-year graduation rate for first-time, full-time degree-seeking freshmen from 29.8% to 31.8%.

2.2 The Governing Board shall report to the Department on or before December 31st of each year the results of its current efforts and any new or additional plans or programs to increase its 6-year graduation rate for first-time, full-time degree-seeking freshmen.

Section 3: Underserved Students

3.1 Title 23, Article 5, Section 129, Colorado Revised Statutes requires that each performance contract address “increasing enrollment of underserved students, including low-income individuals, males and minority groups.” For purposes of this Performance Contract, “underserved students” shall be defined to include students who are: (a) low-income (would satisfy income requirements for a Federal Pell Grant); (b) members of an ethnic or racial minority group; (c) males; and (d) such other classes or types of students determined by CSUS as necessary to achieve a diverse student body. CSUS shall direct such resources as CSUS determines may be available to programs designed to increase enrollment, retention and graduation of underserved students.

3.2 The Governing Board shall submit an annual report on or before December 31st that details the results of efforts to increase enrollment, retention and graduation of underserved students.

Goal #2: Quality in Undergraduate Education

WHEREAS, the Commission has determined that it is a highest priority of the State to: (1) improve academic competencies and provide learning experiences that foster the development of skills and abilities that prepare students for the global economy; (2) prepare students for continuing, graduate or postgraduate professional studies; (3) ensure the transferability of general education courses; and (4) establish critical thinking and logic skills essential to full participation in a democratic society.

WHEREAS, the State should provide meaningful and user-friendly information on the quality of undergraduate education to consumers about each institution that will drive market decisions by parents, students, and employers.

WHEREAS, the State should implement a general education core curriculum for students and faculty that ensures consistent quality and the transferability of general education courses.

NOW, THEREFORE, the Parties agree as follows:

Section 1: General Education Requirements

1.1 By January 1, 2007, the Governing Board shall ensure that its faculty determines that the CSUS general education core curriculum satisfies the competencies, expectations and credit hour guidelines of GT Pathways, Colorado’s statewide guaranteed transfer program for general education that was created and endorsed by the General Education Council (“GE 25 Council”) and the Commission.

1.2 The Student Bill of Rights, Title 23, Article 1, Section 125, Colorado Revised Statutes, provides that the completion of lower division core general education courses, regardless of the delivery method, should satisfy the general education core course requirements of all Colorado public institutions of higher education. In order to meet this requirement, by July 1, 2007, all courses in CSUS's general education core curriculum shall be submitted, according to Commission policy, to the GE 25 Council or its successor, for approval and inclusion in GT Pathways for guaranteed transfer. The Department shall convene the GE 25 Council and provide sufficient resources to ensure that all courses submitted to the GE 25 Council, or its successor, are reviewed prior to January 1, 2008.

1.3 The Department acknowledges that certain current GE 25 Council requirements, especially as they relate to lab requirements for science courses, will be refined and amended to accommodate the unique situation of CSUS and other institutions. The Department agrees to work with all institutions and the GE 25 Council, or its successor, to amend the GT Pathways criteria to ensure compatibility between each institution's general education core curriculum and the requirement for guaranteed statewide transfer.

1.4 In the event that the GE 25 Council does not approve a course for approval and inclusion in the GT Pathways, the course shall be labeled as required under subsection 1.6(b). The Department shall periodically provide a public report to the Commission of any course that is not approved for guaranteed transfer by the GE 25 Council. Such report shall include the reasons for a course's non-approval.

1.5 As the faculty designs and determines the need for new courses, the Governing Board may continue to nominate new and/or additional courses that satisfy pertinent guidelines and requirements of GT Pathways to be included in its general education core curriculum. CSUS shall continue to recognize and provide full credit for all core courses approved for statewide transfer completed at other Colorado state colleges and universities, including credits earned through Commission approved competency tests.

1.6 Beginning in July 1, 2007, the Governing Board shall ensure that all newly enrolled, first-time students complete the CSUS's general education core curriculum and ensure the following:

(a) All course catalogs and academic transcripts shall clearly designate lower division core courses eligible for statewide guaranteed transfer.

(b) All course catalogs and related materials shall clearly designate lower division general education core courses that are not eligible for statewide guaranteed transfer. Such designation shall include, next to the course title, the following language: "This course is NOT approved for guaranteed transfer to other Colorado colleges and universities."

(c) All academic transcripts shall certify the satisfactory completion of the transferable general education core curriculum, regardless of whether the academic degree program has been completed or conferred.

1.7 Lower division general education course requirements that are not part of the general education core curriculum are acceptable and need not be submitted to the GE 25 Council for inclusion in GT Pathways. However, a student must be able to complete any such requirements within the 40 credit hour lower division general education limit established by the Student Bill of Rights. If a transfer student has satisfactorily completed the transferable core curriculum at another Colorado state college or university, the institution shall not require the completion of any additional lower division general education courses by that student that would exceed the 40 credit hour lower division general education limit.

1.8 Beginning July 1, 2007, and each year thereafter, the Governing Board shall report statistics on the demand for and supply of courses at its campus(es) that satisfy its general education core curriculum. Such data, if available, may include the number of sections offered, enrollment demand and course availability, data on the ranks of instructor teaching the courses, and the average class enrollment for each course, disaggregated by course title and number.

Section 2: Grade Distribution

2.1 By September 1, 2007, and each year thereafter, the Governing Board shall provide data on all course grades conferred during the previous academic year, disaggregated by academic subject and course level. These data shall be accompanied by a description or copies of policies and procedures, if any, used to evaluate the distribution of grades by academic subject and course level or otherwise.

Section 3: Faculty

3.1 The Governing Board shall continue to ensure that its general education core courses are taught by high quality and qualified faculty as identified by CSUS standards.

3.2 By July 1, 2006, the Governing Board shall certify that it has in place or has plans for implementing and utilizing a variable pay method for faculty.

Section 4: Evaluation and Assessment of Student Learning

4.1 To the extent possible and based upon available data, CSUS shall report annually, in accordance with the SURDS reporting schedule, on student achievement by providing data on outcomes on licensure, professional, graduate school admission, and other examinations taken by baccalaureate graduates and/or career and technical graduates employed or continuing their education.

4.2 By January 1, 2007 and continuing annually thereafter, CSUS shall submit a report on the outcomes of student assessments created and administered by CSUS institutions' assessment and institutional analysis units. This report shall include data on the students' knowledge of content taught in courses approved for core curricula of the CSUS institutions. The Department and the Governing Board agree that any modification of existing assessment

methods needed to assess core curricular content is contingent on additional resources being made available for this purpose.

Goal #3: Efficiency of Operations

WHEREAS, the Commission has determined that a highest priority of the State is to provide for the efficient and effective stewardship of resources, be they tuition dollars, state or federal tax dollars, or other sources of funding.

NOW, THEREFORE, the Parties agree as follows:

Section 1: Costs

1.1 As part of the Commission's annual budget process, the Governing Board shall provide, through the Budget Data Book, information to the Department that identifies mandatory cost increases or decreases.

1.2 The Department shall use the information submitted by the institutions to develop, in consultation with representatives of the Governing Boards, the base funding increase that, at a minimum shall consider changes in mandatory costs, including but not limited to compensation packages for faculty, administrative/professional, and classified employees, insurance and utility costs, as well as enrollment growth and inflation. The Commission shall utilize such base funding analysis in its budget preparation and submission to the General Assembly.

1.3 The Governing Board may submit requests for tuition differentials, specialized fees, or other tuition increases to improve quality, expand access or address capital needs above the base funding amount as decision items through the normal budget process. The Commission shall forward these decision items to the General Assembly and the Office of State Planning and Budgeting during the budget process.

1.4 To maintain affordable access to high quality education for the citizens of Colorado, the parties acknowledge that it is the goal of the Governing Board that the combination of state support (through the College Opportunity Fund and Fee for Service funding) and tuition and fees does not exceed the average of its peer institutions. In developing future requests for tuition increases above mandatory costs pursuant to section 1.3, the Governing Board may report tuition rates, fees, and state support for Colorado students attending the CSUS institutions against comparable data for students attending peer institutions.

1.5 The Commission and the Governing Board agree that it is important that Colorado maintain its status as a "low tuition" state, that affordability of college is one of the significant barriers to access. To that end, the Governing Board shall strive to control costs so that mandatory cost increases do not exceed the latest published cost adjustment figure from the State Higher Education Executive Officers Higher Education Cost Adjustment model, excluding controlled maintenance and capital needs.

Section 2: Capital Assets and Maintenance

2.1 The institutions within the Colorado State University System shall work with students as may be necessary to establish a capital and maintenance fee, or the CSUS institutions may submit pursuant to section 1.3 above a decision item for a tuition surcharge to address maintaining existing and constructing new facilities. The Governing Board shall breakout in its annual Statement of Revenues, Expenses, and Changes in Net Assets the actual amount spent pursuant to this section.

Section 3: Facilities

3.1 The Governing Board shall provide a report to the Department on the number and type (private or publicly operated) of auxiliary facilities they operate, as such facility is commonly understood under Title 23, Article 5, Sections 101.5(2) and 102, Colorado Revised Statutes, within 60 days of acceptance of a performance contract.

3.2 The Governing Board shall continuously assess operational efficiencies of its auxiliary facilities. Proposals will be periodically solicited from private firms for those facilities that are commonly found to be operated by private firms. Proposals will be awarded whenever it is determined that private operation of the facility can add value and improve operational efficiencies.

Goal #4: Other State Needs -- Teacher Education

WHEREAS, the Commission has determined that it is a highest State priority to ensure that highly qualified teachers are in every K-12 classroom.

WHEREAS, educator preparation is a shared enterprise among the Commission, the Colorado Department of Education, institutions of higher education, and local school districts.

WHEREAS, teacher education programs must prepare teachers to succeed in an era of high standards and strong accountability where the expectation is that achievement levels will rise for every student.

WHEREAS, K-12 school districts have called for new teachers who are trained in critical areas, including: (1) Technology and its role in instructional delivery; (2) Ability to communicate with students, parents and guardians regarding educational progress and student behavior; (3) Ability to assess student learning and modify curriculum based on assessment results; (4) Effective classroom management techniques; (5) Ability to apply knowledge to the P-12 classroom and adapt instruction in ways that enhance the ability of achievement levels to rise for all students student learning with a particular understanding of how to close the achievement gap for children of color and boys; and (6) Ability to teach reading, math and science.

WHEREAS, the strength of a teacher preparation program is determined by the degree to which content knowledge, field experience, and professional knowledge are integrated into a performance-based model.

NOW, THEREFORE, the Parties agree as follows:

Section 1: Teacher Education Programs:

1.1 The Commission shall continue to authorize and re-authorize teacher education programs pursuant to Title 23, Article 1, Section 121, Colorado Revised Statutes and existing Commission policies, including the continuance of joint on-site program reviews by the Commission and the Colorado Department of Education scheduled every fifth year.

1.2 The Governing Board shall assure that Teacher Education programs maintain national and regional accreditation.

1.3 By July 1, 2006, the Governing Board shall ensure that its teacher education program meets the following standards:

(a) Each teacher candidate shall receive, as part of his or her formal preparation, instruction on teaching diverse student populations. In addition, pre-student teaching and student teaching placements will be maximized in diverse settings in the schools that the School of Education serves. This will mean that student placements will be maximized in schools that are either low performing or have greater than 20% student population eligible for free/reduced lunch or student population that has greater than 20% minority students.

(b) Not less than one semester of each teacher candidate's 800-hour field experience shall be spent student teaching.

(c) All teacher candidates shall have, as part of their formal preparation, received instruction on the comprehension, diagnosis, interpretation and effective use of student assessment data, especially data from the Colorado Student Assessment Program.

(d) All teacher candidates shall have, as part of their formal preparation, instruction on the attitudinal and behavioral differences that influence socialization and learning variations between boys and girls.

1.4 By July 1, 2006, all content (non-pedagogy) courses leading to the fulfillment of endorsement area requirements for secondary education licensure shall be taught by faculty members belonging only to the departments from which the courses originate (e.g., American history courses are taught by faculty members in the history department, mathematics courses are taught by faculty members in the mathematics department).

Section 2: Recruitment and Training of Qualified Candidates

2.1 The Institution shall report on the recruitment, retention, and graduation of teacher candidates who are under-represented in Colorado's public schools, with a particular focus on Hispanics and males.

2.2 The Institution shall submit to the Department on or before August 1st of each year, the student identification numbers and endorsement areas for all teacher candidates. These data shall be used and maintained by the Department in accordance with state and federal privacy laws.

2.3 The Governing Board shall ensure CSUS participates with the Department in analyzing the placement in K-12 schools of teacher candidate graduates and their performance once placed, including providing data as specified by the Department.

Goal #5: Other State Needs -- Workforce and Economic Development

WHEREAS, the Commission has determined that Colorado's future competitiveness in the global economy depends on having an educated and skilled workforce. Colorado must have workers with high-level skills required for jobs in high-demand fields, workers with basic workplace skills to obtain the most desirable jobs and to continually adapt to the changes that will continue to affect our evolving economy.

NOW, THEREFORE, the Parties agree as follows:

1.1 Land Grant Universities have always had a unique linkage to economic development, embedded in the original federal legislative charter via the connection of such institutions to the economic engines of an earlier day: agriculture and industry. Regional, comprehensive universities such as CSU-Pueblo traditionally offer undergraduate and masters-level degree programs and learning experiences that prepare graduates for professional careers. Because these universities have a strong regional presence, they work closely with local business, industry, and other economic development entities to match well their curricular offerings to workforce advancement needs.

1.2 A critical aspect of modern economic development is to anticipate the needs of the future workforce and to proactively respond to these needs. In the future economy, U.S. global economic competitiveness will depend on a workforce with complex scientific and technological skills coupled to entrepreneurial thinking and a solid foundation in business and economics. CSUS's new strategic plan is looking at this intersection of science, technology and business to ensure that it has the administrative infrastructure and academic programs to play a leading role in shaping the workforce of the future. CSUS has the breadth and depth to address such a need and intends to do so through a combination of initiatives, including enrollment management that supports its strategic goals.

1.3 CSUS shall focus existing and new funds on expanding, improving and/or increasing the number of students who earn degrees in the high-demand program areas consistent with institutional role and mission.

1.4 The Governing Board shall annually report on or before December 31st of each year to the Department regarding the status of programs addressing high-demand areas.

Goal #6: Other State Needs -- Research and Scholarly Activities

WHEREAS, the Commission has determined that rigorous, meaningful graduate programs are essential to bringing innovations and new ideas into the educational, scientific, business, and service sectors of the State.

WHEREAS, research universities have long excelled at the process of invention – using the intellectual talents of the faculty and hundreds of millions of dollars in basic research and development expenditures to create new knowledge and ideas. Research universities also have the opportunity to purposefully drive economic expansion, improve quality of life, and maintain global economic competitiveness by focusing on the process of innovation – translating the products of invention into commercial applications to benefit society.

WHEREAS, a strong workforce in today's increasingly technologically complex global economy requires the advanced skills and innovation that are encompassed in a graduate degree. National global economic competitiveness as well as state and regional economies will increasingly rely on the portion of the workforce with advanced degrees as foundational to success. Therefore, it is critical for higher education funding models to aggressively address graduate education.

WHEREAS, undergraduates actively participate in research, field experiences, and a host of other forms of service and experiential learning which represent a synergistic blending of mission areas.

WHEREAS, extramural support for research and scholarly activities is essential to funding these activities and serves as a significant recognition of their value and quality.

WHEREAS, as a land-grant institution, CSU has a heritage of making the discovery of new knowledge, the applications of new knowledge, and the education of society in the use of new knowledge accessible to our citizens in a variety of proactive ways. CSU accepts its land-grant responsibility to serve the needs of the people of the State, nation, and the world by developing and sharing knowledge within its areas of capability. Although primarily a teaching university, Colorado State University – Pueblo does focus research and scholarship activities on applied research.

NOW, THEREFORE, the Parties agree as follows:

Section 1: Research

1.1 CSUS shall continue to support Colorado agribusiness by working collaboratively with producers and sector analysts to identify globally competitive products for the 21st century.

1.2 CSUS shall continue to create an environment that allows it to both attract and keep the best research and artistic talent in the world by enhancing its culture as a leading research university characterized by the same quality indicators as the nation's other great

research universities. It is understood that remaining competitive in this area will require a competitive financial foundation leading to competitive salaries and increased faculty research FTEs.

1.3 CSUS shall ensure that at least 20% of undergraduate students have the opportunity to participate in research, field experiences, and other forms of service and experiential learning by the end of the contract period.

1.4 To the extent resources are available to expand the size of the faculty and maintain a competitive salary structure, CSUS shall increase the number and total amount of federal, state and privately funded grants and contracts during the contract period.

1.5 CSUS shall demonstrate how the transfer of technology, including the results of research and scholarly activity, is fostered by aligning university research clusters with regional economic clusters.

Section 2: Outreach and Public Service

2.1 Agency programs contribute significantly and are critically important to state goals. Upon receipt of sufficient funding under the Fee for Service contract entered into by the parties pursuant to C.R.S. 23-5-130, CSUS shall continue its essential function as a land-grant institution by maintaining the following key agency programs:

- a. Colorado State Forest Service (CSFS)
- b. Cooperative Extension (CE)
- c. Agricultural Experiment Station
- d. Colorado Water Resources Research Institute

2.2 To strengthen the effectiveness of outreach provided by its Continuing Education programs, CSUS agrees to provide credit and non-credit enrollment and program offerings, consistent with our mission and utilizing effective technology-based delivery systems where appropriate. Where appropriate, The CSUS will strengthen alliances with K-12 schools and institutions of higher education to expand access to and utilization of educational opportunities, effectiveness, and access to resources at the institution.

Section 3: Graduate Education

3.1 CSUS shall strive to increase enrollment in and graduation from its post-baccalaureate programs, consistent with its mission and focusing on high-need programs. Increases in graduate enrollment will be linked to increases in funding. Colorado State University and Colorado State University – Pueblo will report to the Commission comparing graduate enrollment to that of peer institutions.

3.2 CSUS shall strive to increase the quality and diversity students enrolled in its post-baccalaureate programs.

Section 5: Veterinary Medicine

5.1 CSUS shall maintain the excellence of its College of Veterinary Medicine and Biomedical Sciences as a unique asset of CSU and the State of Colorado, by ensuring that faculty continues to deliver excellent instruction in the degree programs housed within the college, including its hallmark professional veterinary medical (PVM) program, shall continue to serve the public through clinical services delivered through the James L. Voss Veterinary Teaching Hospital, and diagnostic services delivered through the Veterinary Diagnostic Laboratories in Fort Collins, Rocky Ford, and Grand Junction, and shall maintain the College's national prominence in research and by remaining among the top five of all United States schools and colleges of veterinary medicine in the amount of extramurally funded research.

ADDENDUM B

RESOURCE, PROGRAMMATIC AND MANAGEMENT FLEXIBILITY

This Addendum B describes the resource, programmatic, and management flexibility which the Department agrees to provide or support for institutions operating under performance contracts.

As of the Effective Date of this Performance Contract, compliance with the terms set forth in this Performance Contract will be in lieu of the following statutory requirements of Article 1 of Title 23 and the "Higher Education Quality Assurance Act," Article 13 of Title 23 and Commission Policies:

STATUTORY REQUIREMENTS

C.R.S. §23-1-105. Duties and powers of commission with respect to appropriations – repeal.

All subsections waived except for (1), (4), (5) and (8).

C.R.S. §23-1-107. Duties and powers of the commission with respect to program approval, review, reduction, and discontinuance.

All subsections waived except for (2), (4), (5). With respect to subsection 4, the Department agrees to authorize the Governing Board to establish early retirement, retraining and severance programs for faculty in programs to be discontinued subject to consultation with the Commission prior to the Governing Board's approval of such programs.

C.R.S. §23-1-109. Duties and powers of the commission with regard to off-campus instruction.

CSUS shall continue to be subject to the requirements of this section. However, the Commission through the Department agrees to revise its policies to reduce current reporting requirements and to limit the review of off-campus, cash-funded degree and certificate programs, off-campus, state-funded degree programs, and out-of-state/out-of-country programs to ensuring that such programs are consistent with the Institution's statutory role and mission.

C.R.S. §23-1-115. Review and action on existing degree programs.

C.R.S. §23-1-124. Commission directive – sophomore assessments

C.R.S. §23-13-105. Quality indicator system - development - implementation -reports.

C.R.S. §23-13-107. Funding incentives to achieve the statewide goals and expectations

COMMISSION POLICIES

Academic Affairs:

Part B: Approval of New Academic Programs

Part D: Approval of New Vocational Degree Programs in State-Supported Institutions of Higher Education in Colorado

- Sections 2.00 (d), 2.01.03, 2.02.01, 3.01.05, Appendix A

Part H: Designating Programs of Excellence

Part I: Review of Proposals for Coordinated Academic Programs

- Sections: 4.02 (limited to review of role and mission), 4.02.02, 4.02.03, 4.02.05.

Part O: Academic Planning

- Sections: 3.02, 4.00

Part Q: Policy on Affirmative Action

Capital Assets:

Part D – Guidelines for Long-Range Facilities/Infrastructure Master Planning

- 1.00 – Scope of a Long- Range Facilities/Infrastructure Master Plan
 - I. Institutional Data (to become guidelines only)
 - II. Facilities Master Plan
 - A. Planning Concepts (to become guidelines only)
 - B. Facilities Construction and Renovation Economic Studies and Project Cost Estimates
- 2.00 – Publication of a Long-Range Facilities, Infrastructure Master Plan.
- 5.00 – Relation to Statewide Plan

Part I – Instructions & Forms For Completing Physical Plant Inventory

Part L – Policies & Criteria For Capital Construction Priority Setting.

- 1.00 – Policies & Criteria Requests.
- 2.00 – CCHE Priorities Among Capital Construction Funding
- 3.00 & 3.01 – Process for Recommending Funding Priorities.

Part O – Policy Guidelines for Capital Outlay Expenditures.

Part P – Policies for Construction Projects Administration.

Budget Data Book:

Organization Chart

Campus Map

General information page

Format 40: Reporting of ASC II data

Format 9999

Consolidated Supplemental Financial Information

- Format A
- Format B
- Format C
- Format D
- Format E

Administrative Salary Survey report

Decision Items requests for mandatory cost increases

CCHE approval of decision items above mandated costs unless directed to review and approve them by the General Assembly or Joint Budget Committee.