A REQUEST FOR PROPOSAL

FOR A PERFORMANCE AUDIT OF

ADAMS STATE UNIVERSITY
AND
WESTERN STATE COLORADO UNIVERSITY

March 23, 2016
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ADMINISTRATIVE INFORMATION

A. ISSUING OFFICE

This request for proposal (RFP) is issued by the Office of the Colorado State Auditor (OSA). The terms State Auditor, OSA, State, and State of Colorado are used interchangeably. As an agency within the Legislative Branch, the OSA and this solicitation are exempt from the State Procurement Code and State Procurement Rules. **All communications regarding this RFP should take place directly with the OSA’s assigned contract monitor listed in this RFP.**

B. BACKGROUND INFORMATION

The OSA is soliciting proposals to conduct a performance audit of Adams State University (Adams) and Western State Colorado University (Western). This audit is being conducted pursuant to Section 2-3-103, C.R.S., which authorizes the State Auditor to conduct audits of all departments, institutions, and agencies of state government. (Note: See Subsection C on page 17 of this RFP for discussion about conducting this project as a performance evaluation or study, as opposed to a performance audit.)

State higher education institutions’ operations are funded largely through student tuition and fees. However, revenues from student tuition and fees typically cover only a portion of what each institution spends in operating funds to educate students. The difference is made up from other operating revenue sources, such as federal and state grants and contracts, and nonoperating revenue sources, such as Federal Pell Grants, gifts and donations, and state appropriations for capital projects.

The impetus for conducting this performance audit is the growing trend of operating losses that Adams and Western have experienced over the last five fiscal years. The OSA contracts for the universities’ annual financial statement audits, and based on the information in these annual audits, the State Auditor would like to use this performance audit to explore the factors driving these financial trends and, more importantly, what each university is doing in response.

**Adams State University**

Located in Alamosa, Colorado, Adams State University (Adams), formerly named Adams State College, is an institution of higher education of the State of Colorado [Section 23-51-101, C.R.S.]. House Bill 12-1080 officially changed the institution’s name to Adams State University.

Adams is a liberal arts university with graduate programs in Teacher Education, Business, Counseling, and Art. State statute [Section 23-51-101, C.R.S.] provides that
Adams shall be a general baccalaureate institution with moderately selective admission standards. Adams is a regional educational provider approved to offer limited professional programs, Hispanic programs, undergraduate education degrees, masters’ level programs, Ph.D. level programs, and two-year transfer programs with a community college role and mission, except for vocational education programs.

Exhibit 1 provides trend data from Adams’ audited Statements of Revenues, Expenses, and Changes in Net Position. In particular, when the state appropriation for capital construction projects is removed, Adams went from an increase in net position of approximately $700,000 in Fiscal Year 2011 to a decrease in net position of approximately $7.0 million in Fiscal Year 2015, a 1,115 percent change increasing the loss. Adams’ Fiscal Year 2015 Financial and Compliance Audit included a finding and recommendation related to this issue. (Note: The audit can be accessed through the web links in Section IV—Supplemental Information of this RFP.)
<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year</th>
<th>Percent Change 2011-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>$36.8</td>
<td>$37.0</td>
</tr>
<tr>
<td>Less: Operating Expenses¹</td>
<td>46.4</td>
<td>49.5</td>
</tr>
<tr>
<td>Operating Gain (Loss)</td>
<td>(9.6)</td>
<td>(12.5)</td>
</tr>
<tr>
<td>Plus: Net Nonoperating Revenue (Expenses)²</td>
<td>9.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Income (Loss) Before Other Revenues, Expenses, Gains, Losses or Transfers</td>
<td>(0.3)</td>
<td>(5.2)</td>
</tr>
<tr>
<td>Plus: Other Revenues, Expenses, Gains, Losses or Transfers³</td>
<td>1.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Position</td>
<td>0.7</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Less: State Appropriation, Capital</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Position, Without State Appropriation, Capital</td>
<td>0.7</td>
<td>(3.8)</td>
</tr>
</tbody>
</table>

Source: Statements of Revenues, Expenses, and Changes in Net Position, Adams State University’s audited financial statements for Fiscal Years 2011 through 2015.

¹Includes depreciation expense of approximately $4.5 million in Fiscal Year 2011, $5.6 million in Fiscal Year 2012, $6.4 million in Fiscal Year 2013, $6.7 million in Fiscal Year 2014, and $7.0 million in Fiscal Year 2015.

²Includes revenues from sources such as Federal Pell Grants, gifts and donations, and investment and interest income less expenses from items such as interest on capital debt.

³Includes revenues from student capital fees and state capital appropriations less transfers to other institutions.
Western State Colorado University

Located in Gunnison, Colorado, Western State Colorado University (Western), formerly named Western State College, is an institution of higher education of the State of Colorado [Section 23-56-101, et seq., C.R.S.]. House Bill 12-1331 officially changed the institution’s name to Western State Colorado University.

Western is an undergraduate university of liberal arts and sciences. State statute [Section 23-56-101, C.R.S.] provides that Western shall be a general baccalaureate institution with moderately selective admission standards. Western offers undergraduate liberal arts and sciences, teacher preparation, and business degree programs and a limited number of graduate programs. Western also serves as a regional education provider. House Bill 16-1083, which has been passed by the General Assembly and is awaiting the Governor’s signature, changes Western’s admission standard from “moderately selective” to “selective” effective August 10, 2016. The bill also removes the authorization for Western to offer teacher preparation and business degree programs, and replaces it with authorization to offer broader professional degree programs.

Exhibit 2 provides trend data from Western’s audited Statements of Revenues, Expenses, and Changes in Net Position. In particular, when the state appropriation for capital construction projects is removed, Western went from a decrease in net position of approximately $1.2 million in Fiscal Year 2011 to a decrease in net position of approximately $4.3 million in Fiscal Year 2015, a 258 percent increase in the loss.
<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year</th>
<th>Percent Change 2011-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td>$32.7</td>
<td>$30.2</td>
</tr>
<tr>
<td>Less: Operating Expenses¹</td>
<td>35.9</td>
<td>38.4</td>
</tr>
<tr>
<td>Operating Gain (Loss)</td>
<td>(3.2)</td>
<td>(8.2)</td>
</tr>
<tr>
<td>Plus: Net Nonoperating Revenue (Expenses)²</td>
<td>2.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Income (Loss) Before Other Revenues, Expenses, Gains, Losses or Transfers</td>
<td>(1.2)</td>
<td>(6.7)</td>
</tr>
<tr>
<td>Plus: Other Revenues, Expenses, Gains, Losses or Transfers³</td>
<td>17.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Position</td>
<td>15.8 (4.5)</td>
<td>(3.7)</td>
</tr>
<tr>
<td>Less: State Appropriation, Capital</td>
<td>17.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Position, Without State Appropriation, Capital</td>
<td>(1.2)</td>
<td>(6.7)</td>
</tr>
<tr>
<td>Source: Statements of Revenues, Expenses, and Changes in Net Position, Western State Colorado University’s audited financial statements for Fiscal Years 2011 through 2015.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>¹Includes depreciation expense of approximately $5.1 million in Fiscal Year 2011, $5.1 million in Fiscal Year 2012, $5.4 million in Fiscal Year 2013, $5.4 million in Fiscal Year 2014, and $5.7 million in Fiscal Year 2015.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>²Includes revenues from sources such as Federal Pell Grants and investment and interest income less expenses from items such as interest on capital debt.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>³Includes revenues from state capital appropriations.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
University Governance

Adams and Western are independently governed by Boards of Trustees, each consisting of nine voting members who are appointed by the Governor and serve 4-year terms, an elected nonvoting member of the student body who serves a 1-year term, and an elected nonvoting member of the faculty who serves a 2-year term. Each Board of Trustees has full authority and responsibility for the control and governance of its respective university, including such areas as finance, academic programs, curriculum, admissions, role and mission, and personnel policies. The President of each university reports to that university’s Board of Trustees and is responsible for providing leadership and administering the policies and procedures adopted by the respective Board of Trustees in all areas of operations. For financial reporting purposes, both universities are included as part of the State of Colorado’s primary government.

House Bill 03-1093 dissolved the Colorado State College System and authorized independent governance for both Adams and Western effective July 1, 2003. Prior to July 1, 2003, Adams and Western were part of the Colorado State College System governed by the Board of Trustees of the State Colleges in Colorado.

Colorado Commission on Higher Education/Colorado Department of Higher Education

The Colorado Commission on Higher Education (Commission) comprises 11 individuals appointed by the Governor and confirmed by the Senate and is the central policy and coordinating board for Colorado’s system of public higher education [see Section 23-1-101, et seq., C.R.S.]. The Colorado Department of Higher Education (Department) is the administrative home of and provides staff support for the Commission [see Section 24-1-114, C.R.S.].

Authority over Colorado’s higher education system is fairly decentralized, and individual governing boards have substantial independent authority over the management of their institutions. However, the Commission and Department still exercise oversight and coordinating responsibility for the 10 higher education governing boards that oversee 26 public institutions of higher education. In accordance with their statutory authority, the Commission and Department oversee and approve core budgeting and financing matters for public institutions of higher education and serve as a bridge between the Governor, the General Assembly, and the governing boards of the state-supported institutions of higher education. Additionally, the Commission and Department coordinate the state General Fund budgeting for Local District Junior Colleges and the Area Vocational Schools.
State Funding for Higher Education in Colorado

Although this performance audit is focused on Adams and Western, this section is intended to provide information about the broader context of state higher education funding affecting all 26 public institutions of higher education in Colorado, including Adams and Western.

According to documents prepared by Joint Budget Committee staff, Colorado’s higher education system served about 180,000 full-time equivalent (FTE) students in Fiscal Year 2015, including just over 150,000 Colorado residents.

The State has historically subsidized education at state higher education institutions based on the public benefits of providing educational access to all citizens and promoting a more educated population. Unlike K-12 education, there are no state statutes, constitutional provisions, or federal guidelines requiring specific amounts of state funding per student for higher education. As a result, funding for higher education is one component of the state budget that is most affected by the availability of funds. For example, State General Fund support for higher education declined during economic downturns (Fiscal Years 2003 through 2005 and Fiscal Years 2009 through 2012) and increased in better economic times (Fiscal Years 2015 and 2016).

One reason higher education funding is more subject to state-funding adjustments is because there is an alternative funding source: individual tuition payments. Although policy makers differ in the extent to which they believe higher education should be an individual versus a public responsibility, Colorado has always expected that individuals and families who benefit from higher education bear at least some portion of the cost.

Over the last 15 years, Colorado, like other states, has moved toward a funding model in which state funding has declined and the share of higher education costs borne by individuals and families has increased. Exhibit 3 shows the overall change in State General Fund and tuition revenue per student FTE since Fiscal Year 2001 after adjusting for inflation. In Fiscal Year 2001, the State General Fund provided about 67 percent of the revenue per resident student FTE. In Fiscal Year 2016, the State General Fund is expected to provide about 37 percent of the revenue per resident student FTE.
The General Assembly has provided more flexibility for institutions of higher education to increase tuition revenue in times of state funding cuts and has restricted tuition growth when more state revenue is available.

- Prior to Fiscal Year 2012, the General Assembly appropriated tuition spending authority to the institutions and set forth its assumptions about tuition rate increases in the annual Long Appropriations Bill.

- Senate Bill 10-003 created a 5-year window of tuition-setting flexibility for higher education governing boards in response to reduced state funding. From Fiscal Year 2012 through Fiscal Year 2014, governing boards could increase resident tuition rates for undergraduate students up to 9 percent per year. A mechanism was provided to allow for increases above 9 percent by submitting a Financial Accountability Plan for the governing board and having it approved by the Commission. (Note: The Financial Accountability Plans for Adams and Western can be accessed through the web links in Section IV—Supplemental Information of this RFP.)

- Senate Bill 14-001 paired increases in state funding for Fiscal Years 2015 and 2016 with a 6 percent hard cap on increases in resident tuition rates for undergraduates.
• Beginning in Fiscal Year 2017, tuition spending authority for all but one institution will once again be appropriated by the General Assembly with assumptions about tuition rate increases detailed in a footnote to the Long Appropriations Bill.

Resident undergraduate tuition and fees at most of Colorado’s 4-year institutions have more than doubled. These increases are driven significantly, but not exclusively, by declines in state funding. According to a trend analysis prepared by Joint Budget Committee staff, the average annual tuition and mandatory fees paid by full-time undergraduate resident students for the group of 4-year institutions that includes Colorado State University—Pueblo, Fort Lewis College, University of Northern Colorado, Adams State University, Colorado Mesa University, and Western State Colorado University increased by 248 percent from $2,349 in Fiscal Year 2001 to $8,180 in Fiscal Year 2016.

Funding Allocation Model

Beginning in Fiscal Year 2006, through the enactment of Senate Bill 04-189, state funding to support Colorado higher education institutions’ operations shifted from funding institutions to funding individual students and educational services. State General Fund dollars are allocated to governing boards via two different mechanisms—student stipends and fee-for-service contracts—which are described in more detail in the following sections.

In Fiscal Year 2015, total state funding from student stipends and fee-for-service contracts appropriated to Adams’ and Western’s governing boards made up about 30 percent and 26 percent, respectively, of the universities’ total operating revenue. Exhibit 4 shows the total state funding appropriated to Adams and Western’s governing boards for Fiscal Year 2016 under the new funding allocation model.
### Exhibit 4
Adams State University and Western State Colorado University
State General Fund Appropriations¹
Fiscal Year 2016
(Dollars in Millions)

<table>
<thead>
<tr>
<th></th>
<th>Adams State University</th>
<th>Western State Colorado University</th>
</tr>
</thead>
<tbody>
<tr>
<td>College Opportunity Fund Student Stipends</td>
<td>$3.0</td>
<td>$2.8</td>
</tr>
<tr>
<td>Fee-for-Service Contract</td>
<td>$11.1</td>
<td>$8.9</td>
</tr>
<tr>
<td><strong>Total State General Fund Appropriation</strong></td>
<td><strong>$14.1</strong></td>
<td><strong>$11.7</strong></td>
</tr>
</tbody>
</table>

Source: Fiscal Year 2016 Long Appropriations Bill (Senate Bill 15-234).

¹Dollars are first appropriated to the College Opportunity Fund and Fee-for-Service Contracts line items and then reappropriated to the individual governing boards.

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**Student Stipends** [Sections 23-18-101, et seq., and 23-18-201, et seq., C.R.S.]

Funding is appropriated annually by the General Assembly into the College Opportunity Fund (COF), which is a private purpose trust fund administered by College Assist, one of the Department’s divisions. The Department pays each higher education institution a COF stipend on behalf of each eligible student enrolled at that institution. The COF stipend is not considered to be nor is it classified as student financial aid; it is classified as part of the institution’s tuition and fee revenue. Basically, the State is a payer for a portion of the student’s in-state tuition bill. Without the COF stipend, the student is responsible for the full amount of in-state tuition and fees.

Statute requires COF stipends overall to be at least 52.5 percent of the total state appropriation, which is the amount of the annual appropriation to the College Opportunity Fund plus the total amount appropriated for fee-for-service contracts established under Section 23-18-303, C.R.S.

The General Assembly sets the dollar value of the stipends each year in the Long Appropriations Bill. The stipend amount is the same for all students attending participating state institutions. The COF stipend amount for Fiscal Year 2016 is $75 per credit hour for eligible students attending public institutions. During periods of state revenue shortfalls, the General Assembly may decrease reducing the overall appropriation to the College Opportunity Fund, thereby decreasing the dollar value of the stipend.

To receive the stipend, a student must apply for and authorize the use of the stipend at their respective institution. In accordance with statutory requirements and other requirements established by the Commission, undergraduate students at participating public institutions may receive a COF stipend if they:
• Are enrolled at a state institution of higher education. (The COF stipend is not available for Colorado students who attend out-of-state colleges and universities.)

• Are classified as an in-state resident student for tuition purposes. (The COF stipend is not available to nonresident students.)

• Have applied for and been accepted into the COF program.

• Have requested payment of the COF stipend on their behalf to their attending institution.

• Are receiving undergraduate instruction.

• Have not exceeded their lifetime 145 credit-hour limit.

**Fee-for-Service Contracts** [Section 23-18-301, et seq., C.R.S.]

In addition to the funding that higher education institutions’ governing boards receive from the student stipends through the College Opportunity Fund, the governing boards also receive State General Fund dollars by entering into fee-for-service contracts with the Department.

House Bill 14-1319 made some refinements to the fee-for-service component of the funding allocation model to make it more transparent why any particular governing board receives a particular amount of funding and to ensure common collection and reporting of the data points used in the model. Starting in Fiscal Year 2016, the fee-for-service portion of the higher education funding model allocates funding based on factors related to the institution’s *role and mission* and metrics related to the institution’s *performance*.

The Commission is statutorily responsible for establishing (1) the components of each factor relating to the role and mission funding, including the associated weights of each factor, and (2) the components of each performance metric relating to the performance funding, including the associated weights of each metric.

• **Role and Mission Factors**—The model allocates funding to support the role and mission and general operations of state higher education institutions. Statute requires the role and mission funding to include amounts for each governing board to offset the costs incurred in providing (1) undergraduate programs; (2) support services for Federal Pell Grant-eligible, first-generation, and underserved undergraduate students; (3) graduate programs, if authorized and offered; and (4) basic skills courses and supplemental academic instruction. Statute allows the Commission to establish up to two additional factors related to role and mission funding. Examples include institution affordability, cost studies, technology transfer, and the provision of career and technical programs.
• **Performance Metrics**—The model allocates funding to reward institutions for various outcomes-based performance metrics. Statute requires the performance funding to include amounts to each governing board for (1) each certificate or degree awarded and each student transferring from a 2-year to a 4-year institution and (2) the number of students who make academic progress by completing 30, 60, or 90 credit hours at 4-year institutions, and 15, 30, and 45 credit hours at 2-year institutions. Statute allows the Commission to establish up to four additional metrics related to performance funding that relate to policy goals adopted by the Commission. Examples include workforce placement, closing the achievement gap, limiting student loan debt, and controlling institutional administrative costs.

Additional funds are allocated through separate fee-for-service contracts for institutions with specialty education programs (e.g., medical and veterinary schools).

House Bill 14-1319 also put statutory provisions (a.k.a. “guard rails”) in place through Fiscal Year 2020 limiting increases and decreases in appropriations to any individual governing board to no more than 5 percent of the average increase or decrease for all governing boards. Beginning in Fiscal Year 2021, use of the “guard rails” is optional.

### Cost Drivers

According to information from the Association of Governing Boards of Universities and Colleges, there are a number of factors that may be significant to universities’ costs and cost patterns:

• **Institutional Mission.** Not every decision made by a university’s management or its governing board is a financial one; however, almost every decision to carry out the institution’s mission has financial implications. For example, research universities tend to have higher costs than teaching institutions; technical and vocational programs tend to have higher costs than academic programs; and institutions with a broad range of programs tend to have higher costs than institutions with fewer programs.

• **Mix by Level of Instruction.** In general, lower-division courses tend to have lower costs than upper-division courses, and undergraduate programs tend to have lower costs than graduate programs. This cost differential is because of the greater degree of specialization in course offerings at higher levels of study in contrast to lower-division instruction, where the curriculum is more standardized and class sizes are typically larger. Senior faculty, who are more highly paid, are more likely than junior faculty, who are lower paid, to teach upper-division and graduate-level classes.

• **Mix by Discipline.** Similar to the level of instruction, some disciplines and programs have higher costs than others. For example, laboratory sciences tend to have higher costs than History or English courses, in part due to the more specialized facilities and capital investments required for these programs. The
demand for faculty, as well as faculty staffing patterns, between the disciplines and programs also affect costs.

- Enrollment. Student enrollment directly affects tuition and fee revenue. The degree of admissions selectivity has also been found to correlate with campus spending, likely because of its effect on enrollment. Typically, institutions with larger enrollments are able to offer classes at lower average credit-hour costs than are institutions with smaller enrollments. This is because the marginal cost of adding additional students to programs that are already established is less than if institutions need to add additional faculty, staff, and facilities in order to build capacity. Smaller institutions have inherently more expensive instructional programs because administrative costs are spread over fewer departments.

- Student Mix. People often conclude that non-resident students subsidize the costs for resident students because non-resident student tuition rates tend to be higher than resident tuition rates. Although there may be no cost differential in providing instruction to a resident versus a non-resident student, there is a difference in the amount of tuition revenue generated from a resident versus a non-resident student. Thus, student mix matters for how institutions cover their costs.

As part of the process for implementing the new funding allocation model described previously, the Department contracted with the National Center for Higher Education Management Systems (NCHEMS) to provide analysis of (1) higher education costs in Colorado and how these compared to costs at comparable institutions from across the country and (2) the factors that influence tuition-setting practices for different kinds of institutions. (Note: The two NCHEMS studies can be accessed through the web links in Section IV—Supplemental Information of this RFP.)

### Student Enrollment, Faculty, and Staff Positions

Personnel costs are a significant operating expense for Colorado’s state higher education institutions. Some full-time equivalent (FTE) positions, such as administrative support and maintenance staff, are classified staff for whom salaries and benefits are determined by the State Personnel System. However, other FTE positions, such as faculty, are exempt staff whose compensation is determined by each institution’s governing board.

Exhibit 5 shows a 5-year trend in Adams’ full-time equivalent (FTE) student, faculty, and staff positions. One notable trend is that the student FTE count overall has increased by about 3 percent over the last 5 fiscal years. However, when divided into resident and nonresident students, the resident student FTE count has decreased by 9 percent, whereas the nonresident student FTE count has increased by 64 percent.
Exhibit 6 shows a 5-year trend in Western’s student population and faculty and staff positions. One notable trend is that Western’s overall student population has increased by 7 percent over the last 5 fiscal years, with the nonresident student population increasing by 13 percent, more than double the percentage increase in the resident student population over the same period.

Exhibit 5
Adams State University
Full-Time Equivalent (FTE) Student, Faculty, and Staff
Fiscal Years 2011 Through 2015

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Students</td>
<td>1,948.6</td>
<td>1,975.9</td>
<td>1,905.7</td>
<td>1,832.6</td>
<td>1,776.1</td>
<td>-8.9%</td>
</tr>
<tr>
<td>Nonresident Students</td>
<td>372.3</td>
<td>483.6</td>
<td>539.2</td>
<td>596.8</td>
<td>609.4</td>
<td>+63.7%</td>
</tr>
<tr>
<td><strong>Total Students</strong></td>
<td><strong>2,320.9</strong></td>
<td><strong>2,459.5</strong></td>
<td><strong>2,444.9</strong></td>
<td><strong>2,429.4</strong></td>
<td><strong>2,385.5</strong></td>
<td><strong>+2.8%</strong></td>
</tr>
<tr>
<td>Faculty</td>
<td>172.8</td>
<td>185.8</td>
<td>181.1</td>
<td>181.6</td>
<td>180.4</td>
<td>+4.4%</td>
</tr>
<tr>
<td>Staff</td>
<td>134.1</td>
<td>126.3</td>
<td>133.6</td>
<td>135.5</td>
<td>139.2</td>
<td>+3.8%</td>
</tr>
<tr>
<td><strong>Total Faculty &amp; Staff</strong></td>
<td><strong>306.9</strong></td>
<td><strong>312.1</strong></td>
<td><strong>314.7</strong></td>
<td><strong>317.1</strong></td>
<td><strong>319.6</strong></td>
<td><strong>+4.1%</strong></td>
</tr>
</tbody>
</table>

Source: Adams State University’s financial and compliance audits for Fiscal Years 2011 through 2015.

Exhibit 6
Western State Colorado University
Full-Time Equivalent (FTE) Student, Faculty, and Staff
Fiscal Years 2011 Through 2015

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Students</td>
<td>1,396.6</td>
<td>1,336.3</td>
<td>1,335.7</td>
<td>1,341.3</td>
<td>1,473.1</td>
<td>+5.5%</td>
</tr>
<tr>
<td>Nonresident Students</td>
<td>457.8</td>
<td>456.8</td>
<td>456.1</td>
<td>481.7</td>
<td>517.9</td>
<td>+13.1%</td>
</tr>
<tr>
<td><strong>Total Students</strong></td>
<td><strong>1,854.4</strong></td>
<td><strong>1,793.1</strong></td>
<td><strong>1,791.8</strong></td>
<td><strong>1,823.0</strong></td>
<td><strong>1,991.0</strong></td>
<td><strong>+7.4%</strong></td>
</tr>
<tr>
<td>Faculty</td>
<td>112.0</td>
<td>113.0</td>
<td>126.5</td>
<td>135.3</td>
<td>140.2</td>
<td>+25.2%</td>
</tr>
<tr>
<td>Staff</td>
<td>174.8</td>
<td>173.1</td>
<td>169.5</td>
<td>175.0</td>
<td>180.3</td>
<td>+3.1%</td>
</tr>
<tr>
<td><strong>Total Faculty &amp; Staff</strong></td>
<td><strong>286.8</strong></td>
<td><strong>286.1</strong></td>
<td><strong>296.0</strong></td>
<td><strong>310.3</strong></td>
<td><strong>320.5</strong></td>
<td><strong>+11.8%</strong></td>
</tr>
</tbody>
</table>

Source: Western State Colorado University’s financial and compliance audits for Fiscal Years 2011 through 2015.  
¹Western’s methodology for reporting graduate faculty FTE changed in 2013; therefore, the numbers may not be directly comparable.
C. SERVICES REQUIRED – DELIVERABLES AND TIMELINES

The OSA is seeking proposals from qualified organizations to conduct the planned audit work to gain sufficient, appropriate evidence necessary to conclude on the audit’s objectives and to develop related findings and recommendations. Firms familiar with the complex operating environment of higher education institutions are desirable. The OSA will provide the engaged organization general guidance and oversight; however, the engaged organization will be responsible for planning and conducting the audit work, developing complete written findings, and writing the audit report. Specific details regarding the project scope, audit objectives, and planned audit work are described later in this section.

The OSA prefers that the engaged organization conduct this project as a performance audit in accordance with generally accepted government auditing standards issued by the U.S. Comptroller General. However, the OSA will consider proposals from qualified firms for conducting this project as a performance evaluation or study outside of generally accepted government auditing standards. Bidders’ proposals should be clear about the intended approach.

The following sections generally describe a number of formal meetings that will take place during the audit involving the engaged firm, personnel from Adams State University, Western State Colorado University, and the OSA. Due to the geographic dispersion of the parties involved, as well as a desire to minimize the need to incur travel time and costs, it is assumed that most, if not all, of these meetings will take place via conference call and/or other technologies (e.g., WebEx, GoToMeeting, or similar software). Bidders should discuss in their proposals how they plan to use conference calls and/or other technologies to facilitate meetings and communications during the audit. For example, the engaged firm should consider how using WebEx, GoToMeeting, or similar software may help ensure an effective remote presentation of its analysis, findings, and conclusions.

Planning and Fieldwork

The engaged organization will be required to:

- Upon execution of the contract, hold a planning meeting with the contract monitor during the **week of May 2, 2016**.

  **Note:** This is an estimated start date. Work could begin sooner or later depending on how long it takes to route and execute the contract. No work can begin until the contract is approved and signed by the State Auditor or her designee.

- Conduct separate entrance conferences with Adams State University and Western State Colorado University. The entrance conferences should be held and fieldwork should begin during the **week of May 9, 2016**.
• Provide routine updates regarding the status of the engaged organization’s work, noted problems, preliminary findings, etc. to the OSA (via the contract monitor) throughout the duration of the engagement. This may include conference calls and/or written progress updates. The update format and schedule will be determined by the contract monitor and the engaged organization.

• Conduct ongoing communications with Adams State University and Western State Colorado University throughout fieldwork to gain an understanding of operations, requirements, and criteria as well as to clear the results of data analysis and clear preliminary findings and conclusions.

• Complete fieldwork during the week of July 4, 2016. This is the date by which the engaged firm should have the majority of the fieldwork (e.g., primary data collection and analysis, interviews, documentation review) completed. The OSA recognizes that auditing is an iterative process and refinements to analysis, follow-up, etc., will occur subsequent to this date as the findings and conclusions are being drafted and reviewed.

Findings and Report

The OSA has a very rigorous findings and report review process, which includes review and revisions at multiple levels of the organization. Prospective bidders should take this into consideration when preparing a proposed calendar and budget. The findings and final report should adhere to the OSA’s standards as described in “Exhibit G—Developing and Presenting Findings” and “Exhibit H—Reporting Requirements and Format for Separately Issued Reports” of the OSA’s standard contract, which is included in Section IV—Supplemental Information of this RFP. In addition, we have included a link in Section IV of this RFP to a recent report issued by the OSA. Prospective bidders should review that report to gain an understanding of the OSA’s expectations for written audit reports.

The engaged organization will be required to:

• Prepare and submit a draft of the detailed written findings and conclusions to the contract monitor during the week of July 18, 2016. The findings and conclusions should adhere to the format outlined in “Exhibit G—Developing and Presenting Findings” of the OSA’s standard contract. The engaged organization should allow a minimum of 3 weeks for the contract monitor’s review and for the engaged organization to make revisions.

• Coordinate with the contract monitor to submit written findings and conclusions to the Deputy State Auditor during the week of August 8, 2016. The engaged organization should allow a minimum of 2 weeks for the Deputy’s review and for the engaged organization to make revisions. If needed, the contract monitor will schedule
a meeting for the engaged organization to discuss the findings and conclusions with the Deputy State Auditor.

- Coordinate with the contract monitor to submit written findings and conclusions to the State Auditor during the week of September 22, 2016. The engaged organization should allow a minimum of 2 weeks for the State Auditor’s review. If needed, the contract monitor will schedule a meeting for the engaged organization to discuss the findings and conclusions with the State Auditor.

- Once the written findings and conclusions are approved by the State Auditor, coordinate with the contract monitor to submit the findings to Adams State University and Western State Colorado University during the week of September 5, 2016. No less than 1 week later, during the week of September 12, 2016, coordinate with the contract monitor to schedule and hold findings meetings with Adams State University and Western State Colorado University to formally present and discuss the written findings and conclusions. If determined necessary, the engaged organization should also anticipate holding an additional meeting to brief each university’s board of trustees.

- Prepare a draft audit report using the written findings and conclusions and the requirements outlined in “Exhibit H—Reporting Requirements and Format for Separately Issued Reports” of the OSA’s standard contract.

- Submit the draft audit report to the contract monitor for review on or about October 10, 2016. The contract monitor will coordinate review of the draft report by the Deputy State Auditor and the State Auditor. Allow approximately 4 weeks for the OSA’s review and for the engaged organization to make revisions.

- Coordinate with the contract monitor to submit a draft audit report to Adams State University and Western State Colorado University on or about November 7, 2016 for review and comment. Allow 2 weeks for the review—1 week prior to the exit conference, plus an additional week after the exit conference for revisions and to obtain each university’s final written responses to any audit recommendations.

- Coordinate with the contract monitor to schedule and hold separate exit conferences with Adams State University and Western State Colorado University during the week of November 14, 2016. As discussed in the previous bullet point, the exit conference should take place no sooner than 1 week after the universities receive the draft audit report. The purpose of the exit meeting is to discuss the draft audit report and make revisions, as appropriate, to address comments or concerns raised by each university. The universities’ final written responses to any audit recommendations must be obtained on or about November 29, 2016.
• Perform a quality control review to ensure the accuracy of all information contained in the report, including verification of all dates, numbers, and legal citations in the report.

• Submit the final draft of the audit report, inclusive of any changes made in response to issues raised by the universities, to the OSA for final review on or about December 5, 2016. Allow approximately 1 week for the final review and for the engaged organization to make revisions.

• Provide the contract monitor with an electronic copy of the final print-ready version of the report (in unprotected PDF format) on or about December 12, 2016. The OSA will provide the engaged organization with the final approval for printing.

• Provide the OSA with up to 100 hard copies of the bound printed report no later than December 16, 2016. The exact number of copies will be determined by the OSA at the time of report finalization. Acceptable binding formats are limited to spiral, comb, or glued bindings; 3-ring bindings are not acceptable. The contract monitor will be responsible for distributing the final audit report to Adams State University and Western State Colorado University. The OSA will be responsible for distributing the final audit report to the Legislative Audit Committee.

• Coordinate with the contract monitor regarding the format and content of the Legislative Audit Committee presentation. This may include providing a written script of the engaged organization’s presentation and/or conducting a dry run and incorporating revisions requested by the contract monitor. The timeline for this meeting will be determined at the time of report finalization.

• Conduct a dry run of the engaged organization’s presentation with the contract monitor and Deputy State Auditor and incorporate suggested revisions. The timeline for this meeting will be determined at the time of report finalization.

Provide in-person oral testimony to the Legislative Audit Committee. The engaged firm must attend the hearing for the presentation of the audit report; it cannot be done remotely. The Committee hearing will occur mid- to late-January 2017. The specific date and time for the hearing will not be set until later in the fall 2016. The engaged organization will be required to testify for about 1½ to 2 hours, providing an oral summary of the report’s findings and conclusions and answering questions from Committee members. The engaged firm may also be requested to provide subsequent briefings on the audit to other legislative committees and/or each university’s governing board.

**Project Scope**

The engaged organization will be required to assess and evaluate Adams State University’s and Western State Colorado University’s overall financial position.
Specifically, the engaged organization should plan and perform work to address the following audit objectives for each university:

- Analyze financial and other relevant data to identify significant trends affecting the university’s overall financial position.

- Determine the different factors driving the significant trends observed in the university’s financial data. Factors to consider may include: enrollment trends and tuition/fee levels for resident versus non-resident students, faculty and staff costs, capital construction, and debt service, as well as the university’s institutional role and mission and the strategic direction provided by the Board of Trustees.

- Analyze enrollment and cost data for the university’s undergraduate and graduate degree programs to determine those that have declining enrollment or are not self-sufficient. In the case of Western State Colorado University, the analysis should consider the potential impact on enrollment, revenues, and costs by changing the university’s admission standards from “moderately selective” to “selective” (i.e., enactment of House Bill 16-1083), including obtaining and reviewing analysis and projections prepared by Western related to this change.

- Assess the university’s strategies, plans, and efforts to ensure an overall sound financial position, including any monitoring and action taken in response to observed financial trends. If possible, provide economic modeling based on these efforts. Determine how the universities consider and assess the financial impact of strategic and operational decisions related to admissions, degree program offerings, capital construction, etc.

Bidders’ proposals should clearly outline the approaches, work steps, analytics, and methodologies the engaged firm plans to use to achieve the audit’s objectives. Although some general work approaches have been outlined in this RFP, bidders are encouraged to rely on their expertise and experience to develop approaches, work steps, analytics, and methodologies that will accomplish the audit’s objectives as effectively and efficiently as possible. The OSA recognizes that the work plan will evolve and change as the work progresses and evidence is gathered.

The engaged organization should generally expect to perform the following types of work:

- Review of applicable statutes, policies and procedures, and other authoritative guidance.

- Analysis of relevant data and documentation maintained by Adams and Western.

- Analysis of relevant data and documentation maintained by the Department and Commission.
• Interviews with members of the board trustees, management, and staff at Adams and Western, as well as the Department and Commission.

Analytics may involve over-time trend analysis, comparisons to peer institutions, and economic modeling. It is the OSA’s intent that the engaged organization will identify and apply best practices in financial analysis and benchmarking for public higher education institutions. For example, the engaged firm should consider methodologies, such as the Composite Financial Index*, which is a set of financial indicators used by the Higher Learning Commission, the accrediting organization for both Adams and Western, and highlighted as a best practice methodology by the National Association of College and University Business Officers.

*See Strategic Financial Analysis for Higher Education: Identifying, Measuring & Reporting Financial Risks (Seventh Edition), by KPMG LLP; Prager, Sealy & Co., LLC; Attain LLC. This is considered to be the definitive source for the CFI methodology for both public and independent institutions. 
http://www.prager.com/FinancialAdvisory/StrategicFinancialAnalysis (Executive Summary)

Understanding the underlying costs and cost patterns that are specific to Adams and Western is also an important part of the work on this performance audit. Although the NCHEMS cost study described earlier was designed to provide a statewide picture rather than analysis of individual institutions, it may help the engaged organization design an approach for analyzing Adams’ and Western’s specific costs and cost patterns based on data available through the National Center for Education Statistics’ Federal Integrated Postsecondary Education Data Surveys (IPEDS). The engaged firm should also leverage best practices guidance and resources available through the Association of Governing Boards of Universities and Colleges and the National Association of College and University Business Officers when designing and performing the work on this project.

The engaged firm is expected to minimize administrative burden on university management and staff to the extent possible. For example, the engaged organization should utilize/leverage existing data and information that is available and reported by Adams and Western. To avoid duplication of data/information requests, the contract monitor will work with the engaged organization to ensure coordination, as necessary, with the OSA’s financial contract auditors, who will be conducting the annual financial statement audits of Adams and Western during the time period of this engagement.

Additional sources of information and institutional data that may be beneficial for the audit are included in Section IV—Supplemental Information of this RFP.

D. INQUIRIES

Prospective bidders may make written inquiries concerning this RFP to obtain clarification of requirements. Please address all inquiries to Greg Fugate, Contract Monitor, greg.fugate@state.co.us. No inquiries will be accepted after 5:00 p.m. MDT on Wednesday, March 30, 2016.
E. **SUBMISSION**

All proposals become the property of the State Auditor upon receipt and will not be returned to the bidder. The State Auditor shall have the right to use all ideas, or adaptations of these ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal will not affect this right.

F. **ACCEPTANCE OF PROPOSAL**

This RFP does not commit the State Auditor to award a contract, to pay any costs incurred in the preparation of a bid submitted in response to this request, or to procure or contract for services or supplies. The State Auditor reserves the right to accept or reject, in part or in its entirety, any or all bids received as a result of this RFP if, in the opinion of the State Auditor, it is in the best interest of the State to do so. The lowest cost proposal will not necessarily be selected. Final scope and price may be negotiated after selection of the engaged organization.

G. **PROPOSALS - SCHEDULE**

The following schedule will be followed:

1. RFP available to prospective bidders
2. Prospective bidder’s inquiry deadline (5:00 p.m. MDT)
3. OSA response to inquiry deadline
4. **Proposal submission deadline (5:00 p.m. MDT)**
5. Approximate bid selection date
6. Approximate contract date

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Any proposal received after **5:00 p.m. MDT on Wednesday, April 13, 2016** will not be considered. The proposal must be submitted via email to Greg Fugate, Contract Monitor, **greg.fugate@state.co.us**. The proposal must be signed by a person legally authorized to bind the bidder.

H. **ADDENDUM OR SUPPLEMENT TO REQUEST FOR PROPOSAL**

The State Auditor reserves the right to issue amendments to this RFP prior to the closing date for submission of proposals. In the event that it becomes necessary to revise any part of this RFP, an addendum to this RFP will be provided to each prospective bidder.
I. **AWARD WITHOUT DISCUSSION**

The State Auditor reserves the right to make an award without further discussion of proposals received. Therefore, it is important that the proposal be submitted in the most complete terms possible from both the technical and cost standpoint.

J. **AWARD INFORMATION TO UNSUCCESSFUL FIRMS**

The State Auditor will notify all unsuccessful bidders after the award. No information will be released after the proposal submission deadline until an award has been made.

K. **JOINT VENTURES**

No joint venture proposals will be accepted. However, this requirement does not preclude the use of outside special consultants if deemed necessary by the engaged organization.

L. **STATE AUDITOR LIAISON**

The OSA’s assigned contract monitor will be the liaison to the engaged organization throughout the audit. This individual will attend entrance/exit conferences and other key meetings during the audit and assist the engaged organization in understanding State Auditor requirements and reporting guidelines.

M. **AWARD OF BID**

The contract will be awarded to the bidder whose proposal will be most advantageous to the State of Colorado, price and other factors considered. The successful bidder will be awarded a contract for the scope detailed in this RFP or the scope negotiated through further discussion. *The successful bidder is expected to execute and adhere to the terms and conditions in the OSA’s standard contract and its related exhibits. A copy of the OSA’s standard contract and its related exhibits is included in Section IV—Supplemental Information of this RFP.*

N. **SUBMISSION OF INVOICES**

The engaged organization should submit monthly invoices for audit work completed. The State Auditor will withhold 10 percent of the total contract amount pending satisfactory completion of the audit.
All proposals must include the information requested in this section and be organized in the same manner as this section.

All proposals submitted to the OSA in response to this RFP are subject to the Colorado Open Records Act (CORA). Any proprietary information your firm includes in the proposal should be clearly and specifically designated in the proposal. Such information will be redacted from the proposal pursuant to 24-72-204(3)(a)(IV), C.R.S., allowing for the denial of inspection of records including trade secrets, before providing the proposal in response to a CORA request.

A. TITLE PAGE

The proposal will identify the RFP subject, organization’s name, address, telephone number, name of contact person, and date.

B. TABLE OF CONTENTS

The proposal will include a clear identification of the material included in the bid proposal by section and page number.

C. TRANSMITTAL LETTER

Please limit the transmittal letter to two or three pages. Provide the names of individuals authorized to make representations for the organization and their titles, addresses, and telephone numbers.

D. PROFILE OF THE ORGANIZATION

The proposal must:

1. State whether the organization is local, national, or international.

2. Give the location of the office from which the work would be done and number of partners, shareholders, and managers and other professional staff employed at that office.

3. Describe the range of activities performed by the office from which the work would be done.

4. Describe the proposed audit team’s capabilities, including the number and classifications of personnel who will work on the audit.
5. Affirm that the organization is independent for this audit engagement.

6. Describe any work performed for Adams State University, Western State Colorado University, the Colorado Commission of Higher Education, or the Colorado Department of Higher Education within the past 2 years. Describe any future work planned for Adams State University, Western State Colorado University, the Colorado Commission of Higher Education, or the Colorado Department of Higher Education. Explain why this prior or planned work would not impair the organization’s independence in performing this audit.

7. Affirm that the organization does not have any past history of substandard work (e.g., a prior engagement has been terminated for poor performance).

8. Provide information on any past, current, or anticipated claims (i.e., knowledge of pending claims) on respondent contracts; explain the litigation, the issue, and its outcome or anticipated outcome.

9. Provide a copy of the results of the organization’s most recent external peer review if the organization will conduct an audit under generally accepted government auditing standards.

E. QUALIFICATIONS OF ASSIGNED PERSONNEL

The proposal must identify the principal staff (i.e., principals, managers, and supervisors/in-charges) who will work on the audit, including any specialists or subcontractors to be used. The proposal must include a resume of all principal staff highlighting their professional qualifications and similar audit work that they have performed. Resumes must be included in an appendix.

F. ORGANIZATION’S APPROACH TO THE AUDIT

The proposal must include a description of the methodology, approach, tools, and resources to be used to conduct the audit. The proposal should set forth the audit steps that the organization will take to achieve each of the specific objectives outlined in this RFP as well as to develop all parts of a finding (as described in “Exhibit G—Developing and Presenting Findings” of the OSA’s standard contract) for each problem identified. The proposal must indicate whether the organization will conduct the project under generally accepted government auditing standards and, if not, indicate any other applicable professional standards to which the organization will adhere.
G. **COMPENSATION**

1. The proposal must state the number of professional staff hours estimated to complete the audit work by staff level, the hourly rate, and the resulting total cost. The prospective bidder is advised that travel costs incurred in the performance of audits are reimbursable only as a part of the hourly rate and must be covered under said rate and will not be separately reimbursed.

2. The proposal should break out total hours estimated to: (1) complete each issue/objective/question and (2) write and revise findings and the final audit report.

3. The proposal must state the total inclusive maximum fee for which the work requested will be done.

4. The proposal should affirm that all prices, terms, and conditions will be held firm for at least 90 days after the bid opening.

H. **DELIVERY SCHEDULE**

The proposal must include a detailed proposed schedule of the audit work to be performed and deliverable due dates for the project milestones discussed in Section I, Part C of this RFP.

I. **ADDITIONAL DATA**

Since the preceding sections are to contain information that is specifically requested, the organization may include any additional information considered essential to the proposal in this section. The organization should not include general information publications, such as directories or client lists.
SECTION III

PROPOSAL EVALUATION PROCESS

A. GENERAL

An OSA evaluation team will judge the merits of proposals received in accordance with the general criteria defined below. The bidder is responsible for providing all information requested in this RFP. Failure to do so may result in disqualification of the proposal.

The evaluation team will select the bidder whose proposal is most responsive to the State Auditor’s needs while being within available resources. The specifications within this RFP represent the minimum performance necessary for response.

During the evaluation process, the evaluation committee may, at its discretion, request any one or all bidders to make oral presentations or answer questions about their proposals. Not all bidders may be asked to make such oral presentations.

B. MANDATORY CRITERIA

1. The organization is independent for the audit engagement.

C. GENERAL CRITERIA

1. Adequacy and completeness of the proposal with regard to the information specified in Section II of this RFP.

2. Experience and stability of the organization.

3. Relevant qualifications and experience of staff, including subcontractors, specialists, and consultants to be assigned to the audit.

4. Comprehensiveness and appropriateness of the proposed audit work plan.

5. Proposed costs (number of hours and hourly rate).

6. Proposed time frame for meeting project milestones and completing the audit.

D. TOTAL SCORE

The evaluation team will assign scores to the proposals based on the established criteria. The State Auditor will make the final decision on the contract award.
SECTION IV
SUPPLEMENTAL INFORMATION

Enclosed with this RFP are the following:

1. Standard OSA contract and related exhibits. The successful bidder is expected to execute and adhere to the terms and conditions in the OSA’s standard contract and its related exhibits.

2. Adams State University, Fee-for-Service Contract, FY2016

3. Western State Colorado University, Fee-for-Service Contract, FY2016

The following links provide additional information to aid bidders in preparing the proposal:

- Example of a recent OSA performance audit report for understanding report contents, presentation of findings and recommendations, etc.
  - Colorado Correctional Industries, Performance Audit, January 2015, Department of Corrections

- Adams State University – Audited Financial Statements *
  *In addition to the audited financial statements, the Management Discussion & Analysis provides valuable information provided by management about trends and activities affecting the university.
  - Adams State University, Financial and Compliance Audit, Fiscal Years Ended June 30, 2015 and 2014 (see the finding in this audit about the university’s financial position)
  - Adams State University, Financial and Compliance Audit, Fiscal Years Ended June 30, 2014 and 2013
  - Adams State University, Financial and Compliance Audit, Fiscal Years Ended June 30, 2013 and 2012
  - Adams State College, Financial and Compliance Audit, Fiscal Years Ended June 30, 2011 and 2010

- Western State Colorado University – Audited Financial Statements *
  *In addition to the audited financial statements, the Management Discussion & Analysis provides valuable information provided by management about trends and activities affecting the university.
  - Western State Colorado University, Financial and Compliance Audit, Fiscal Years Ended June 30, 2015 and 2014
  - Western State Colorado University, Financial and Compliance Audit, Fiscal Years Ended June 30, 2014 and 2013
  - Western State Colorado University, Financial and Compliance Audit, Fiscal Years Ended June 30, 2013 and 2012
o Western State College, Financial and Compliance Audit, Fiscal Years Ended June 30, 2012 and 2011
o Western State College, Financial and Compliance Audit, Fiscal Years Ended June 30, 2011 and 2010

• Financial Accountability Plans
  o Adams State University (Amended 03/01/13)
  o Adams State University (10/21/10, amended 3/2/12)
  o Western State Colorado University (Amended 03/01/13)
  o Western State Colorado University (11/23/10, amended 3/2/12)

• Institutional Fee Plans
  o Adams State University
  o Western State Colorado University

• Tuition and Fees Reports
  o Fiscal Year 2016
  o Fiscal Year 2015
  o Fiscal Year 2014
  o Fiscal Year 2013
  o Fiscal Year 2012

• Joint Budget Committee Staff Briefing Document – Department of Higher Education, Fiscal Year 2017

• National Center for Higher Education Management Systems (NCHEMS) Reports to the Colorado Department of Higher Education
  o Why Higher Education Costs Are What They Are
  o Tuition-Setting Practices in Colorado’s Public Colleges and Universities

• Colorado Revised Statutes (http://www.lexisnexis.com/hottopics/colorado/)
  o Section 23-1-101, et seq., C.R.S. – Colorado Commission on Higher Education
  o Section 24-1-114, C.R.S. – Colorado Department of Higher Education
  o Section 23-18-301, et seq., C.R.S. – Higher Education Funding
  o Section 23-51-101, et seq., C.R.S. – Adams State University
  o Section 23-56-101, et seq., C.R.S. – Western State Colorado University

• Higher Learning Commission
  o www.hlcommission.org
  o https://www.hlcommission.org/Monitoring/financial-indicator-process.html
  o https://www.hlcommission.org/Monitoring/institutional-update.html

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• Colorado Commission on Higher Education Data

• Federal Integrated Postsecondary Education Data Surveys (IPEDS)
  o  http://nces.ed.gov/ipeds/
  o  https://nces.ed.gov/ipeds/datacenter/
  o  http://nces.ed.gov/ipeds/Home/UseTheData
  o  http://nces.ed.gov/ipeds/InsidePages/UseTheData?pageid=58 (tutorials)

• Association of Governing Boards of Universities and Colleges
  o  http://agb.org/

• National Association of College and University Business Officers
  o  www.nacubo.org
  o  http://www.nacubo.org/Business_Officer_Magazine/Magazine_Archives/April_2009/Diagnosing_Fiscal_Fitness.html (page has listing of other books and journal articles that may be useful)
  o  http://www.nacubo.org/Search_Results_Page.html?q=Strategic+Financial+Analysis+for+Higher+Education

• Adams State University Website
  o  www.adams.edu

• Western State Colorado University Website
  o  www.western.edu

• Colorado Department of Higher Education Website
  o  http://highered.colorado.gov/

• Office of the State Auditor Website
  o  www.colorado.gov/auditor/
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<td>30. EXHIBIT H - REPORTING REQUIREMENTS AND FORMAT FOR SEPARATELY ISSUED REPORTS</td>
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1. PARTIES
This Contract (“Contract”) is entered into by and between _____________ (“Contractor”), and the STATE OF COLORADO acting by and through and for the use and benefit of the State Auditor and the Legislative Audit Committee (the “State”). Contractor and the State hereby agree to the following terms and conditions.

2. EFFECTIVE DATE AND NOTICE OF NONLIABILITY
This Contract shall be effective and enforceable once it is approved and signed by the State Auditor or designee (the “Effective Date”). The State shall not be liable to pay or reimburse Contractor for any performance hereunder including costs or expenses incurred, or be bound by any provision hereof prior to the Effective Date.

3. RECITALS
A. Authority, Appropriation, And Approval
Authority to enter into this Contract exists in CRS §2-3-103(1) and funds have been budgeted, appropriated and otherwise made available pursuant to Fund 1000, Appropriation Code MGFCC4010, Contract Encumbrance Number 20__, and a sufficient unencumbered balance thereof remains available for payment. Required approvals, clearance and coordination have been accomplished from and with appropriate agencies.

B. Consideration
The Parties acknowledge that the mutual promises and covenants contained herein and other good and valuable consideration are sufficient and adequate to support this Contract.

C. Purpose
The State desires to engage Contractor to render certain professional auditing services.

D. References
All references in this Contract to sections (whether spelled out or using the § symbol), subsections, exhibits or other attachments, are references to sections, subsections, exhibits or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.

4. DEFINITIONS
The following terms as used herein shall be construed and interpreted as follows:

A. Audit Report
“Audit Report” means _______________.

B. Audited Agency
“Audited Agency” means _______________, hereinafter referred to as “________”, which is/are subject to audit under this Contract.

C. Contract
“Contract” means this Contract, its terms and conditions, attached exhibits, documents incorporated by reference under the terms of this Contract, and any future modifying agreements, exhibits, attachments or references incorporated herein pursuant to Colorado State law.

D. Contract Funds
“Contract Funds” means funds available for payment by the State to Contractor pursuant to this Contract as set forth in §7(A) (Maximum Amount).

E. Exhibits and other Attachments
The following are attached hereto and incorporated by reference herein: Exhibit A (Statement of Work), Exhibit B (Request for Proposal), Exhibit C (Modifications to Contractor’s Proposal), Exhibit D (Contractor’s Proposal), Exhibit E (Information Security Policy for Contractors), Exhibit F (Compensation and Procedures for Billing),
Exhibit G (Developing and Presenting Performance Audit Findings), and Exhibit H (Reporting Requirements and Format for Separately Issued Reports).

F. Modifications to Proposal
“Modifications to Proposal” means the modifications to Contactor’s Proposal, dated _________.

G. Party or Parties
“Party” means the State or Contractor and “Parties” means both the State and Contractor.

H. Proposal
“Proposal” means Contractor’s Proposal dated _________.

I. Request for Proposal or RFP
“Request for Proposal” or “RFP” means the State’s Request for Proposal, issued _________. including the supplement to the RFP, dated _________.

J. Services
“Services” means the required performance auditing services to be performed by Contractor pursuant to this Contract.

K. State Auditor
“State Auditor” means the Colorado State Auditor. The Office of the State Auditor may be referred to as “OSA.”

L. Subcontractor
“Subcontractor” means a third-party, if any, engaged by Contractor to aid in performance of its obligations.

M. Work
“Work” means the tasks and activities Contractor is required to perform to fulfill its obligations under this Contract and the Exhibits, including the performance of the Services and delivery of the Work Product.

N. Work Product
“Work Product” means the tangible or intangible results of Contractor’s Work, including the Audit Report, work papers subject to §18 herein, and reports, which are specified in Exhibit H.

5. TERM AND EARLY TERMINATION

A. Term-Work Commencement
The Parties’ respective performances under this Contract shall commence on the Effective Date. This Contract shall terminate thirty (30) days after the Audit Report has been released by the Legislative Audit Committee, but in no event later than _________. unless sooner terminated as specified herein. The State may terminate this Contract for any reason, without penalty to the State, upon thirty (30) days prior written notice to Contractor.

B. Early Termination
Upon early termination, Contractor shall not incur further obligations or render further performance hereunder past the effective date of such notice, and shall terminate outstanding subcontracts with third parties. Contractor shall complete and deliver to the State all Work, Services, and Work Product to the extent completed as of the date of termination. Contractor shall take timely, reasonable and necessary action to protect and preserve property in the possession of Contractor in which the State has an interest. All materials owned by the State in the possession of Contractor shall be immediately returned to the State. The State shall reimburse Contractor for accepted performance up to the date of termination.

6. STATEMENT OF WORK

A. Completion
Contractor shall complete the Work and its other obligations as described herein and in the
Exhibits on or before _________,_____.

B. Services and Work Product
Contractor shall provide the Services and deliver the Work Product necessary to complete
the Work. Such procurement shall be accomplished using the Contract Funds and shall not
increase the maximum amount payable hereunder by the State.

C. Employees
All persons employed by Contractor or Subcontractors to perform Work under this
Contract shall be Contractor’s or Subcontractors’ personnel for all purposes hereunder and
shall not be employees of the State for any purpose as a result of this Contract.

7. PAYMENTS TO CONTRACTOR
The State, in accordance with the provisions of this §7, shall pay Contractor in the amounts
and using the methods set forth below:

A. Maximum Amount
The maximum amount payable under this Contract to Contractor by the State is $_______,
as determined by the State from available funds. Payments to Contractor are limited to the
unpaid obligated balance of the Contract set forth in Exhibit F (Compensation and
Procedures for Billing). The maximum amount payable by the State to Contractor during
State Fiscal Year 20__-20__ shall be $_______. The maximum payable by the State to
Contractor during State Fiscal Year 20__-20__ shall be $_______.

B. Payment
i. Interim and Final Payments
Contractor shall initiate any payment requests by submitting invoices to the State in the
form and manner approved by the State.

ii. Interest
The State shall fully pay each invoice within 45 days of receipt thereof if the amount
invoiced represents performance by Contractor previously accepted by the State.
Uncontested amounts not paid by the State within 45 days shall bear interest on the unpaid
balance beginning on the 46th day at a rate not to exceed one percent per month until paid
in full; provided, however, that interest shall not accrue on unpaid amounts that are subject
to a good faith dispute. Contractor shall invoice the State separately for accrued interest on
delinquent amounts. The billing shall reference the delinquent payment, the number of
day’s interest to be paid, and the interest rate.

iii. Erroneous Payments
At the State’s sole discretion, payments made to Contractor in error for any reason,
including overpayments or improper payments, and unexpended or excess funds received
by Contractor, may be recovered from Contractor by deduction from subsequent payments
under this Contract or other contracts, grants or agreements between the State and
Contractor or by other appropriate methods and collected as a debt due to the State. Such
funds shall not be paid to any party other than the State.

C. Use of Funds
Contract Funds shall be used only for costs identified herein and in the Exhibits.

8. REPORTING - NOTIFICATION
Reports required under this §8 shall be in accordance with the procedures of and in such form
as prescribed by the State.

A. Performance, Progress, Personnel, and Funds
Contractor shall comply with all reporting requirements, if any, set forth in the Exhibits.

B. Litigation Reporting
To the extent permitted by law, within ten (10) days after being served with any pleading in a legal action filed with a court or administrative agency, related to this Contract or which may affect Contractor’s ability to perform its obligations hereunder, Contractor shall notify the State of such action and deliver copies of such pleadings to the State’s principal representative as identified herein. If the State’s principal representative is not then serving, such notice and copies shall be delivered to the State Auditor.

C. Noncompliance
Contractor’s failure to provide reports and notify the State in a timely manner in accordance with this §8 may result in the delay of payment of funds, termination, or both, as provided under this Contract.

D. Subcontracts
Copies of any and all subcontracts entered into by Contractor to perform its obligations hereunder shall be submitted to the State or its principal representative upon request by the State. Any and all subcontracts entered into by Contractor related to its performance hereunder shall comply with all applicable federal and state laws and shall provide that such subcontracts be governed by the laws of the State of Colorado.

9. CONTRACTOR RECORDS
A. Maintenance
Contractor shall make, keep, maintain, and allow inspection and monitoring by the State of a complete file of all audit work papers and reports pertaining in any manner to the Work or the delivery of Services or Work Product hereunder. Unless Contractor receives written notice of an extension from the State, the federal government or another duly authorized agent of a governmental agency, Contractor shall maintain such records for a period of at least five (5) years after (i) the date the Audit Report is accepted by the State or (ii) the sooner expiration or termination of this Contract (collectively, the “Record Retention Period”).

B. Inspection
Contractor, at no additional charge, shall permit the State, the federal government and any other duly authorized agent of a governmental agency to audit, inspect, examine, excerpt, copy and transcribe Contractor's work papers and reports related to this Contract during the Record Retention Period to assure compliance with the terms hereof, to evaluate performance hereunder, or for any other purpose required by the State. The State reserves the right to inspect the Work at all reasonable times and places during the term of this Contract, including any extensions or renewals.

C. Monitoring
Contractor shall permit the State, in its sole discretion, to monitor all activities and Work conducted by Contractor pursuant to the terms of this Contract using any reasonable procedure.

10. WORK PRODUCT-CONFIDENTIAL INFORMATION-STATE RECORDS
The Work Product developed by Contractor during the performance of the Services shall be confidential to Contractor and the State; except as otherwise may be required by law, regulation, judicial, or administrative process, or in accordance with applicable professional standards or rules, or in connection with litigation pertaining hereto, Contractor shall not provide the Work Product to parties other than the State without the written approval of the State as provided by CRS §2-3-103(3). Contractor shall forward immediately to the State any requests for Work Product the Contractor receives pursuant to CRS §24-72-201, et seq. (the Colorado Open Records Act).

11. CONFLICTS OF INTEREST
A. Audited Agency
Contractor shall not discuss, arrange for, or accept auditing (financial or performance) or non-auditing work not identified in this Contract with the Audited Agency during the term of this Contract, without the express written approval of the State.

B. Other State Agencies
Contractor shall provide written notice to the State, in accordance with §17 (Notices and Representatives) of this Contract, before entering into a contract or engagement with another State agency, department, or division subject to audit by the State.

C. In General
Contractor shall comply with the current revision of Government Auditing Standards issued by the U.S. Comptroller General with respect to any conflicts of interest arising from the performance of this Contract.

12. REPRESENTATIONS AND WARRANTIES
Each Party has relied on the representations and warranties of the other Party set forth below in entering into this Contract.

A. Qualifications, Standards and Manner of Performance
Contractor warrants that it is qualified to perform the Services and the Work Product. Contractor shall perform its obligations hereunder in accordance with generally accepted government auditing standards contained in the current revision of Government Auditing Standards issued by the U.S. Comptroller General.

B. Legal Authority – Contractor Signatory
Contractor warrants that it possesses the legal authority to enter into this Contract and that it has taken all actions required by its procedures, by-laws, and applicable laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this Contract, or any part thereof, and to bind Contractor to its terms. If requested by the State, Contractor shall provide the State with proof of Contractor’s authority to enter into this Contract within fifteen (15) days of receiving such request.

C. Licenses, Permits, Etc.
Contractor represents and warrants that as of the Effective Date it has, and that at all times during the term hereof it shall have and maintain, at its sole expense, all licenses, certifications, approvals, insurance, permits, and other authorizations required by law to perform its obligations hereunder. Contractor warrants that it shall maintain all necessary licenses, certifications, approvals, insurance, permits, and other authorizations required to properly perform this Contract, without reimbursement by the State or other adjustment in Contract Funds. Additionally, all employees, agents, and Subcontractors of Contractor performing Services under this Contract shall hold all required licenses or certifications, if any, to perform their responsibilities. Contractor, if a foreign corporation or other foreign entity transacting business in the State of Colorado, further warrants that it currently has obtained and shall maintain any applicable certificate of authority to transact business in the State of Colorado and has designated a registered agent in Colorado to accept service of process. Any revocation, withdrawal or non-renewal of licenses, certifications, approvals, insurance, permits or any such similar requirements necessary for Contractor to properly perform the terms of this Contract is a material breach by Contractor and constitutes grounds for termination of this Contract.

D. Contractor Independence
Contractor should be independent in performing the audit engagement. The State represents and warrants that it shall not request or require Contractor to surrender Contractor’s “independence” as such term is professionally understood.

E. Disclaimer
Except for the representations and warranties expressly stated in this Contract, the Parties disclaim all representations and warranties, written or oral, express or implied.

13. INSURANCE
Contractor and its Subcontractors shall obtain and maintain, at all times during the term of this Contract, insurance policies issued by insurance companies satisfactory to Contractor and the State, in form and amount reasonably acceptable to the State, providing coverage for Worker’s Compensation Insurance as required by State statute, Employer’s Liability Insurance covering all of their respective employees acting within the course and scope of their employment, Commercial General Liability Insurance, and Professional Liability/Errors & Omissions. Upon request of the State, Contractor and all Subcontractors shall provide to the State certificates showing insurance coverage required hereunder.

14. DISPUTE RESOLUTION
Disputes concerning the performance of this Contract, which cannot be resolved by the designated Contract representatives, shall be referred in writing to the State Auditor and the Contractor’s [corresponding executive level (i.e. “managing partner at the xx office”)] for resolution. The State Auditor and the Contractor’s [corresponding executive level (i.e. “managing partner at the xx office”)] shall discuss the problem without the necessity of a formal proceeding and attempt to resolve the matter in dispute. In the event the State Auditor and the Contractor’s [corresponding executive level (i.e. “managing partner at the xx office”)] are able to agree to a mutual resolution of the dispute, such resolution will be formalized in writing in accordance with this Contract. Either Party may find, at any time, that the attempted resolution of the dispute has failed, at which time each Party shall be free to pursue any and all remedies available to such Party, including without limitation, those available under this Contract, at law or in equity.

15. BREACH
A. Defined
In addition to any breaches specified in other sections of this Contract, the following shall constitute a breach of this Contract:

i. Material Obligations
   The failure of Contractor to perform any of its material obligations hereunder, to the satisfaction of the State, in whole or in part or in a timely or satisfactory manner; or

ii. Satisfactory Performance
   The State, in its reasonable discretion, determines that satisfactory performance of Contractor’s obligations under this Contract is substantially endangered; or

iii. Bankruptcy
   The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within twenty (20) days after the institution or occurrence thereof; or

iv. Material Misrepresentation
   Any statement, representation, or certification furnished by Contractor in connection with the RFP, Contractor’s Proposal, Modifications to Contractor’s Proposal or this Contract is false, deceptive, incorrect or incomplete in any material respects; or

v. Failure to Timely Deliver Reports
   Failure by Contractor to complete and deliver the Audit Report or Work Product by the date specified in §6(A) (Statement of Work), unless Contractor can show that the delinquency resulted from causes beyond its control such as failure of the Audited Agency to provide, by the date specified in a written request from Contractor: requested
documentation, records, or information; records that are auditable; audit schedules; or responses to Contractor’s findings and recommendations. Contractor shall allow a reasonable amount of time for the Audited Agency to provide the requested information and responses.

B. Notice and Cure Period
In the event of a breach, notice specifying the nature of such breach shall be given in writing by the aggrieved Party to the other Party in the manner provided in §17 (Notices and Representatives). If such breach is not cured within twenty (20) days of receipt of written notice, or if a cure cannot be completed within twenty (20) days and such cure has not begun within twenty (20) days and pursued with due diligence, the State may exercise any of the remedies set forth in §16 (Remedies). Notwithstanding anything to the contrary herein, the State, in its sole discretion, need not provide advance notice of a cure period and may immediately terminate this Contract in whole or in part if reasonably necessary to preserve public safety or to prevent immediate public crisis.

16. REMEDIES
If Contractor fails to cure a breach under any provision of this Contract in accordance with §15(B) (Breach), the State may exercise any or all of the remedies available to it, in its sole discretion, concurrently or consecutively.

A. Termination for Breach
The State may terminate this Contract upon written notice to Contractor. Exercise by the State of this right shall not be a breach of its obligations hereunder.

B. Liquidated Damages
Failure by Contractor to complete and deliver the Audit Report by the date specified in Exhibit A (Statement of Work) shall result in liquidated damages of $100 per day for each day delinquent. To the extent Contractor’s failure is excused under §15(A)(v) (Breach), liquidated damages shall not be due to the State. The Parties agree that the damages from Contractor’s failure to timely deliver the Audit Report is difficult to provide or estimate, and the amount of liquidated damages specified herein represents a reasonable estimation of damages that will be suffered by the State from late performance. Assessment of liquidated damages shall not be exclusive or in any way limit the remedies available to the State, at law or in equity, for other breaches by Contractor under this Contract.

C. Withhold Payment
Withhold payment to Contractor until corrections in Contractor’s performance are satisfactorily made and completed.

D. Deny Payment
Deny payment for obligations not performed, that due to Contractor’s actions or inactions, cannot be performed or, if performed, would be of no value to the State; provided, that any denial of payment shall be reasonably related to the value to the State of the obligations not performed.

17. NOTICES AND REPRESENTATIVES
Each individual identified below is the principal representative of the designating Party. All notices required to be given hereunder shall be hand delivered with receipt required or sent by certified or registered mail to such Party’s principal representative at the address set forth below. In addition to, but not in lieu of a hard-copy notice, notice also may be sent by e-mail to the e-mail addresses, if any, set forth below. Either Party may from time to time designate by written notice substitute addresses or persons to whom such notices shall be sent. Unless otherwise provided herein, all notices shall be effective upon receipt.

A. State:
B. Contractor:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>City, State</th>
<th>Zip</th>
<th>Email</th>
</tr>
</thead>
</table>

C. Media

The State shall be the official spokesperson to the news media pertaining to the engagement, Work Product, and Audit Report. Contractor shall forward immediately to the State any inquiries from the news media pertaining to the engagement, Work Product, or Audit Report.

18. RIGHTS IN DATA AND DOCUMENTS

The audit work papers developed by Contractor during the performance of the Services shall be the exclusive property of Contractor. The State shall have the right to copy the audit work papers. Except as provided in §9B and §10, Contractor shall not provide the work papers to third-parties or permit third parties to review, access or use the work papers, without the prior written consent of the State as provided by CRS §2-3-103(3). Contractor shall forward immediately to the State any requests for work papers the Contractor receives pursuant to CRS §24-72-201, et seq. (the Colorado Open Records Act).

19. GOVERNMENTAL IMMUNITY

Liability for claims for injuries to persons or property arising from the negligence of the State of Colorado, its departments, institutions, agencies, boards, officials, and employees is controlled and limited by the provisions of the Governmental Immunity Act §24-10-101, et seq., and the risk management statutes, CRS §24-30-1501, et seq., as amended.

20. GENERAL PROVISIONS

A. Assignment and Subcontracts

Contractor’s rights and obligations hereunder are personal and may not be transferred, assigned or subcontracted without the prior, written consent of the State. Any subcontract entered into subsequent to the Effective Date must be approved by the State in writing before it is reimbursable. Any attempt at assignment, transfer, subcontracting without such consent shall be void. All assignments, subcontracts, or subcontractors approved by Contractor or the State are subject to all of the provisions hereof. Contractor shall be solely responsible for all aspects of subcontracting arrangements and performance, including compliance with all applicable federal and state laws.

B. Binding Effect

Except as otherwise provided in §20(A) (Assignment and Subcontracts), all provisions herein contained, including the benefits and burdens, shall extend to and be binding upon the Parties’ respective heirs, legal representatives, successors, and assigns.

C. Captions

The captions and headings in this Contract are for convenience of reference only, and shall not be used to interpret, define, or limit its provisions.

D. Counterparts
This Contract may be executed in multiple identical original counterparts, all of which shall constitute one agreement.

E. Entire Understanding
This Contract represents the complete integration of all understandings between the Parties and all prior representations and understandings, oral or written, are merged herein. Prior or contemporaneous additions, deletions, or other changes hereto shall not have any force or affect whatsoever, unless embodied herein.

F. Jurisdiction and Venue
All suits or actions related to this Contract shall be filed and proceedings held in the State of Colorado and exclusive venue shall be in the City and County of Denver.

G. Modification
i. By the Parties
Except as specifically provided in this Contract, modifications of this Contract shall not be effective unless agreed to in writing by both Parties in an amendment to this Contract, properly executed and approved in accordance with applicable Colorado State law.

ii. By Operation of Law
This Contract is subject to such modifications as may be required by changes in federal or Colorado state law, or their implementing regulations. Any such required modification automatically shall be incorporated into and be part of this Contract on the effective date of such change, as if fully set forth herein. If any such modification materially and adversely affects Contractor, Contractor may terminate this Contract upon 30 days prior notice without incurring liability, penalty, or recourse related thereto.

H. Order of Precedence
The provisions of this Contract shall govern the relationship of the State and Contractor. In the event of conflicts or inconsistencies between this Contract and its exhibits and attachments, including those provided by Contractor, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority:

i. Colorado Special Provisions,
ii. The remaining provisions of the main body of this Contract,
iii. Exhibit A (Statement of Work),
iv. Exhibit B (Request for Proposal),
v. Exhibit C (Modifications to Contractor’s Proposal),
vi. Exhibit D (Contractor’s Proposal),
vii. Exhibit E (Information Security Policy for Contractors),
viii. Exhibit F (Compensation and Procedures for Billing),
ix. Exhibit G (Developing and Presenting Performance Audit Findings),
x. Exhibit H (Reporting Requirements and Format for Separately Issued Reports).

I. Severability
Provided this Contract can be executed and performance of the obligations of the Parties accomplished within its intent, the provisions hereof are severable and any provision that is declared invalid or becomes inoperable for any reason shall not affect the validity of any other provision hereof, provided that the Parties can continue to perform their obligations under this Contract in accordance with its intent.

J. Survival of Certain Contract Terms
Notwithstanding anything herein to the contrary, provisions of this Contract requiring continued performance, compliance, or effect after termination hereof, shall survive such termination and shall be enforceable by the State if Contractor fails to perform or comply as required.

K. Taxes
i. The State is exempt from all federal excise taxes under IRC Chapter 32 (No. 84-730123K) and from all State and local government sales and use taxes under CRS §§39-26-101 and 201 et seq. Such exemptions apply when materials are purchased or services are rendered to benefit the State; provided however, that certain political subdivisions (e.g., City of Denver) may require payment of sales or use taxes even though the product or service is provided to the State. Contractor shall be solely liable for paying such taxes as the State is prohibited from paying or reimbursing Contractor for such taxes.

ii. Contractor shall be responsible for all withholding taxes, social security, unemployment, workers’ compensation, or other taxes incidental to its employees, and shall hold the State harmless for any claims for the same.

L. Third Party Beneficiaries
Enforcement of this Contract and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits which third parties receive as a result of this Contract are incidental to the Contract, and do not create any rights for such third parties.

M. Waiver
Waiver of any breach under a term, provision, or requirement of this Contract, or any right or remedy hereunder, whether explicitly or by lack of enforcement, shall not be construed or deemed as a waiver of any subsequent breach of such term, provision or requirement, or of any other term, provision, or requirement.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK
A. FUND AVAILABILITY. CRS §24-30-202(5.5).
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.

B. GOVERNMENTAL IMMUNITY.
No term or condition of this Contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, CRS §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.

C. INDEPENDENT CONTRACTOR
Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the State. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through the State and the State shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance benefits shall be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this Contract. Contractor shall not have authorization, express or implied, to bind the State to any contract, liability or understanding, except as expressly set forth herein. Contractor shall (a) provide and keep in force workers’ compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the State, and (c) be solely responsible for its acts and those of its employees and agents.

D. COMPLIANCE WITH LAW.
Contractor shall strictly comply with all applicable federal and State laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

E. CHOICE OF LAW.
Colorado law, and rules and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this Contract. Any provision included or incorporated herein by reference which conflicts with said laws, rules, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this Contract, to the extent capable of execution.

F. BINDING ARBITRATION PROHIBITED.
The State of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this Contract or incorporated herein by reference shall be null and void.

G. SOFTWARE PIRACY PROHIBITION. Governor’s Executive Order D 002 00.
State or other public funds payable under this Contract shall not be used for the acquisition, operation, or maintenance of computer software in violation of federal copyright laws or applicable licensing restrictions. Contractor hereby certifies and warrants that, during the term of this Contract and any extensions, Contractor has and shall maintain in place appropriate systems and controls to prevent such improper use of public funds. If the State determines that Contractor is in violation of this provision, the...
State may exercise any remedy available at law or in equity or under this Contract, including, without limitation, immediate termination of this Contract and any remedy consistent with federal copyright laws or applicable licensing restrictions.

H. EMPLOYEE FINANCIAL INTEREST. CRS §§24-18-201 and 24-50-507.
The signatories aver that to their knowledge, no employee of the State has any personal or beneficial interest whatsoever in the service or property described in this Contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor’s services and Contractor shall not employ any person having such known interests.

I. VENDOR OFFSET. CRS §§24-30-202 (1) and 24-30-202.4.
Subject to CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State’s vendor offset intercept system for debts owed to State agencies for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.

J. PUBLIC CONTRACTS FOR SERVICES. CRS §8-17.5-101.
Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who shall perform work under this Contract and shall confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this Contract, through participation in the E-Verify Program or the State program established pursuant to CRS §8-17.5-102(5)(c). Contractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Contract. Contractor (a) shall not use E-Verify Program or State program procedures to undertake pre-employment screening of job applicants while this Contract is being performed, (b) shall notify the subcontractor and the contracting State agency within three days if Contractor has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this Contract, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the State program, Contractor shall deliver to the contracting State agency, Institution of Higher Education or political subdivision, a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the State program. If Contractor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., the contracting State agency, institution of higher education or political subdivision may terminate this Contract for breach and, if so terminated, Contractor shall be liable for damages.

K. PUBLIC CONTRACTS WITH NATURAL PERSONS. CRS §24-76.5-101.
Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced one form of identification required by CRS §24-76.5-103 prior to the effective date of this Contract.
## THE PARTIES HERETO HAVE EXECUTED THIS CONTRACT

* 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.

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>STATE OF COLORADO</th>
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<tbody>
<tr>
<td></td>
<td>John W. Hickenlooper, GOVERNOR</td>
</tr>
<tr>
<td></td>
<td>Colorado Office of the State Auditor</td>
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<td></td>
<td>Dianne E. Ray, State Auditor</td>
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<td>By:</td>
<td>By: Dianne E. Ray, State Auditor</td>
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<td>Title:</td>
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<tr>
<td>*Signature</td>
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<td>Date:</td>
<td>Date: _________________________</td>
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*Signature avers that Contractor has not begun performance or that a Statutory Violation waiver has been requested

Date: _________________________

Legislative Audit Committee Chair

<table>
<thead>
<tr>
<th>LEGAL REVIEW</th>
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</thead>
<tbody>
<tr>
<td>Dan L. Cartin, Director</td>
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<tr>
<td>Office of Legislative Legal Services</td>
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<tr>
<td>By:</td>
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<tr>
<td>Signature – Deputy State Auditor</td>
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<td>Date: _________________________</td>
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23. EXHIBIT A – STATEMENT OF WORK

1. GENERAL DESCRIPTION
Contractor shall conduct a performance audit of the Audited Agency in a manner consistent with the terms and conditions of the Contract and the Exhibits and in accordance with (insert applicable auditing standards here – generally accepted government auditing standards).

2. CONTRACTOR’S OBLIGATIONS
The Work to be performed by Contractor shall include the following:

A. Scope
Contractor’s audit of the Audited Agency shall include the following, as provided herein and in the Contract:

1. [ADD detailed description of work to be completed.]
2. Contractor shall maintain an awareness of any areas outside of the Services in which the Audited Agency may not be carrying out the Audited Agency’s programs in an effective and efficient manner. Contractor shall discuss any such areas with the State to determine whether the State desires Contractor to undertake additional performance audit services that are outside the scope of this Contract. The cost of such performance audit services are not included within the scope of this Contract, and any additional performance audit services shall be subject to negotiation and set forth in a separate agreement among Contractor, the State Auditor, and the Legislative Audit Committee.

B. Review by State
The State shall have access to and the right to review Contractor’s Audit Report, audit findings and recommendations, and audit work papers during the drafting stage of the Audit Report and prior to completion of the Audit Report in final form. Contractor may not submit the Audit Report to the Audited Agency until the Audit Report is deemed acceptable and approved by the State.

C. Availability
Contractor, upon the request of the State, shall furnish copies of Contractor’s audit programs developed pursuant to this Contract and make all other audit work papers available to the State for review or use in future audits, at no additional charge to the State.

D. Reports
Contractor shall prepare and deliver the Audit Report to the State no later than (Month) (Day), (Year), unless an extension of time has been approved by the State. In the event Contractor becomes aware that the due date for the Audit Report cannot be met, for any reason, Contractor shall notify the State Auditor in writing of the reasons therefor and a specific date when the Audit Report will be delivered. For a separately issued Audit Report, Contractor shall deliver to the State up to 100 copies of the bound report. The exact number of copies will be determined by the State at the time of report finalization. Acceptable binding formats are limited to spiral, comb, or glued bindings; 3-ring bindings are not acceptable. Contractor shall also deliver to the State an electronic copy of the Audit Report in unprotected Adobe PDF format or other format prescribed by the State.

E. Oral Presentations
The Contractor shall make an oral presentation of Audit Report findings and recommendations to the Legislative Audit Committee and, if applicable, one other legislative committee selected by the State.

F. Entrance/Exit Conferences
The State shall participate in all entrance and exit conferences between the Audited Agency and Contractor, as well as all major conferences dealing with auditing exceptions, audit findings, and recommendations.
G. Fraud
Should Contractor become aware of fraud or indications of fraud affecting the Audited Agency, Contractor shall notify the State Auditor immediately. Contractor should follow guidance contained in the current revision of Government Auditing Standards issued by the U.S. Comptroller General, regarding the reporting of such fraud or indications of fraud.

3. PERSONNEL
A. Contract Monitor
Contractor’s performance hereunder shall be monitored by [ ], an employee or agent of the State, who is hereby designated as the contract monitor(s) of this Contract.

B. Other Key Personnel
The key personnel identified by Contractor in the Contractor’s Proposal are deemed to be essential to the Work being performed under the Contract.

C. Replacement
Contractor shall immediately notify the State if any key personnel cease to be employed by Contractor. Prior to diverting any key personnel to other programs, Contractor shall give to the State fifteen (15) days advance notice and shall submit to the State justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on the audit by the State. No diversion shall be made by Contractor without consent of the State, which shall not be unreasonably withheld. Replacement of any key personnel shall be with personnel of substantially equal ability and qualifications to perform work under this Contract.

4. ACCEPTANCE CRITERIA
If the State determines that the Audit Report is unacceptable (either before or after a draft or a final Report is issued) for failure to comply with auditing standards or any of the requirements included in the Contract, Contractor, at the State’s direction, shall be required to re-audit at its own expense and submit a revised report. The State’s right to reject Contractor’s drafts or final report because of the failure to comply and Contractor’s obligation to re-audit or revise shall extend throughout the term of this Contract and continue for one (1) full year after the termination of this Contract.

5. PAYMENTS
Payments shall be made in accordance with the provisions set forth in the Contract and Exhibit F (Compensation and Procedures for Billing).

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK
26. EXHIBIT D – CONTRACTOR’S PROPOSAL

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27. EXHIBIT E - INFORMATION SECURITY POLICY FOR CONTRACTORS

Applicability

This policy applies to all OSA Contractors at all locations who are conducting audits or professional services on behalf of the OSA using State of Colorado information, electronic or otherwise.

Definitions

Confidential information assets – are defined in paragraph 5. below.

OSA Contractor(s) or Contractor(s) – any business, company, corporation, partnership, or individual conducting business on behalf of or in cooperation with the OSA, whether via contract, purchase order, or other purchasing agreement. OSA Contractors include sub-contractors and their employees.

Protected information assets - are defined in paragraph 4. below.

State of Colorado information, information or audit information – any information, whether in electronic or hard copy form, obtained, utilized, or generated by an OSA Contractor while performing work on behalf of the OSA.

State Auditor Authority and Responsibility

The State Auditor’s authority and responsibility for accessing and handling confidential information is set forth in the Colorado Revised Statutes. §2-3-107 (2) (a), C.R.S., provides that the State Auditor or his or her designated representative “shall have access at all times . . . to all of the books, accounts, reports, vouchers, or other records or information in any department, institution, or agency, including records or information required to be kept confidential or exempt from public disclosure upon subpoena, search warrant, discovery proceedings, or otherwise.” Additionally, §2-3-103 (3), C.R.S., provides that “work papers of the office of the State Auditor shall be open to public inspection only upon approval of the majority of the members of the audit committee” and that “work papers that have not been specifically approved for disclosure by a majority vote of the committee shall remain confidential.” Finally, §2-3-103.7 and §2-3-107 (2) (b), C.R.S., prescribe penalties for willful or unlawful release of confidential information and prohibit the release of information required to be kept confidential pursuant to any law. The volume and availability of confidential information in electronic and hardcopy format, along with the risk to the OSA should confidential information be inadvertently released or breached, heightens the need for rigorous procedures governing the receipt, storage, and destruction of confidential data.

Policy Compliance

1. All OSA Contractors and their personnel who are performing the Services or the Work are required to understand and abide by this policy.

2. By signing an OSA contract or purchase order, OSA Contractors agree to abide by this policy and require its personnel performing the Services or the Work under such OSA contract, including sub-contractors and their employees, understand and abide by this policy.

Data Classification
3. All State of Colorado information assets whether in hardcopy or electronic form (e.g., data, databases, reports, communications, manuals, documentation for systems, procedures, and plans) and used in the course of an audit on behalf of the OSA is considered either “Protected” or “Confidential,” unless expressly stated otherwise in writing by the State Auditor.

4. Protected information assets are defined as information that is required by federal, state, or local laws and statutes to be protected, or in the event of a breach of confidentiality, loss of integrity, or lack of availability, would have serious impact to the OSA or the State up to and including physical harm to individuals, or that which would cause significant hardship to the OSA, the State, or commercial entities that have entrusted this data to the OSA.

5. All OSA Contractor audit information assets not categorized as “Protected” are automatically classified as “Confidential”.

**Use and Protection of Information Assets**

6. Contractors are responsible for taking reasonable and prudent measures in the protection of all OSA audit information and the systems which process, store, and transmit such information from unauthorized disclosure and modification regardless of location.

7. All State of Colorado information systems (e.g., networks, intranets, internet connections, telephones, fax, etc.) are the property of the State of Colorado and are for State of Colorado business use only. Contractors must never use them to knowingly access, store, or distribute offensive material, such as pornography. Contractors may not use State of Colorado systems to knowingly compromise other systems, networks or safeguards.

8. Any unauthorized attempt to access information that is outside Contractor’s “need-to-know” for his/her operational purposes is prohibited.

9. Contractors must encrypt all “Protected” and “Confidential” information when stored on portable computers or removable media (e.g., laptops, external hard drives, CDs, USB drives.)

10. Contractors must, at all times, physically secure portable computers used in storing and processing audit information on behalf of the OSA through the use of cable locks or other security measures.

11. Contractors shall not leave any portable computers, removable media (e.g., laptops, external hard drives, CDs, USB drives), or hard copy information containing “Protected” and “Confidential” information unattended, such as in vehicles or in checked airport luggage.

**Viruses and Malicious Code**

12. Contractors must effectively deploy personal firewall security and up-to-date malicious code/virus protection software for all systems and devices used in carrying out official OSA business.

**Telecommunications Security and Information Transmission**

13. Contractors are responsible for being aware of and protecting against current and potential telecommunications (e.g., telephones, voice mail, mobile phones, conference calls, instant messaging, and facsimile machines) security risks in their given environment.
14. Contractors are prohibited from connecting to any state networks in connection with the Services hereunder without prior authorization from the OSA and the information security officer of the Audited Agency. In the case of executive branch agencies, Contractors should submit a request with their agency liaison to obtain permission through the Governor’s Office of Information Technology access management team.

15. Contractors shall make every effort to ensure that all State of Colorado information is protected from inadvertent disclosure when being sent over the Internet or other non-State of Colorado networks.

16. Contractors shall not connect portable computers containing “Protected” or “Confidential” data to any public WiFi networks (e.g., internet cafes) without adequately protecting such information through the use of hard drive encryption and the use of an encrypted VPN tunnel.

17. Contractors must always consider information sensitivity and transmission security issues when selecting a transmission medium. “Protected” and “Confidential” data must only be transported or transmitted over a public network when protected by encryption.

18. When data is stored on electronic media or a mobile computing device, the data must be encrypted at all times during physical transport.

19. Transmission of Protected or Confidential data over a public network by unencrypted email is prohibited.

**Information Storage and Disposal**

20. Media or hard copy documents containing Protected or Confidential information are to be appropriately labeled and protected in accordance with this Exhibit E.

21. Contractors must maintain physical media security by using locking filing cabinets or drawers and locking them when left unattended. Media security may also be achieved through locking the door of a private office.

22. Personal computers, laptops, USB drives, mobile phones, personal digital assistants (PDAs), and other devices and media containing State of Colorado information must be secured by their users from loss, theft, and unauthorized use.

23. Contractors shall not leave unattended any device containing State of Colorado information unless a password-engaged screensaver is used. The screensaver must engage after 2 minutes of inactivity.

24. Contractors must ensure that once portable storage devices (e.g., external hard drives, CDs, USB drives) are no longer under their direct control all Protected or Confidential data will be cleaned and sanitized (i.e., cleared, purged, and destroyed) in conformance with NIST Special Publication 800-88 and/or other standard procedures and requirements set by the U.S. Department of Defense, such as DoD 5220.22-M.

25. Hard copy documents containing Protected or Confidential information must be shredded prior to disposal.

26. Data storage devices (CDs, DVDs, and floppy disks) containing Protected data must be physically destroyed at the end of the audit. For thumb drives and portable hard drives Contractor must either use an electronic shredding program to destroy the data or destroy the device at the end of the audit.
A record of disposal is to be maintained in the workpapers by the OSA Contractors. A record of disposal must contain the name of the individual disposing of the data, the method used to dispose of the data, identifying qualities of the data (such as the serial number of the media on which it was stored, if applicable), and the date of disposal.

**Incident Reporting**

27. All suspected loss or compromise of OSA audit information as a result of the loss of a desktop, portable, or mobile computing device or removable storage device by any means (e.g., theft, loss) used to store State of Colorado data shall be reported to the OSA Contract Manager within 24 hours of discovery.

28. In the event of the suspected loss or compromise of OSA audit information under control of Contractor, Contractor is responsible for working with the State Auditor and the Audited Agency with respect to recovery and remediation. Contractor is also responsible for working with the OSA and the Audited Agency to notify all Colorado residents and other affected parties whose sensitive data may have been compromised as a result of the breach. Contractor will bear all reasonable associated costs.

**Personnel Security**

29. Contractor is responsible for performing background checks consistent with Contractor’s standard employment practices for Contractor personnel completing work on behalf of the OSA.

**Policy Enforcement**

30. If Contractor is deemed to be in noncompliance of this policy by the State Auditor, the State Auditor shall have the unilateral right to terminate the Contract.

31. Upon request by the State Auditor, Contractor agrees that it shall make available qualified individuals and a member of senior management responsible for security and data protection, for the purposes of discussing information technology controls, including those policies, procedures, and controls relevant to the provision of services and security obligations under this Contract.
28. EXHIBIT F - COMPENSATION AND PROCEDURES FOR BILLING

1. Contractor shall submit all invoices for services to the OSA. Payment will be made from the State Auditor’s appropriation.

2. Contractor may render monthly interim bills to the State until completion of the Work; provided that the aggregate amount of all bill shall not exceed the maximum compensation set forth in Section 3 below. The interim bills shall be promptly paid by the State except that the State reserves the right to withhold 10 percent of the total Contract amount until delivery and acceptance of the Audit Report. Release of the Audit Report by the Legislative Audit Committee constitutes acceptance of the Audit Report.

3. Maximum compensation for the Work shall be:

<table>
<thead>
<tr>
<th>Total</th>
<th>Paid From State’s Budget Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>xxxx-xxxx</td>
<td>xxx-xxxx</td>
</tr>
</tbody>
</table>

| Contractor | $XX,XXX.XX | $XX,XXX.XX | $XX,XXX.XX |

4. The OSA shall not be required to provide staff time in connection with the audit of the Audited Agency, except that OSA shall assign one (1) or more member(s) of the OSA staff to serve as a contract monitor and coordinator between the OSA and Contractor. The OSA contract monitor shall attend entrance and exit conferences and act as a liaison to Contractor for purposes of monitoring the contract and coordinating the audit engagement. In accordance with §10, §17C, and §18 of the Contract, all requests for Work Product or work papers pursuant to the Colorado Open Records Act or news media inquiries pertaining to the engagement shall be forwarded immediately to the OSA contract monitor.
29. EXHIBIT G - DEVELOPING AND PRESENTING PERFORMANCE AUDIT FINDINGS

Title of Finding

Provide brief background information about the program in one or two paragraphs. Do not include criteria, condition, cause, or effect in this background section.

What audit work was performed and what was the purpose?

Briefly describe the audit testwork that was performed using bullets and/or one to two paragraphs. (i.e., describe the data and documents reviewed, individuals interviewed, and the sample selected and sample methodology).

Describe the purpose of the audit work in one sentence. (i.e., “The purpose of the audit work was to XXXX.”)

How were the results of the audit work measured? (Criteria)

The criteria are the standards against which the condition is measured. They are standards used by the auditors to evaluate a particular event or process and describe “what should be.” Some examples of criteria include:

- Colorado Constitution
- Colorado Revised Statutes
- Colorado state agency rules and regulations
- federal laws and regulations
- Generally Accepted Accounting Principles
- program-specific written policies and procedures
- program-specific written goals and objectives
- good business practices
- unwritten policies, procedures, goals, and objectives as explained by the Audited Agency’s personnel

If the criteria are not already set forth in writing, it may be necessary to find information to serve as evidence of criteria. When common sense or expert opinion is used as criteria, the development of the finding must be logical and convincing to the reader, who may not possess the same level of expertise. This is also important because such criteria are less authoritative than other types of criteria.

This section should briefly describe the criteria of the finding. Strive to provide the essential information in one or two short paragraphs, bullets, or in a table.
What problem did the audit work identify? (*Condition*)

The first step in developing a finding is to identify the statement of condition. This occurs during the “fact-finding” process when the Contractor’s audit staff (“auditors”) compares “what is” with “what should be.” When there is a difference between “what is happening” with “what should be happening,” the first element (condition) of an audit finding is identified. The condition should be a factual statement of what was found and be free of value judgments.

This section should describe the overall problem (the condition of the finding) in one or two sentences. Then provide specific examples that support the condition (e.g., exceptions identified during the audit test work). Use bullets and tables to describe the types of exceptions identified.

Why did the problem occur? (*Cause*)

The cause is the element of the audit finding which explains why the “condition” exists. The cause represents what must be corrected to prevent the recurrence of the existing condition. As such, auditors must correctly identify the cause before a proper course of action can be devised. Developing the cause frequently requires a fairly extensive analysis of the problem. Often, there are multiple factors causing the problem. The human behavior aspect, which increases the difficulty in identifying the proper cause, is always present. Nevertheless, auditors should make a reasonable effort to determine as closely as possible the real cause of the problem. Examples of cause include:

- negligence
- inadequate resources
- inadequate training
- poor communication
- inadequate guidelines or standards
- absence of good management techniques
- failure to follow established policies and procedures

This section should describe the cause of the finding in one or two paragraphs or in bullets that correspond to the bullets used in the condition section above.

Why does this problem matter? (*Effect*)

The effect represents the end result of the activity being measured. It is the impact of the difference between the statement of condition and the criteria. The attention given to an audit finding depends largely upon its significance, and significance is judged by effect. What is the result if nothing is done about the problem identified? Auditors frequently use materiality to measure the potential significance of findings. The effect of an adverse audit finding is what motivates management to take needed action to correct the condition. When the effect is insignificant, audit staff should consider eliminating the finding from the report or grouping it with other minor findings. Some examples of effect include:
• violation of law or regulation
• noncompliance with legislative intent
• loss of potential income
• program goals and objectives not being met
• increased costs
• poor service quality
• inefficient service delivery
• increased risk of fraud and abuse
• reduced effectiveness

When determining the effect of an audit finding, auditors should look at outcomes such as impacts on citizens, services, or public safety. In addition, the fiscal impact of the finding (e.g., increase or decrease in revenue or costs) should be quantified where possible. The estimated fiscal impact should be discussed with the Audited Agency and reported as an estimate (e.g., we estimate this change will eliminate one administrative support position with an estimated annual cost of $26,000).

This section should describe the effect of the finding in one or two paragraphs or bullets. Quantify the effect to the extent possible.

**Recommendation No. X:**

The recommendation is the action believed necessary to correct the adverse situation. Generally, each finding will result in one or more recommendations. The following are guidelines for developing recommendations:

- Write recommendations that address or solve the “cause” of the problem.
- Write recommendations as realistically and specifically as possible so they are more likely to be understood by and prove useful to the Audited Agency.
- Present recommendations in a constructive tone and emphasize improvement rather than criticism of past activities. Auditors should keep in mind that their objective is to motivate the Audited Agency to take action. This can best be done by avoiding language that unnecessarily generates defensiveness and opposition.
- Write your recommendation so that it can be understood by itself (e.g., the reader will not have to refer to the finding to understand the recommendation).
- Avoid introducing new information in the recommendation that was not presented in the body of the finding. The recommendation should follow logically from what was presented in the finding.
- Avoid extreme language such as “immediately,” “without delay,” or “as soon as possible.” These phrases do not add to the substance of the recommendation. In situations where there is an urgency to correct a problem, include in the recommendation the consequence of delay (e.g., continued loss or waste of money).

The Department of XXXX should XXXX by:

a.
The written Audit Report, which contains all audit findings and recommendations, is issued to legislators and other state and federal officials who have limited time to read reports. Therefore, the Contractor should present findings as concisely as possible, but with enough clarity to be understood by the reader. In addition to being clear and concise, audit findings should be logical, convincing, and constructive. The findings should be presented in a way that will convince the reader of their significance and motivate the Audited Agency to take action. This is accomplished by clearly presenting the five elements of an audit finding—condition, criteria, effect, cause, and recommendation.

For additional guidance regarding developing audit findings, please consult the current revision of Government Auditing Standards issued by the U.S. Comptroller General, which is available online at [http://www.gao.gov/](http://www.gao.gov/).
30. EXHIBIT H - REPORTING REQUIREMENTS AND FORMAT FOR SEPARATELY ISSUED REPORTS

The final written Audit Report is required at the completion of the audit work. This Report will contain findings, conclusions, and results from the audit. It will also provide recommendations for changes or modifications to improve the efficiency and effectiveness of the Audited Agency. Contractor shall deliver to the State up to 100 copies of the bound report. The exact number of copies will be determined by the State at the time of report finalization. Contractor shall also deliver to the State an electronic copy of the Audit Report in unprotected Adobe PDF format or other format prescribed by the State.

The final Audit Report is due (Month) (Day), (Year) and will be prepared in the format delineated below.

REQUIRED REPORTING FORMAT

1. **Addressee of Report**

   Each Audit Report should be addressed to “Members of the Legislative Audit Committee.”

2. **Report Format**

   Contractor’s Audit Report will include all of the following sections bound together as a single report and shall be prepared using the OSA format to the extent possible. Acceptable binding formats are limited to spiral, comb, or glued bindings; 3-ring bindings are not acceptable.

   Major sections of the Audit Report and their required order within the report are:

   a. **Report Cover**

      The report cover should contain the title and date of the Audit Report, including the name of the Contractor conducting the audit.

   b. **LAC, Staff, and Distribution Page**

      The reverse side of the report cover should contain a listing of the current members of the Legislative Audit Committee, OSA staff, and Contractor staff conducting the audit. The list of current Legislative Audit Committee members will be provided by the OSA. This page also contains information on how to obtain both electronic and bound versions of the report. The distribution information should include the Audit Report number. Contractor must contact the OSA for specific requirements of the distribution information before printing the report.

   c. **Report Transmittal Letter**
A letter to the Legislative Audit Committee signifying transmission of the Audit Report and signed by the Contractor.

d. Table of Contents

This page is an index to the report, by topic and page number.

e. Report Highlights

The highlight sheet is a one-page overview of the important comments in the report. A template will be provided by the OSA.

f. Description of the Audited Agency

A section of the Audit Report, typically presented as a separate chapter, intended to familiarize the reader with the Audited Agency, including its statutory authority and purpose, key functions, organization, descriptive financial and non-financial statistics, etc. This section does not necessarily contain the specific background information necessary to establish the audit’s findings, conclusions, and recommendations.

h. Findings and Recommendations

The report must contain this section reporting the auditor's findings and recommendations relative to the Scope of Work (Exhibit A). The findings and recommendations are typically presented as one or more separate chapters.

The findings and recommendations included in the report should contain sufficient background to inform a lay reader of the facts and circumstances surrounding the finding. In addition, the finding should identify and emphasize the business effects resulting from the deficiency or instance of non-compliance. Finally, recommendations should focus on workable solutions which the Audited Agency can effectively implement.

Audit recommendations are presented after the development section for each audit finding. Recommendations must be separately stated from the discussion of the audit finding. Recommendations are consecutively numbered in the report (i.e., 1, 2, 3, 4, etc).

i. Audited Agency Responses

The Audited Agency’s officials will be given the opportunity to include the Audited Agency’s position regarding audit findings and recommendations in the report text. The OSA will provide the parameters for the Audited Agency’s responses; this could include a limit on the number of words or characters, which the Contractor will communicate to the Audited Agency when requesting their responses. The Audited Agency’s responses will be included in the report after each recommendation. The Contractor is responsible for reviewing the Audited Agency’s responses for accuracy, responsiveness to the recommendations, and adherence to the OSA’s established parameters. This review should include working with the Audited Agency and the OSA to ensure the responses meet established requirements and are approved for inclusion in the Audit Report. Any “Partially Agree” or “Disagree” responses must include an Auditor’s Addendum, which is a rebuttal to the Audited Agency’s response. The language for all Auditor’s Addenda must be reviewed and approved by the OSA.
FEE-FOR-SERVICE CONTRACT

THIS contract, made this 1st day of June 2015, by and between the State of Colorado for the use and benefit of the Department of Higher Education (hereinafter referred to as the “Department”), and the Governing Board for Adams State University (hereinafter referred to as the “Institution” and collectively referred to as the “Parties”).

RECITALS

WHEREAS, the General Assembly enacted Title 23, Article 18, Section 301 et seq., Colorado Revised Statutes, which states that for the General Assembly to perform its duty to exercise oversight and ensure that state tax dollars are used to achieve identified state policy goals, higher education must be funded in a manner that is transparent and understandable.

WHEREAS, the General Assembly finds that its duties can be accomplished with the establishment of performance metrics that are consistent and predictable, but that may be amended to reflect the changing goals of the state and of institutions, and that will enable state institutions of higher education to engage in long-term financial planning that will benefit students.

WHEREAS, Title 23, Article 18, Section 306, Colorado Revised Statutes, requires that the Colorado Commission on Higher Education (hereinafter referred to as the “Commission”) shall, in consultation with the governing boards of institutions, institution administrators, and other interested parties as defined in Section 306(1), develop a new base funding formula to allocate state general fund dollars among the state’s public institutions of higher education in order to achieve statewide policy goals for higher education.

WHEREAS, Title 23, Article 18, Section 306(2)(b), Colorado Revised Statutes, requires that each role and mission factor and performance funding metric developed as part of the base funding formula be tied to higher education policy goals established by the General Assembly and the Commission in its Master Plan, be transparent and measurable, and be applied to each institution and governing board in a uniform manner to the fullest extent possible.

WHEREAS, Title 23, Article 1, Section 109.7 and Title 23, Article 18, Section 303, Colorado Revised Statutes, authorize the Department and the governing board of an
institution of higher education to annually enter into fee-for-service contracts for the delivery of higher education services to the residents of the state of Colorado.

WHEREAS, Title 23, Article 18, Section 305, Colorado Revised Statutes, provides that for the 2015-2016 state fiscal year through the 2019-20 fiscal year, the total governing board appropriation for a governing board for a fiscal year shall not change from the preceding fiscal year by a percentage that is more than five percentage points less than or five percentage points greater than the percentage change in the total state appropriation from the preceding fiscal year.

WHEREAS, authority exists in the law and funds have been budgeted, appropriated and otherwise made available and a sufficient uncommitted balance thereof remains available for encumbering and subsequent payment of this contract under Fund Number 1000, Appropriation Account ggamfis0, and Organization Number GAAA.

WHEREAS, required approval, clearance and coordination has been accomplished from and with appropriate agencies.

AGREEMENT

NOW THEREFORE, it is hereby agreed that:

1. **Statement of Work and Responsibilities.** The Institution shall deliver higher education services for the benefit of the state and its residents as described in [Exhibit A](#). The Institution shall perform all services hereunder in a manner consistent with and concurrent to the terms and obligations set forth in the Performance Contract entered into between the Department and the Institution pursuant to Title 23, Article 5, Section 129, Colorado Revised Statutes. A copy of the Parties’ Performance Contract is attached as [Exhibit B](#).

2. **Institutional Role and Mission Funding.** As directed and authorized by the General Assembly, the Department shall fund educational services in the amount of $5,952,840 supporting the Institution’s role and mission, pursuant to Title 23, Article 18, Section 303(3), Colorado Revised Statutes. The Department shall determine such amount according to the base funding formula, with consideration of the following factors: the Institution’s institutional mission, support services for Pell-eligible, first-generation, and underserved undergraduate students, weighted credit hours for graduate programs, remediation, and additional role and mission factors as determined by the Commission.

3. **Institutional Performance Funding.** As directed and authorized by the General Assembly, the Department shall fund educational services in the amount of $4,914,506 in exchange for the Institution’s educational performance services and implementation of state higher education policy goals for the benefit of the state and its
residents, pursuant to Title 23, Article 18, Section 303(4), Colorado Revised Statutes. The Department shall determine such amount according to the base funding formula, with consideration of the following factors: the Institution’s student completion and retention statistics, and additional performance funding metrics supporting state policy goals as determined by the Commission.

4. **Guardrail Provision.** For the 2015-16 state fiscal year through the 2019-20 state fiscal year, the Institution’s total appropriation shall be subject to adjustments for the “guardrail” provision as codified in Title 23, Article 18, Section 305, Colorado Revised Statutes. The “guardrail” provision provides that the Institution’s total appropriation for a fiscal year shall not change from the preceding fiscal year by a percentage that is more than five percentage points less than or five percentage points greater than the percentage change in the total state appropriation from the preceding fiscal year. The General Assembly in the annual general appropriations bill shall adjust the total governing board appropriation for each governing board as necessary to meet the requirements above.

5. **Total Payment Amount and Billing Procedure.** In consideration of the obligation of the Institution to deliver higher education services in accordance with paragraphs one through three, the Department will transfer $11,106,275 to the Institution. For the Governing Board of Adams State University, this total amount shall be paid in twelve equal installments on the first day of each month upon satisfactory performance of the contract. Except that, this amount may be adjusted by the Department to reflect the actual number of student FTE reported to the Department by the Institution or verified by an audit, pursuant to Title 23, Article 18, Section 202(c), Colorado Revised Statutes.

6. **Effective Date and Term of Contract.** This Fee-For-Service Contract shall be effective after execution by the Institution’s governing board and the Department. The term of this agreement is from July 1, 2015 through June 30, 2016.

7. **Authority to Enter Fee-For-Service Contracts.** The Institution is a state institution of higher education pursuant to Title 23, Article 5, Section 129(1)(b), Colorado Revised Statutes, and this Fee-For-Service Contract is authorized by Title 23, Article 1, Section 109.7 and Title 23, Article 18, Section 303, Colorado Revised Statutes.

8. **Prior Agreements.** This Fee-For-Service Contract supersedes and replaces any previously executed fee-for-service contract, including amendments and modifications thereto, entered into by the Parties.

9. **Availability of Funds.** Payment pursuant to this agreement is subject to and contingent upon the continuing availability of funds appropriated by the General Assembly for the purposes hereof. If any of said funds become unavailable, as
determined by the department, either party may immediately terminate or seek to amend this agreement.

10. **Record Keeping Requirements.** The Department and Institution shall maintain a complete file of all records, documents, communications, and other material, which pertain to this agreement for a period of three (3) years from the date of final payment under this agreement, unless the Department requests that the records be retained for a longer period.

11. **Data Reporting Obligations.** The Institution shall timely transmit to the Department all data in the form and manner as requested by the Department. The Institution shall additionally provide the Department with data requested pursuant to Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, and shall continue to report information through the Commission for the Student Unit Record Data Systems (SURDS) and the Integrated Post-secondary Education Data System (IPEDS) of the United States Department of Education.

12. **Right to Audit.** The Institution shall permit the Department, the State Auditor and/or their designee(s) to inspect all records of the Institution and audit all activities which are or have been undertaken pursuant to this agreement.

13. **No Delegation.** Except as otherwise provided, the duties and obligations of the Institution shall not be assigned, delegated or subcontracted except with the express prior written consent of the Department. All subcontractors will be subject to the requirements of this agreement.

14. **No Third Party Beneficiary.** This agreement shall inure to the benefit of and be binding only upon the parties hereto and their respective successors and assigns. No third party beneficiary rights or benefits of any kind are expressly or impliedly provided herein.

15. **Dispute Resolution.** Any failure of either party to perform in accordance with the terms of this agreement shall constitute a breach of the agreement. Any dispute concerning the performance of this agreement shall first be referred to the chief financial officers of the Department and the Institution. Failing resolution by the chief financial officers, the dispute shall be referred to the chief executive officers of the Department and the Institution. Failing resolution by the chief executive officers, the dispute shall be submitted in writing by both parties to the State Controller, whose decision on the dispute shall be final.

16. **Renewal of Agreement.** The Institution and the Department may agree to renew this Fee-For-Service Contract prior to its expiration. Any such renewal must be approved by the Commission.
17. **Modification.** This Fee-For-Service Contract shall be subject to such modifications as may be required by changes in federal or state law or regulations or as may be agreed to by the parties and approved by the Commission. Any such modifications shall be agreed to by the Parties in writing and incorporated into and made a part of the Fee-For-Service Contract as if fully set forth therein. Any modification or addition to this Fee-For-Service Contract shall not become effective until approved by the Commission.

18. **Controller’s Approval.** This agreement shall not be deemed valid until it has been approved by the State Controller or such assistant as he or she may designate.

IN WITNESS WHEREOF, the parties have executed this agreement.

<table>
<thead>
<tr>
<th>GOVERNING BOARD</th>
<th>COLORADO DEPARTMENT OF HIGHER EDUCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Trustees for Adams State University</td>
<td>Lt. Gov. Joseph A. Garcia, Executive Director</td>
</tr>
<tr>
<td><strong>BY:</strong> Beverlee J. McClure, President</td>
<td><strong>BY:</strong> [Signature]</td>
</tr>
<tr>
<td>Date: [Signature]</td>
<td><strong>Date:</strong> 10-24-15</td>
</tr>
<tr>
<td><strong>APPROVED</strong></td>
<td><strong>APPROVED</strong></td>
</tr>
<tr>
<td>Arnold Salazar, Chair, Board of Trustees</td>
<td>Chair, Colorado Commission on Higher Education</td>
</tr>
<tr>
<td>Date: [Signature]</td>
<td><strong>Date:</strong> 10-29-2015</td>
</tr>
</tbody>
</table>

ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER

CRS 24-30-202 requires that the State Controller approve all state contracts. This contract is not valid until the State Controller, or such assistant as he may delegate, has signed it. The contractor is not authorized to begin performance until the contract is signed and dated below. If performance begins prior to the date below, the State of Colorado is not obligated to pay for the goods and/or services provided.
EXHIBIT A
STATEMENT OF WORK

Adams State University

1. Graduate and Other Educational Services Aligned with the Institution’s Role and Mission

   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 enter into fee-for-service contracts with institutions of higher education in order to fund selected educational services associated with each institution’s role and mission. The funding of educational services associated with each institution’s role and mission furthers the Department’s commitment to allowing each Colorado public institution of higher education to retain operational authority and flexibility, and to recognize who the institution serves, how it serves students, and the environment in which it serves students. In accordance with 23-1-303(3), Colorado Revised Statutes (C.R.S.), the funding of educational services associated with each institution’s role and mission 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 at an institution or a campus of an institution with low student enrollment where the cost of delivering the educational services is not sustained by the amount received in student tuition;

   (c) Educational services for undergraduate or certificate programs that have a high cost per student;

   (d) Institutional research services;

   (e) Additional support services for Pell-eligible, first-generation, and underserved undergraduate students;

   (f) Educational services required of the commission to meet its obligations under reciprocal agreements pursuant to section 23-1-112;

   (g) Graduate program services, with consideration given to the subject and level of the graduate program and programs that have a high cost per student;

   (h) Remediation and basic skills courses at institutions authorized to provide basic skills courses and supplemental academic instruction;
(i) Specialized educational services and professional degrees, including but not limited to the areas of dentistry, medicine, veterinary medicine, nursing, law, forestry, and engineering.

The Department retains the ability to modify, refine, and evaluate the funding of selected educational services associated with each institution's role and mission to ensure that the funding allocation processes continue to align with the policy goals of the Commission and the General Assembly. As such, the services funded for each Institution and listed above may be reduced or expanded accordingly.

2. Educational Performance Services to Further State Higher Education Policy Goals

The General Assembly has found that some educational performance 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 enter into fee-for-service contracts with institutions of higher education in order to fund selected educational performance services and to incentivize institutions of higher education to provide such services. Further, the funding of educational performance services rewards the performance of institutions of higher education in a manner that recognizes institutional performance in relation to their size and capacity. In accordance with 23-1-303(4), C.R.S., the Department will reimburse an amount to the Institution in exchange of the following:

(a) For each certificate or degree awarded by the Institution, and for the governing board of an institution with a community college role and mission, the payment of an amount in exchange for each community college student who transfers from a community college to another institution after completion of a certain number of credit hours. The amount awarded in exchange for credentials earned and transfers completed shall be established by the Commission. The amount of the Department's payment shall additionally be increased for: (i) each credential earned by or transfer completed by a Pell-eligible undergraduate student; (ii) each credential earned by or transfer completed by a first-generation or underserved undergraduate student if the Commission implements increased funding for those student populations pursuant to 23-18-303(3)(b), C.R.S.; and (iii) increased payments using calculated weights related to the academic award level and identification of STEM and health care educational services as "high priority subjects" that are more expensive for the institution to provide;

(b) For the number of students enrolled in an institution that make academic progress by completing 30 credit hours, 60 credit hours, and 90 credit hours at four-year institutions, and by completing 15 credit hours, 30 credit hours, and 45 credit hours at two-year institutions;

(c) For successful completion of additional performance measures that reflect and support the policy goals adopted by the Commission in the Master Plan. The Department's payment to the Institution may be in exchange for such performance
measures including, but not limited to, workforce placement, closing the achievement gap, limiting student loan debt, and controlling institutional administrative costs.
Exhibit B

STATE OF COLORADO
DEPARTMENT OF HIGHER EDUCATION
PERFORMANCE CONTRACT

This Performance Contract is by and between the Department of Higher Education (hereinafter referred to as the "Department") and the Board of Adams State University (hereinafter referred to as the "Governing Board").

RECITALS

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 to students and the people of Colorado.

WHEREAS, Title 23, Article 1, Section 108(1.5)(a), Colorado Revised Statutes, requires that the Colorado Commission on Higher Education (hereinafter referred to as the "Commission") shall develop and submit to the Governor and General Assembly, a new master plan (hereinafter referred to as the "Master Plan") for Colorado postsecondary education, which shall be developed in collaboration with the governing boards and chief executive officers of the state institutions of higher education.

WHEREAS, Title 23, Article 1, Section 108(1.5)(f), Colorado Revised Statutes, requires the Commission to ensure that the Master Plan is implemented through the performance contracts authorized pursuant to Sections 23-5-129 and 23-41-104.6 by negotiating with the governing boards individualized goals and expectations for the public institutions of higher education, which goals and expectations support achievement of the statewide goals identified in Section 108(1.5)(c) and in the Master Plan.

WHEREAS, Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, requires that the Commission, working with the governing boards and the institutions of higher education, shall collect data, including but not limited to research conducted by national policy organizations and agencies or institutions of higher education in other states, as necessary to support development and implementation of the Master Plan and to use in negotiating the performance contracts authorized pursuant to Sections 23-5-129 and 23-41-104.6.

WHEREAS, Title 23, Article 1, Section 108(1.9), Colorado Revised Statutes, requires the Commission to create a performance-based funding plan on or before December 1, 2013, to appropriate to each governing board, including the governing boards for the junior colleges and area vocational schools, a portion of the performance funding amount for the applicable state fiscal year based on the success demonstrated by the institutions under each governing boards' control in meeting the goals and expectations specified in the institutions' respective performance contracts. Pursuant to Title 23, Article 1, Section 108(1.9)(c)(n, Colorado Revised Statutes, the "performance funding amount" means twenty-five percent of the amount by which the general fund appropriation for the state system of higher education, excluding any amount appropriated for student financial aid, exceeds six hundred fifty million dollars when total general fund appropriations have reached or exceed the "restored level" of seven hundred six million dollars.

GENERAL PROVISIONS

1. Effective Date and 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 Commission, and shall remain in effect until June 30, 2017.

2. **Scope of Contract.** This Performance Contract, and Addenda A and B, which are expressly incorporated herein, sets forth the mutually agreed-upon performance goals and expectations of Adams State University (hereinafter referred to as the “Institution”), as well as the measurements for determining progress towards those goals. The goals and expectations set forth in this Performance Contract reflect the statewide goals set forth in Title 23, Article 1, Section 108(1.5)(c), Colorado Revised Statutes, and the Master Plan, and are tailored to the role and mission of the Institution. This Performance Contract also sets forth the mutually agreed-upon resource, programmatic and management flexibility for the Institution, as set forth in Addendum B.

3. **Authority to enter Performance Contracts.** The Institution is a state institution of higher education pursuant to Title 23, Article 5, Section 129(1)(b), Colorado Revised Statutes, and this Performance Contract is authorized by Title 23, Article 5, Section 129(2)(a), and Title 23, Article 1, Section 108(1.5)(f).

4. **Prior Agreements.** This Performance Contract supersedes and replaces any previously executed performance contract, including amendments and modifications thereto, entered into by the Parties.

5. **Performance Goals and Measurements.** The Institution agrees to make those efforts and implement the performance goals and expectations set forth in Addendum A, within the time frames established in Addendum A. The Institution agrees and understands that its progress towards those performance goals and expectations shall be evaluated based on the measurements set forth in Addendum A. Two years following the adoption of the Performance Contract, during the period from January 2015 to June 2015, the Department and the Institution shall evaluate the efficacy and appropriateness of the Institution’s performance goals and metrics as set forth in Addendum A. The Department and the Institution shall work in consultation to determine if changes or modifications to Addendum A are necessary in order to effectuate the Department’s proposed performance funding method. If changes are mutually endorsed, the parties shall renegotiate the Institution’s performance goals and metrics in an amendment to this Performance Contract, as provided in paragraph 20.

6. **Performance Goal Achievement.** This Performance Contract sets forth those goals, standards and requirements upon which the Department and the Governing Board have mutually agreed.

7. **Resource, Programmatic and Management Flexibility.** As authorized by Title 23, Article 5, Section 129(2)(a), Colorado Revised Statutes, the Institution’s compliance with the goals set forth herein are in lieu of many of the requirements of Article 1 of Title 23 for the period of the Performance Contract, as set forth in Addendum B.

8. **Academic and Vocational Program Approval.** Pursuant to Title 23, Article 5, Section 129(6)(a)-(b), Colorado Revised Statutes, and the Commission’s Policy I-V, while operating pursuant to this Performance Contract, the Governing Board shall continue to operate as the Governing Board for the Institution, and shall not be required to consult with or obtain approval from the Commission to create, modify, or eliminate academic and vocational programs offered by the Institution, so long as such creations, modifications, and eliminations are consistent with the Institution’s statutory role and mission. The Commission shall have the authority to override the creation or modification of an academic or vocational program if the change made by the Governing Board is inconsistent with the Institution’s statutory role and mission.
9. **Tuition and Other Increases.** During the period this Performance Contract remains in effect, the authority of the Governing Board for the Institution to set tuition shall be as set forth in Title 23.

10. **Institution's Eligibility for State Funding.** Pursuant to Title 23, Article 5, Section 129(7)(a), Colorado Revised Statutes, while operating pursuant to this Performance Contract, the Institution shall remain eligible for state-funded capital construction projects and controlled maintenance projects as provided in Title 23, Article 1, Section 106.

11. **Resident Applicant Admission Requirements.** Pursuant to Title 23, Article 5, Section 129(7)(b), Colorado Revised Statutes, while operating pursuant to this Performance Contract, the Institution shall continue to admit Colorado resident applicants within the requirements of Title 23, Article 1, Section 113.5 who meet the admissions criteria of the Institution.

12. **Data Reporting Requirements.** The Governing Board shall transmit to the Department all annual reports and data required in this Performance Contract including those set forth in Addendum A, in the form and manner prescribed herein or as required by Commission policy. The Governing Board shall provide the Department of Higher Education with data upon formal request, including data requested pursuant to Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, and shall continue to report information through the Commission for the Student Unit Record Data System (SURDS) and the Integrated Post-secondary Education Data System (IPEDS) of the United States Department of Education.

13. **Issue Resolution.** The parties agree to use their best efforts to resolve any disputes that may arise with respect to performance of the terms and conditions set forth herein. In the event that a party to this Performance Contract has reason to believe that the other party is not complying with the terms and conditions set forth herein, that party shall first provide written notice to the non-complying party setting forth the nature of the alleged failure to act or perform. If the dispute is not resolved, the official representatives of the parties shall meet to discuss a remediation plan or modification of this Performance Contract as may be required by the circumstances.

14. **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). The Institution understands that, pursuant to Title 23, Article 1, Section 108(1.9)(b) and (c), Colorado Revised Statutes, after the 2015-16 state fiscal year, in each state fiscal year in which the general assembly appropriates the restored level of general fund appropriations for the state system of higher education, the Commission, based on the performance-based funding plan adopted in the Master Plan, shall recommend to the joint budget committee the portion of the performance funding amount to be appropriated to the Governing Board, based on the demonstrated performance of the Institution in meeting the goals and expectations set forth in this Performance Contract. Pursuant to Title 23, Article 1, Section 108(1.9)(c)(II), Colorado Revised Statutes, the “restored level of general fund appropriations” means an amount of general fund appropriations for the state system of higher education, excluding any amount appropriated for student financial aid, that equals or exceeds seven hundred six million dollars.

15. **Notice and Representatives.** For the purposes of this Performance Contract, notices required under this Performance Contract shall be in writing and shall be sent by prepaid certified mail, return receipt requested, by facsimile, with confirmation of transmission, by overnight delivery such as Federal Express, or by hand delivery, with confirmation of receipt, to the individuals identified below who are hereby designated as the official representatives of the respective Parties. Either Party may from time to time designate in writing a new or substitute representative or address.
For the Department:

Joseph A. Garcia  
Executive Director  
Colorado Department of Higher Education  
1560 Broadway, Suite 1600  
Denver, CO 80202

For Adams State University:

David Svaldi  
President  
208 Edgemont Blvd.  
Alamosa, CO 81101

16. **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. Any services or benefits which third parties receive as a result of this Agreement are incidental and do not create rights for such third parties.

17. **Assignment.** The rights and obligations of each Party hereunder are personal to such Party and may not be transferred, assigned or subcontracted without the prior, written consent of the other Party.

18. **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 the 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.

19. **Renewal of Agreement.** The Governing Board and the Department may agree to renew this Performance Contract prior to its expiration. Any such renewal must be approved by the Commission.

20. **Entire Agreement.** This Performance Contract, including the Addenda hereto and any documents to be delivered hereunder, are intended as the complete integration of all understandings between the parties regarding performance contracts authorized by Title 23, Article 5, Section 129 and Title 23, Article 1, Section 108(1.5)(f). 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 and the Commission.

21. **Modification.** This Performance Contract shall be subject to such modifications as may be required by changes in federal or state law or regulations or as may be agreed to by the parties and approved by the Commission. Any such modifications shall be agreed to by the parties in writing and incorporated into and made a part of this Performance Contract as if fully set forth herein. Any modification or addition to this Performance Contract shall not become effective until approved by the Commission.

22. **Force Majeure.** Neither party shall be considered to have materially failed to perform its
obligations under this Performance Contract, including, for the Institution, its failure to meet a
Performance Goal, to the extent that such failure arises out of causes beyond the reasonable control of a
party. Such causes may include, but are not limited to, acts of God or of the public enemy, acts of the
state or the United States in either its sovereign or contractual capacity, fires, floods, epidemics, strikes,
and unusually severe weather, but, in every case, delay or failure to perform must be beyond the
reasonable control of and without the fault or negligence of the party.
THE PARTIES HERETO HAVE EXECUTED THIS PERFORMANCE CONTRACT

GOVERNING BOARD
Board of Trustees for
ADAMS STATE UNIVERSITY

BY: _____________________________
    David Svaldi, President

Date: 4/14/2013

APPROVED

BY: _____________________________
    Chair, Board of Trustees for Adams State University

Date: _____________________________

DEPARTMENT
COLORADO DEPARTMENT OF HIGHER EDUCATION

BY: _____________________________
    Lt. Gov. Joseph A. Garcia, Executive Director

Date: 4/5/2013

APPROVED

BY: _____________________________
    Chair, Colorado Commission on Higher Education

Date: 4-5-2013
ADDENDUM A

This Addendum A sets forth those goals, standards and requirements upon which the Department and the Governing Board have mutually agreed.

The Institution agrees to make those efforts and implement the performance goals and expectations set forth in this Addendum A, within the time frames established in Addendum A. The Institution agrees and understands that its progress towards those performance goals and expectations shall be evaluated based on the measurements set forth in Addendum A.

NOW THEREFORE, the Parties agree as follows.

**Goal #1: Increasing Attainment**
Increase the attainment of high quality postsecondary credentials across the academic disciplines and throughout Colorado by at least 1,000 new certificates and degrees each year to meet anticipated workforce demands by 2025.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Weight</th>
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<tbody>
<tr>
<td>1.1 Increase undergraduate credentials awarded by one percentage point per year.</td>
<td>20%</td>
</tr>
<tr>
<td>1.2 “Maintain excellence” by conferring undergraduate credentials per 100 students enrolled at a level at or among the top 25% of peer institutions</td>
<td>15%</td>
</tr>
<tr>
<td>1.7 <strong>INSTITUTION DEVELOPED INDICATOR:</strong> “Maintain excellence” by conferring graduate credentials at a level at or among the top 25% of peer institutions</td>
<td>10%</td>
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</table>

**Goal #2: Improving Student Success**
Improve student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Weight</th>
</tr>
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<tbody>
<tr>
<td>2.2 Annually increase the proportion of students who accumulate at least 24 credit hours</td>
<td>10%</td>
</tr>
<tr>
<td>2.5 Annually increase retention rates across all student levels (e.g., sophomore, junior, senior)</td>
<td>5%</td>
</tr>
<tr>
<td>2.6 <strong>INSTITUTION DEVELOPED INDICATOR:</strong> Annually increase the number of credit hours taken per headcount</td>
<td>5%</td>
</tr>
</tbody>
</table>
Goal #3: Reducing Gaps
Enhance access to, and through, postsecondary education to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.

Metric
3.2 Annually reduce disparities in degree completion (graduates per 100 FTE) between resident underserved and resident non-underserved students

3.9 INSTITUTION DEVELOPED INDICATOR: “Maintain excellence” by conferring graduate credentials at a level at or among the top 25% of peer institutions

Goal #4: Restoring Fiscal Balance
Develop resources, through increases in state funding, that will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.

Metric
4.1 Maintain the institution’s rank relative to peers regarding the number of degrees awarded per $100,000 in total operating (E&G) revenues

4.4 Increase institutional need-based financial aid expenditures (per FTE) at a rate at or above tuition increases for resident undergraduate students

4.5 INSTITUTION DEVELOPED INDICATOR: Maintain the institution’s rank relative to peers regarding affordability by measuring the number of PELL eligible students per 100 FTE
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 the Governing Board operating under this Performance Contracts.

Pursuant to Title 23, Article 5, Section 129(2)(a), 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, as they may hereinafter be revised or renumbered, and any policies promulgated by the Commission thereto.

STATUTORY REQUIREMENTS

C.R.S. § 23-1-105.5. Duties and powers of the Commission with respect to student fee - report.

Provided that the governing board continues to adopt an institutional fee plan pursuant to 23-5-119.5, the Governing Board shall be exempt from any Commission policies promulgated pursuant to this section.

C.R.S. § 23-1-106. Duties and powers of the Commission with respect to capital construction and long-range planning – legislative declaration – definitions.

The Governing Board shall continue to comply with the provisions of this section except that: (1) the Governing Board shall not be subject to facilities master plan approval described in subsection (3) or (4) of this section, provided the Governing Board approves each plan, notifies the Commission of its approval and makes the plan available to the Commission, and, for projects the cost of which will not exceed two-million dollars, the Governing Board shall not be subject to subsection (5) of this section; and (2) Projects for auxiliary facilities that are to be acquired or constructed and operated and maintained solely from cash funds held by the institution and projects to be acquired or constructed solely from cash funds held by the institution and operated and maintained from such funds or from state moneys appropriated for such purpose, or both, shall not be required to be submitted to the Commission pursuant to subparagraph 7(b) provided that the institution annually submits a report substantially similar to the report described in subsection (6)(b) of this section to the capital development committee for approval.

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

As provided in C.R.S. 23-5-125, the Governing Board need not consult with or obtain approval from the Commission to create, modify, or eliminate academic and vocational programs offered by the Institution, so long as such creations, modifications, and eliminations are consistent with the Institution’s statutory role and mission.
COMMISSION POLICIES

Exemptions

Pursuant to Title 23, Article 5, Section 129(6)(a)-(b), 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 policies promulgated by the Commission, as they may be hereinafter revised or renumbered:

I. Academic Affairs:

Part B: Approval of New Academic Programs

Part C: Review of Academic Programs

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

Part G: Low Demand Program Review

Part H: Designating Programs of Excellence

Part I: Review of Proposals for Coordinated Academic Programs

Part L: Statewide Transfer Policy

The structure of the “state’s guaranteed general education curriculum” (aka “gtPathways approved core curriculum”) described in Part 5.02 shall not be mandatory for undergraduate students enrolled at the Institution. The Institution shall continue to comply with the requirements of C.R.S. 23-1-125 and CCHE policy Section I, Part L, notwithstanding the provision concerning the “state’s guaranteed general education curriculum” described above. The Institution will continue to offer a full gtPathways approved core curriculum. The Institution will clearly communicate on its general education website that students planning to transfer should choose the gtPathways approved courses and curriculum if they want to guarantee transfer credit. The Institution will continue to participate in the process described in section C.R.S. 23-1-125 and C.R.S. 23-1-108.5 established to identify transferable core courses within the Institution’s arts and sciences bachelor degree programs and to accept those core courses approved through such process for guaranteed transfer.

Part O: Academic Planning

Part Q: Policy on Affirmative Action

Part S: Newly Approved Degree Programs
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 – Approvals of Long-Range Facilities, Infrastructure Plans
- 3.00 – Periodic Updating of a Long-Range Plan
- 4.00—Information Technology Strategic Planning
- 5.00-Governing Board and Institutional Planning

Budget Data Book:
Organization Chart
Campus Map
General information page

Format 40: Reporting of ASCII data by Classification of Instructional Program (CIP) area

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

Maintenance of Status Quo
Pursuant to Title 23, Article 5, Section 129(2)(a), the Governing Board shall continue to be subject to the following policies in the form they exist as of the Effective Date of this Performance Contract, attached and expressly incorporated herein, unless the parties expressly agree that future revisions are less restrictive to the Institution than current policy:

I Academic Affairs

Part E: Statewide Remedial Education Policy

Part F: Admissions Standards

It is expressly agreed that the Governing Board may alter its admissions standards according to the process set forth in current Commission Policy I, Part F.

It is expressly agreed that modifications to the Statewide Remedial Education Policy and the Admissions Standards policy that conform to the requirements of 23-1-113 (5)-(7) are acceptable, provided that those changes do not affect the University’s admissions standards or right to administer secondary assessments of its choosing.
FEE-FOR-SERVICE CONTRACT

THIS contract, made this 1st day of June 2015, by and between the State of Colorado for the use and benefit of the Department of Higher Education (hereinafter referred to as the “Department”), and the Governing Board of Western Colorado State University (hereinafter referred to as the “Institution” and collectively referred to as the “Parties”).

RECITALS

WHEREAS, the General Assembly enacted Title 23, Article 18, Section 301 et seq., Colorado Revised Statutes, which states that for the General Assembly to perform its duty to exercise oversight and ensure that state tax dollars are used to achieve identified state policy goals, higher education must be funded in a manner that is transparent and understandable.

WHEREAS, the General Assembly finds that its duties can be accomplished with the establishment of performance metrics that are consistent and predictable, but that may be amended to reflect the changing goals of the state and of institutions, and that will enable state institutions of higher education to engage in long-term financial planning that will benefit students.

WHEREAS, Title 23, Article 18, Section 306, Colorado Revised Statutes, requires that the Colorado Commission on Higher Education (hereinafter referred to as the “Commission”) shall, in consultation with the governing boards of institutions, institution administrators, and other interested parties as defined in Section 306(1), develop a new base funding formula to allocate state general fund dollars among the state’s public institutions of higher education in order to achieve statewide policy goals for higher education.

WHEREAS, Title 23, Article 18, Section 306(2)(b), Colorado Revised Statutes, requires that each role and mission factor and performance funding metric developed as part of the base funding formula be tied to higher education policy goals established by the General Assembly and the Commission in its Master Plan, be transparent and measurable, and be applied to each institution and governing board in a uniform manner to the fullest extent possible.

WHEREAS, Title 23, Article 1, Section 109.7 and Title 23, Article 18, Section 303, Colorado Revised Statutes, authorize the Department and the governing board of an
institution of higher education to annually enter into fee-for-service contracts for the
delivery of higher education services to the residents of the state of Colorado.

WHEREAS, Title 23, Article 18, Section 305, Colorado Revised Statutes, provides that
for the 2015-2016 state fiscal year through the 2019-20 fiscal year, the total governing
board appropriation for a governing board for a fiscal year shall not change from the
preceding fiscal year by a percentage that is more than five percentage points less than or
five percentage points greater than the percentage change in the total state appropriation
from the preceding fiscal year.

WHEREAS, authority exists in the law and funds have been budgeted, appropriated and
otherwise made available and a sufficient uncommitted balance thereof remains available
for encumbering and subsequent payment of this contract under Fund Number 1000
Appropriation Account ggampffs0 and Organization Number GAAA.

WHEREAS, required approval, clearance and coordination has been accomplished from
and with appropriate agencies.

AGREEMENT

NOW THEREFORE, it is hereby agreed that:

1. **Statement of Work and Responsibilities.** The Institution shall deliver
   higher education services for the benefit of the state and its residents as described in
   Exhibit A. The Institution shall perform all services hereunder in a manner consistent
   with and concurrent to the terms and obligations set forth in the Performance Contract
   entered into between the Department and the Institution pursuant to Title 23, Article 5,
   Section 129, Colorado Revised Statutes. A copy of the Parties’ Performance Contract is
   attached as Exhibit B.

2. **Institutional Role and Mission Funding.** As directed and authorized by the
   General Assembly, the Department shall fund educational services in the amount of
   $4,101,172 supporting the Institution’s role and mission, pursuant to Title 23, Article 18,
   Section 303(3), Colorado Revised Statutes. The Department shall determine such
   amount according to the base funding formula, with consideration of the following
   factors: the Institution’s institutional mission, support services for Pell-eligible, first-
   generation, and underserved undergraduate students, weighted credit hours for graduate
   programs, remediation, and additional role and mission factors as determined by the
   Commission.

3. **Institutional Performance Funding.** As directed and authorized by the
   General Assembly, the Department shall fund educational services in the amount of
   $4,704,018 in exchange for the Institution’s educational performance services and
   implementation of state higher education policy goals for the benefit of the state and its
Department shall determine such amount according to the base funding formula, with consideration of the following factors: the Institution’s student completion and retention statistics, and additional performance funding metrics supporting state policy goals as determined by the Commission.

4. **Guardrail Provision.** For the 2015-16 state fiscal year through the 2019-20 state fiscal year, the Institution’s total appropriation shall be subject to adjustments for the “guardrail” provision as codified in Title 23, Article 18, Section 305, Colorado Revised Statutes. The “guardrail” provision provides that the Institution’s total appropriation for a fiscal year shall not change from the preceding fiscal year by a percentage that is more than five percentage points less than or five percentage points greater than the percentage change in the total state appropriation from the preceding fiscal year. The General Assembly in the annual general appropriations bill shall adjust the total governing board appropriation for each governing board as necessary to meet the requirements above.

5. **Total Payment Amount and Billing Procedure.** In consideration of the obligation of the Institution to deliver higher education services in accordance with paragraphs one through three, the Department will transfer $8,871,375 to the Institution. This total amount shall be paid in twelve equal installments on the first day of each month, upon satisfactory performance of the contract. Except that, this amount may be adjusted by the Department to reflect the actual number of student FTE reported to the Department by the Institution or verified by an audit, pursuant to Title 23, Article 18, Section 202(c), Colorado Revised Statutes.

6. **Effective Date and Term of Contract.** This Fee-For-Service Contract shall be effective after execution by the Institution’s governing board and the Department. The term of this agreement is from July 1, 2015 through June 30, 2016.

7. **Authority to Enter Fee-For-Service Contracts.** The Institution is a state institution of higher education pursuant to Title 23, Article 5, Section 129(1)(b), Colorado Revised Statutes, and this Fee-For-Service Contract is authorized by Title 23, Article 18, Section 109.7 and Title 23, Article 18, Section 303, Colorado Revised Statutes.

8. **Prior Agreements.** This Fee-For-Service Contract supersedes and replaces any previously executed fee-for-service contract, including amendments and modifications thereto, entered into by the Parties.

9. **Availability of Funds.** Payment pursuant to this agreement is subject to and contingent upon the continuing availability of funds appropriated by the General Assembly for the purposes hereof. If any of said funds become unavailable, as determined by the department, either party may immediately terminate or seek to amend this agreement.

10. **Record Keeping Requirements.** The Department and Institution shall maintain a complete file of all records, documents, communications, and other material,
which pertain to this agreement for a period of three (3) years from the date of final payment under this agreement, unless the Department requests that the records be retained for a longer period.

11. **Data Reporting Obligations.** The Institution shall timely transmit to the Department all data in the form and manner as requested by the Department. The Institution shall additionally provide the Department with data requested pursuant to Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, and shall continue to report information through the Commission for the Student Unit Record Data Systems (SURDS) and the Integrated Post-secondary Education Data System (IPEDS) of the United States Department of Education.

12. **Right to Audit.** The Institution shall permit the Department, the State Auditor and/or their designee(s) to inspect all records of the Institution and audit all activities which are or have been undertaken pursuant to this agreement.

13. **No Delegation.** Except as otherwise provided, the duties and obligations of the Institution shall not be assigned, delegated or subcontracted except with the express prior written consent of the Department. All subcontractors will be subject to the requirements of this agreement.

14. **No Third Party Beneficiary.** This agreement shall inure to the benefit of and be binding only upon the parties hereto and their respective successors and assigns. No third party beneficiary rights or benefits of any kind are expressly or impliedly provided herein.

15. **Dispute Resolution.** Any failure of either party to perform in accordance with the terms of this agreement shall constitute a breach of the agreement. Any dispute concerning the performance of this agreement shall first be referred to the chief financial officers of the Department and the Institution. Failing resolution by the chief financial officers, the dispute shall be referred to the chief executive officers of the Department and the Institution. Failing resolution by the chief executive officers, the dispute shall be submitted in writing by both parties to the State Controller, whose decision on the dispute shall be final.

16. **Renewal of Agreement.** The Institution and the Department may agree to renew this Fee-For-Service Contract prior to its expiration. Any such renewal must be approved by the Commission.

17. **Modification.** This Fee-For-Service Contract shall be subject to such modifications as may be required by changes in federal or state law or regulations or as may be agreed to by the parties and approved by the Commission. Any such modifications shall be agreed to by the Parties in writing and incorporated into and made a part of the
Fee-For-Service Contract as if fully set forth therein. Any modification or addition to this Fee-For-Service Contract shall not become effective until approved by the Commission.

18. **Controller’s Approval.** This agreement shall not be deemed valid until it has been approved by the State Controller or such assistant as he or she may designate.

**IN WITNESS WHEREOF,** the parties have executed this agreement.

<table>
<thead>
<tr>
<th>GOVERNING BOARD</th>
<th>COLORADO DEPARTMENT OF HIGHER EDUCATION</th>
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</thead>
<tbody>
<tr>
<td><strong>Board of Trustees for</strong></td>
<td><strong>By:</strong> Lt. Gov. Joseph A. Garcia, Executive Director</td>
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<tr>
<td><strong>Western State Colorado University</strong></td>
<td></td>
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<tr>
<td><strong>Date:</strong> 10/23/15</td>
<td><strong>Date:</strong> 10/27/15</td>
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<tr>
<td><strong>APPROVED</strong></td>
<td><strong>APPROVED</strong></td>
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<tr>
<td><strong>BY:</strong> Chair, Board of Trustees for Western State Colorado University</td>
<td><strong>BY:</strong> Chair, Colorado Commission on Higher Education</td>
</tr>
<tr>
<td><strong>Date:</strong> 10-22-15</td>
<td><strong>Date:</strong> 10-29-2015</td>
</tr>
</tbody>
</table>

**ALL CONTRACTS MUST BE APPROVED BY THE STATE CONTROLLER**

CRS 24-30-202 requires that the State Controller approve all state contracts. This contract is not valid until the State Controller, or such assistant as he may delegate, has signed it. The contractor is not authorized to begin performance until the contract is signed and dated below. If performance begins prior to the date below, the State of Colorado is not obligated to pay for the goods and/or services provided.

**STATE CONTROLLER:**
Bob Jaros

**BY:** Michael D. Baca

**Date:** 11/5/2015
EXHIBIT A
STATEMENT OF WORK

Western State Colorado University

1. Graduate and Other Educational Services Aligned with the Institution’s Role and Mission

   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 enter into fee-for-service contracts with institutions of higher education in order to fund selected educational services associated with each institution’s role and mission. The funding of educational services associated with each institution’s role and mission furthers the Department’s commitment to allowing each Colorado public institution of higher education to retain operational authority and flexibility, and to recognize who the institution serves, how it serves students, and the environment in which it serves students. In accordance with 23-1-303(3), Colorado Revised Statutes (C.R.S.), the funding of educational services associated with each institution’s role and mission 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 at an institution or a campus of an institution with low student enrollment where the cost of delivering the educational services is not sustained by the amount received in student tuition;

   (c) Educational services for undergraduate or certificate programs that have a high cost per student;

   (d) Institutional research services;

   (e) Additional support services for Pell-eligible, first-generation, and underserved undergraduate students.

   (f) Educational services required of the commission to meet its obligations under reciprocal agreements pursuant to section 23-1-112;

   (g) Graduate program services, with consideration given to the subject and level of the graduate program and programs that have a high cost per student;

   (h) Remediation and basic skills courses at institutions authorized to provide basic skills courses and supplemental academic instruction;
(i) Specialized educational services and professional degrees, including but not limited to the areas of dentistry, medicine, veterinary medicine, nursing, law, forestry, and engineering.

The Department retains the ability to modify, refine, and evaluate the funding of selected educational services associated with each institution’s role and mission to ensure that the funding allocation processes continue to align with the policy goals of the Commission and the General Assembly. As such, the services funded for each Institution and listed above may be reduced or expanded accordingly.

2. Educational Performance Services to Further State Higher Education Policy Goals

The General Assembly has found that some educational performance 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 enter into fee-for-service contracts with institutions of higher education in order to fund selected educational performance services and to incentive institutions of higher education to provide such services. Further, the funding of educational performance services rewards the performance of institutions of higher education in a manner that recognizes institutional performance in relation to their size and capacity. In accordance with 23-1-303(4), C.R.S., the Department will reimburse an amount to the Institution in exchange of the following:

(a) For each certificate or degree awarded by the Institution, and for the governing board of an institution with a community college role and mission, the payment of an amount in exchange for each community college student who transfers from a community college to another institution after completion of a certain number of credit hours. The amount awarded in exchange for credentials earned and transfers completed shall be established by the Commission. The amount of the Department’s payment shall additionally be increased for: (i) each credential earned by or transfer completed by a Pell-eligible undergraduate student; (ii) each credential earned by or transfer completed by a first-generation or underserved undergraduate student if the Commission implements increased funding for those student populations pursuant to 23-18-303(3)(b), C.R.S.; and (iii) increased payments using calculated weights related to the academic award level and identification of STEM and health care educational services as “high priority subjects” that are more expensive for the institution to provide;

(b) For the number of students enrolled in an institution that make academic progress by completing 30 credit hours, 60 credit hours, and 90 credit hours at four-year institutions, and by completing 15 credit hours, 30 credit hours, and 45 credit hours at two-year institutions;

(c) For successful completion of additional performance measures that reflect and support the policy goals adopted by the Commission in the Master Plan. The Department’s payment to the Institution may be in exchange for such performance measures including,
but not limited to, workforce placement, closing the achievement gap, limiting student loan debt, and controlling institutional administrative costs.
STATE OF COLORADO
DEPARTMENT OF HIGHER EDUCATION
PERFORMANCE CONTRACT

This Performance Contract is by and between the Department of Higher Education (hereinafter referred to as the "Department") and the Board of Western State Colorado University (hereinafter referred to as the "Governing Board").

RECITALS

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 to students and the people of Colorado.

WHEREAS, Title 23, Article 1, Section 108(1.5)(a), Colorado Revised Statutes, requires that the Colorado Commission on Higher Education (hereinafter referred to as the "Commission") shall develop and submit to the Governor and General Assembly, a new master plan (hereinafter referred to as the "Master Plan") for Colorado postsecondary education, which shall be developed in collaboration with the governing boards and chief executive officers of the state institutions of higher education.

WHEREAS, Title 23, Article 1, Section 108(1.5)(f), Colorado Revised Statutes, requires the Commission to ensure that the Master Plan is implemented through the performance contracts authorized pursuant to Sections 23-5-129 and 23-41-104.6 by negotiating with the governing boards individualized goals and expectations for the public institutions of higher education, which goals and expectations support achievement of the statewide goals identified in Section 108(1.5)(c) and in the Master Plan.

WHEREAS, Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, requires that the Commission, working with the governing boards and the institutions of higher education, shall collect data, including but not limited to research conducted by national policy organizations and agencies or institutions of higher education in other states, as necessary to support development and implementation of the Master Plan and to use in negotiating the performance contracts authorized pursuant to Sections 23-5-129 and 23-41-104.6.

WHEREAS, Title 23, Article 1, Section 108(1.9), Colorado Revised Statutes, requires the Commission to create a performance-based funding plan on or before December 1, 2013, to appropriate to each governing board, including the governing boards for the junior colleges and area vocational schools, a portion of the performance funding amount for the applicable state fiscal year based on the success demonstrated by the institutions under each governing boards' control in meeting the goals and expectations specified in the institutions' respective performance contracts. Pursuant to Title 23, Article 1, Section 108(1.9)(c)(f), Colorado Revised Statutes, the "performance funding amount" means twenty-five percent of the amount by which the general fund appropriation for the state system of higher education, excluding any amount appropriated for student financial aid, exceeds six hundred fifty million dollars when total general fund appropriations have reached or exceed the "restored level" of seven hundred six million dollars.

GENERAL PROVISIONS

1. **Effective Date and 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 Commission, and shall remain in effect until June 30, 2017.

2. Scope of Contract. This Performance Contract, and Addenda A and B, which are expressly incorporated herein, sets forth the mutually agreed-upon performance goals and expectations of Western State Colorado University (hereinafter referred to as the "Institution"), as well as the measurements for determining progress towards those goals. The goals and expectations set forth in this Performance Contract reflect the statewide goals set forth in Title 23, Article 1, Section 108(1.5)(c), Colorado Revised Statutes, and the Master Plan, and are tailored to the role and mission of the Institution. This Performance Contract also sets forth the mutually agreed-upon resource, programmatic and management flexibility for the Institution, as set forth in Addendum B.

3. Authority to enter Performance Contracts. The Institution is a state institution of higher education pursuant to Title 23, Article 5, Section 129(1)(b), Colorado Revised Statutes, and this Performance Contract is authorized by Title 23, Article 5, Section 129(2)(a), and Title 23, Article 1, Section 108(1.5)(f).

4. Prior Agreements. This Performance Contract supersedes and replaces any previously executed performance contract, including amendments and modifications thereto, entered into by the Parties.

5. Performance Goals and Measurements. The Institution agrees to make those efforts and implement the performance goals and expectations set forth in Addendum A, within the time frames established in Addendum A. The Institution agrees and understands that its progress towards those performance goals and expectations shall be evaluated based on the measurements set forth in Addendum A. Two years following the adoption of the Performance Contract, during the period from January 2015 to June 2015, the Department and the Institution shall evaluate the efficacy and appropriateness of the Institution's performance goals and metrics as set forth in Addendum A. The Department and the Institution shall work in consultation to determine if changes or modifications to Addendum A are necessary in order to effectuate the Department's proposed performance funding method. If changes are mutually endorsed, the parties shall renegotiate the Institution's performance goals and metrics in an amendment to this Performance Contract, as provided in paragraph 20.

6. Performance Goal Achievement. This Performance Contract sets forth those goals, standards and requirements upon which the Department and the Governing Board have mutually agreed.

7. Resource, Programmatic and Management Flexibility. As authorized by Title 23, Article 5, Section 129(2)(a), Colorado Revised Statutes, the Institution's compliance with the goals set forth herein are in lieu of many of the requirements of Article 1 of Title 23 for the period of the Performance Contract, as set forth in Addendum B.

8. Academic and Vocational Program Approval. Pursuant to Title 23, Article 5, Section 129(6)(a)-(b), Colorado Revised Statutes, and the Commission's Policy 1-V, while operating pursuant to this Performance Contract, the Governing Board shall continue to operate as the Governing Board for the Institution, and shall not be required to consult with or obtain approval from the Commission to create, modify, or eliminate academic and vocational programs offered by the Institution, so long as such creations, modifications, and eliminations are consistent with the Institution's statutory role and mission. The Commission shall have the authority to override the creation or modification of an academic or vocational program if the change made by the Governing Board is inconsistent with the Institution's statutory role and mission.
9. **Tuition and Other Increases.** During the period this Performance Contract remains in effect, the authority of the Governing Board for the Institution to set tuition shall be as set forth in Title 23.

10. **Institution’s Eligibility for State Funding.** Pursuant to Title 23, Article 5, Section 129(7)(a), Colorado Revised Statutes, while operating pursuant to this Performance Contract, the Institution shall remain eligible for state-funded capital construction projects and controlled maintenance projects as provided in Title 23, Article 1, Section 106.

11. **Resident Applicant Admission Requirements.** Pursuant to Title 23, Article 5, Section 129(7)(b), Colorado Revised Statutes, while operating pursuant to this Performance Contract, the Institution shall continue to admit Colorado resident applicants within the requirements of Title 23, Article 1, Section 113.5 who meet the admissions criteria of the Institution.

12. **Data Reporting Requirements.** The Governing Board shall transmit to the Department all annual reports and data required in this Performance Contract including those set forth in Addendum A, in the form and manner prescribed herein or as required by Commission policy. The Governing Board shall provide the Department of Higher Education with data upon formal request, including data requested pursuant to Title 23, Article 1, Section 108(1.7), Colorado Revised Statutes, and shall continue to report information through the Commission for the Student Unit Record Data Systems (SURDS) and the Integrated Post-secondary Education Data System (IPEDS) of the United States Department of Education.

13. **Issue Resolution.** The parties agree to use their best efforts to resolve any disputes that may arise with respect to performance of the terms and conditions set forth herein. In the event that a party to this Performance Contract has reason to believe that the other party is not complying with the terms and conditions set forth herein, that party shall first provide written notice to the non-complying party setting forth the nature of the alleged failure to act or perform. If the dispute is not resolved, the official representatives of the parties shall meet to discuss a remediation plan or modification of this Performance Contract as may be required by the circumstances.

14. **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). The Institution understands that, pursuant to Title 23, Article 1, Section 108(1.9)(b) and (c), Colorado Revised Statutes, after the 2015-16 state fiscal year, in each state fiscal year in which the general assembly appropriates the restored level of general fund appropriations for the state system of higher education, the Commission, based on the performance-based funding plan adopted in the Master Plan, shall recommend to the joint budget committee the portion of the performance funding amount to be appropriated to the Governing Board, based on the demonstrated performance of the Institution in meeting the goals and expectations set forth in this Performance Contract. Pursuant to Title 23, Article 1, Section 108(1.9)(c)(II), Colorado Revised Statutes, the “restored level of general fund appropriations” means an amount of general fund appropriations for the state system of higher education, excluding any amount appropriated for student financial aid, that equals or exceeds seven hundred six million dollars.

15. **Notice and Representatives.** For the purposes of this Performance Contract, notices required under this Performance Contract shall be in writing and shall be sent by prepaid certified mail, return receipt requested, by facsimile, with confirmation of transmission, by overnight delivery such as Federal Express, or by hand delivery, with confirmation of receipt, to the individuals identified below who are hereby designated as the official representatives of the respective Parties. Either Party may from time to time designate in writing a new or substitute representative or address.
For the Department:
Lt. Gov. Joseph A. Garcia
Executive Director
Colorado Department of Higher Education
1560 Broadway, Suite 1600
Denver, CO 80202

For Western State Colorado University:
Jay Helman
President
Western State Colorado University
600 Adam Street
Gunnison, CO 81230

16. **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. Any services or benefits which third parties receive as a result of this Agreement are incidental and do not create rights for such third parties.

17. **Assignment.** The rights and obligations of each Party hereunder are personal to such Party and may not be transferred, assigned or subcontracted without the prior, written consent of the other Party.

18. **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 the 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.

19. **Renewal of Agreement.** The Governing Board and the Department may agree to renew this Performance Contract prior to its expiration. Any such renewal must be approved by the Commission.

20. **Entire Agreement.** This Performance Contract, including the Addenda hereto and any documents to be delivered hereunder, are intended as the complete integration of all understandings between the parties regarding performance contracts authorized by Title 23, Article 5, Section 129 and Title 23, Article 1, Section 108(1.5)(f). 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 and the Commission.

21. **Modification.** This Performance Contract shall be subject to such modifications as may be required by changes in federal or state law or regulations or as may be agreed to by the parties and approved by the Commission. Any such modifications shall be agreed to by the parties in writing and incorporated into and made a part of this Performance Contract as if fully set forth herein. Any modification or addition to this Performance Contract shall not become effective until approved by the Commission.

22. **Force Majeure.** Neither party shall be considered to have materially failed to perform its obligations under this Performance Contract, including, for the Institution, its failure to meet a
Exhibit B

Performance Goal, to the extent that such failure arises out of causes beyond the reasonable control of a party. Such causes may include, but are not limited to, acts of God or of the public enemy, acts of the state or the United States in either its sovereign or contractual capacity, fires, floods, epidemics, strikes, and unusually severe weather, but, in every case, delay or failure to perform must be beyond the reasonable control of and without the fault or negligence of the party.
SIGNATURE PAGE

THE PARTIES HERETO HAVE EXECUTED THIS PERFORMANCE CONTRACT

GOVERNING BOARD
Board of Trustees for
WESTERN STATE COLORADO UNIVERSITY

BY: Jay Malcolm, President

Date: 2-26-13

APPROVED

BY: Todd Wheeler, Chair, Board of Trustees for Western State Colorado University

Date: 2-22-2013

DEPARTMENT
COLORADO DEPARTMENT OF HIGHER EDUCATION

BY: Lt. Gov. Joseph A. Garcia, Executive Director

Date: March 1, 2013

APPROVED

BY: Richard Kaufman, Chair, Colorado Commission on Higher Education

Date: March 1, 2013
Addendum A

This Addendum A sets forth those goals, standards and requirements upon which the Department and the Governing Board have mutually agreed.

The Institution agrees to make those efforts and implement the performance goals and expectations set forth in this Addendum A, within the time frames established in Addendum A. The Institution agrees and understands that its progress towards those performance goals and expectations shall be evaluated based on the measurements set forth in Addendum A.

NOW THEREFORE, the Parties agree as follows.

**Goal #1: Increasing Attainment**
Increase the attainment of high quality postsecondary credentials across the academic disciplines and throughout Colorado by at least 1,000 new certificates and degrees each year to meet anticipated workforce demands by 2025.

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<tr>
<th>Metric</th>
<th>Weight</th>
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<tbody>
<tr>
<td>1.2 Maintain excellence” by conferring undergraduate credentials per 100 students enrolled at a level at or among the top 25% of peer institutions</td>
<td>17%</td>
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<tr>
<td>1.7 INSTITUTION DEVELOPED INDICATOR: Annually increase the number of credentials (graduate included) in STEM</td>
<td>5%</td>
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</table>

**Goal #2: Improving Student Success**
Improve student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.

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<thead>
<tr>
<th>Metric</th>
<th>Weight</th>
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<tbody>
<tr>
<td>2.5 Annually increase retention rates across all student levels (e.g., sophomore, junior, senior)</td>
<td>8%</td>
</tr>
<tr>
<td>2.6 INSTITUTION DEVELOPED INDICATOR: Annually increase the success rates of students identified with remedial needs transferring into credit-bearing courses</td>
<td>8%</td>
</tr>
<tr>
<td>2.7 INSTITUTION DEVELOPED INDICATOR: Maintain WSCU’s 80% successful completion (C or better) of introductory gtPathways courses in English and Mathematics</td>
<td>10%</td>
</tr>
</tbody>
</table>

**Goal #3: Reducing Gaps**
Enhance access to, and through, postsecondary education to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.
<table>
<thead>
<tr>
<th>Metric</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Annually reduce disparities in graduation rates between resident</td>
<td>5%</td>
</tr>
<tr>
<td>underserved and resident non-underserved students</td>
<td></td>
</tr>
<tr>
<td>3.2 Annually reduce disparities in degree completion (graduates per</td>
<td>3%</td>
</tr>
<tr>
<td>100 FTE) between resident underserved and resident non-underserved</td>
<td></td>
</tr>
<tr>
<td>students</td>
<td></td>
</tr>
<tr>
<td>3.4 Annually increase the proportion of newly enrolled resident</td>
<td>5%</td>
</tr>
<tr>
<td>students who are from resident underserved populations</td>
<td></td>
</tr>
<tr>
<td>3.7 Annually reduce disparities in retention rates among resident</td>
<td>4%</td>
</tr>
<tr>
<td>underserved students and resident non-underserved students across all</td>
<td></td>
</tr>
<tr>
<td>levels (sophomore, junior, senior)</td>
<td></td>
</tr>
<tr>
<td>3.9 \textit{INSTITUTION DEVELOPED INDICATOR}: Annually increase the</td>
<td>5%</td>
</tr>
<tr>
<td>proportion of underserved resident students as defined by gender and</td>
<td></td>
</tr>
<tr>
<td>region (i.e., rural Colorado)</td>
<td></td>
</tr>
</tbody>
</table>

\textbf{Goal \#4: Restoring Fiscal Balance}

Develop resources, through increases in state funding, that will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Maintain the institution’s rank relative to peers regarding the</td>
<td>15%</td>
</tr>
<tr>
<td>number of degrees awarded per $100,000 in total operating (E&amp;G)</td>
<td></td>
</tr>
<tr>
<td>revenues</td>
<td></td>
</tr>
<tr>
<td>4.5 \textit{INSTITUTION DEVELOPED INDICATOR}: Maintain a ranking at</td>
<td>15%</td>
</tr>
<tr>
<td>or among the top 50% of peer institutions in administrative</td>
<td></td>
</tr>
<tr>
<td>efficiencies as measured by administrative expenditures as a percent</td>
<td></td>
</tr>
<tr>
<td>of total expenditures.</td>
<td></td>
</tr>
</tbody>
</table>
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 the Governing Board operating under this Performance Contracts.

Pursuant to Title 23, Article 5, Section 129(2)(a), 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, as they may hereinafter be revised or renumbered, and any policies promulgated by the Commission thereto.

STATUTORY REQUIREMENTS

C.R.S. § 23-1-105.5. Duties and powers of the Commission with respect to student fee report.

Provided that the governing board continues to adopt an institutional fee plan pursuant to 23-5-119.5, the Governing Board shall be exempt from any Commission policies promulgated pursuant to this section.

C.R.S. § 23-1-106. Duties and powers of the Commission with respect to capital construction and long-range planning – legislative declaration – definitions.

The Governing Board shall continue to comply with the provisions of this section except that: (1) the Governing Board shall not be subject to facilities master plan approval described in subsection (3) or (4) of this section, provided the Governing Board approves each plan, notifies the Commission of its approval and makes the plan available to the Commission, and, for projects the cost of which will not exceed two-million dollars, the Governing Board shall not be subject to subsection (5) of this section; and (2) Projects for auxiliary facilities that are to be acquired or constructed and operated and maintained solely from cash funds held by the institution and projects to be acquired or constructed solely from cash funds held by the institution and operated and maintained from such funds or from state moneys appropriated for such purpose, or both, shall not be required to be submitted to the Commission pursuant to subparagraph 7(b) provided that the institution annually submits a report substantially similar to the report described in subsection (6)(b) of this section to the capital development committee for approval.
C.R.S. § 23-1-107. Duties and powers of the commission with respect to program approval, review, reduction, and discontinuance.

As provided in C.R.S. 23-5-125, the Governing Board need not consult with or obtain approval from the Commission to create, modify, or eliminate academic and vocational programs offered by the Institution, so long as such creations, modifications, and eliminations are consistent with the Institution's statutory role and mission.

COMMISSION POLICIES

Exemptions

Pursuant to Title 23, Article 5, Section 129(6)(a)-(b), 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 policies promulgated by the Commission, as they may be hereinafter revised or renumbered:

I. Academic Affairs:

Part B: Approval of New Academic Programs

Part C: Review of Academic Programs

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

Part G: Low Demand Program Review

Part H: Designating Programs of Excellence

Part I: Review of Proposals for Coordinated Academic Programs

Part L: Statewide Transfer Policy

The structure of the “state’s guaranteed general education curriculum” (aka “gtPathways approved core curriculum”) described in Part 5.02 shall not be mandatory for undergraduate students enrolled at the Institution. The Institution shall continue to comply with the requirements of C.R.S. 23-1-125 and CCHE policy Section 1, Part L, notwithstanding the provision concerning the “state’s guaranteed general education curriculum” described above. The Institution will continue to offer a full gtPathways approved core curriculum. The Institution will clearly communicate on its general education website that students planning to transfer should choose the gtPathways approved courses and curriculum if they want to guarantee transfer credit. The Institution will continue to participate in the process described in section C.R.S. 23-1-125 and C.R.S. 23-1-108.5 established to identify transferable core courses within
the Institution’s arts and sciences bachelor degree programs and to accept those core courses
approved through such process for guaranteed transfer.

Part O: Academic Planning

Part Q: Policy on Affirmative Action

Part S: Newly Approved Degree Programs

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 – Approvals of Long-Range Facilities, Infrastructure Plans
3.00 – Periodic Updating of a Long-Range Plan
4.00—Information Technology Strategic Planning
5.00—Governing Board and Institutional Planning

Budget Data Book:

Organization Chart

Campus Map

General information page

Format 40: Reporting of ASCII data by Classification of Instructional Program (CIP) area

Format 9999

Consolidated Supplemental Financial Information

• Format A
• Format B
• Format C
Exhibit B

- Format D
- Format E

Administrative Salary Survey report

Decision Items requests for mandatory cost increases

CCHE approval of decision items above mandated costs

Maintenance of Status Quo

Pursuant to Title 23, Article 5, Section 129(2)(a), the Governing Board shall continue to be subject to the following policies in the form they exist as of the Effective Date of this Performance Contract, attached and expressly incorporated herein, unless the parties expressly agree that future revisions are less restrictive to the Institution than current policy:

I Academic Affairs

Part E: Statewide Remedial Education Policy

Part F: Admissions Standards

It is expressly agreed that the Governing Board may alter its admissions standards according to the process set forth in current Commission Policy 1, Part F.

It is expressly agreed that modifications to the Statewide Remedial Education Policy and the Admissions Standards policy that conform to the requirements of 23-1-113 (5)-(7) are acceptable, provided that those changes do not affect the University’s admissions standards or right to administer secondary assessments of its choosing.