

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

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

RECITALS

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

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

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

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

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

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

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

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

AGREEMENT

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

1. Scope of Contract. This contract and Addenda A and B, which are hereby expressly incorporated herein by reference, (the "Performance Contract"), set forth the performance goals of Adams State College (hereinafter referred to as the "ASC"), with the statutory role and mission of a general baccalaureate institution with moderately selective admission standards, and with a national (Carnegie) classification of Masters Comprehensive I. This Performance Contract sets forth the agreement regarding the services provided by ASC, including the offering of undergraduate liberal arts and sciences, teacher preparation, and business degree programs, master's level programs, and two-year transfer programs; providing primary access to teacher education in rural Colorado; serving as a regional education provider; offering programs that preserve and promote the unique history and culture of the region; and including services as defined in the Performance Contract Goals and Assessments set forth in Addendum A.

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

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

4. Academic and Vocational Program Approval. While operating pursuant to this Performance Contract, the Governing Board will not be required to obtain approval from the Commission to create, modify, or eliminate academic and vocational programs offered by the ASC, so long as such creations, modifications, and eliminations are consistent with the ASC's statutory role and mission. The Commission shall have the authority pursuant to Title 23, Article 5, Section 129(6)(b), Colorado Revised Statutes, to override any creation or modification of an academic or vocational program if the change made by the Governing Board is inconsistent with ASC's statutory role and mission. The Governing Board will comply with the Commission's

Policy and Procedures for the Approval of New Academic Programs in Public Institutions of Higher Education in Colorado Operating Under a Performance Contract adopted on October 7, 2004.

5. Reporting of Budget and Proposed Tuition Increases. The Governing Board and ASC will comply with the provisions of Title 23, Article 5, Section 129, Colorado Revised Statutes and the requirements of the Title 24, Article 37, Colorado Revised Statutes in the form and manner prescribed by the Commission. The General Assembly has retained the authority in Title 23, Article 5, Section 129, Colorado Revised Statutes, to approve tuition spending authority for the Governing Boards of the institutions.

6. Resident Applicant Admission Requirements. The Governing Board and ASC will comply with the provisions of Title 23, Article 1, Section 113.5, Colorado Revised Statutes.

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

8. Performance Goal Achievement. This Performance Contract sets forth those goals, standards and requirements upon which the Department and the Governing Board have mutually agreed. The ability of ASC to fulfill the terms of this Performance Contract expressly assumes funding at a level which approximates the Department funding appropriated by the General Assembly during fiscal year 2003-2004. Any material change in the level of general fund available to students as stipends, to institutions under fee-for-service contracts under the College Opportunity Fund, and state general fund financial aid allocated through the Commission, shall cause the parties to this agreement to meet and discuss whether a change in any provisions of this agreement is appropriate. The actions undertaken by the Governing Board and ASC pursuant to this Performance Contract shall be performed consistently with applicable state and federal law.

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

Contract, shall promptly meet to discuss a remediation plan for resolution of the alleged Performance Failure or modification of this Performance Contract as may be required by the circumstances.

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

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

For the Department:

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

For Adams State College:

Dr. Richard A Wueste
President
Adams State College
208 Edgemont Blvd.
Alamosa, CO 81102

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

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

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

15. Entire Agreement. This Performance Contract is intended as the complete integration of all understandings between the parties regarding performance contracts authorized by Title 23, Article 5, Section 129, Colorado Revised Statutes. No prior or contemporaneous addition, deletion or other amendment hereto shall have any force or effect whatsoever, unless

embodied herein in writing. No subsequent novation, renewal, addition, deletion or other amendment hereto shall have any force or effect unless embodied in a writing executed and approved by both parties to this Performance Contract.

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

IN WITNESS WHEREOF, the parties have executed this Performance Contract this 4th day of March, 2005.

For Adams State College:

By Richard A. Wueste
Richard A. Wueste
President

For the Department of Higher Education:

By Richard F. O'Donnell
Richard F. O'Donnell
Executive Director

APPROVED:

Board of Trustees for Adams State College

By: Jerry Lamm
Chair

APPROVED:

Colorado Commission on Higher Education

By: Judy P. Weaver
Chair

Dated: 3-4-05

Dated: 2-8-05

ADDENDUM A

Goal #1: Access and Success

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

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

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

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

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

WHEREAS, the Commission and ASC recognize the unique cultural and economic student profile of Adams State College with the goal of providing educational access and success for all citizens of Colorado while preserving and promoting the unique history and culture of the region.

WHEREAS, the Commission and ASC wish to encourage programs, policies and services to meet the unique needs of a culturally and economically diverse student profile in order to provide greater educational access and success for all citizens of Colorado.

NOW, THEREFORE, the Parties agree as follows:

Section 1: Retention Rates

1.1 By December 31, 2008, ASC shall increase its fall-to-fall retention rate for first-time, full-time freshman from 57.4% to 60.9%.

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

Section 2: Graduation Rates

2.1 By June 30, 2009, ASC shall increase its 6-year graduation rate for first-time, full-time from 27.8% to 30.4%.

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

Section 3: Underserved Students

3.1 Title 23, Article 5, Section 129, Colorado Revised Statutes requires that each performance contract address “increasing enrollment of underserved students, including low-income individuals, males and minority groups.” For purposes of this Performance Contract, “underserved students” shall be defined as students who are: (a) low-income (would satisfy income requirements for a Federal Pell Grant); (b) members of an ethnic or racial minority group; and/or (c) males. ASC shall address underserved students as follows:

(a) ASC will seek to increase overall resident undergraduate enrollment by 10% over baseline enrollment of 1999-2003 by June 30, 2009. Specific institutional measures include:

1. Total resident enrollment (FTE) shall increase from 1914 to 2105.
2. ASC shall actively recruit first generation college students.
3. ASC shall increase the number of Minority students.
4. ASC shall increase the number of Hispanic students.
5. ASC shall increase the number of low-income students.
6. ASC shall increase the number of enrolled freshman from the San Luis Valley area.
7. ASC shall increase the number of Hispanic males.
8. ASC shall increase the number of nontraditional students over the age of 25.

(b) ASC shall direct available resources toward, but not limited to, the following programs, or successors, designed to increase enrollment, retention and graduation of underserved students:

1. Evening and weekend College;
2. 2-year degrees (AA,AS);
3. Correspondence Courses leading to a degree (external degrees);
4. Concurrent Enrollment;
5. Developmental Programs (College Studies: 095-099 remediation courses);
6. HEAR workshops—Higher Education Access and Resources workshops delivered by the Office of Student Financial Aid;
7. Upward Bound (Federally funded program designed to engage high school students who have potential for college success);

8. PAVE (Partners Advancing Valley Education), a partnership with TSJC-Valley campus designed to increase college aspiration among San Luis Valley K-12 students;
9. 2+2 Programs, such as the BS program in nursing;
10. Educational Talent Search (Federally funded pre-collegiate program targeted at grades 6-12 designed to increase college aspiration and knowledge of successful pre-collegiate skills);
11. Title V Outreach (Federally funded project designed to increase institutional capacity to better serve Hispanic students. Activity II aims at increasing interaction among parents, students and college representatives so as to increase college aspiration for students and families).
12. Title V/CELT (Center for Excellence in Learning and Teaching): Federal Grant supports retraining 20% of ASC faculty each year in learner-centered classroom practices and instructional technology;
13. Student Support Services: tutoring for low-income first generation college students;
14. Freshmen Interest Groups (FIG Program);
15. 1-Stop Shop for admissions, registration, financial aid;
16. Writing studio/English mentors;
17. Math labs;
18. Summer Bridge (Summer Scholars) program for at risk students/writing and reading.

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

Goal #2: Quality in Undergraduate Education

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

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

WHEREAS, the full transferability of general education courses between institutions of higher education is desirable.

NOW, THEREFORE, the Parties agree as follows:

Section 1: General Education Requirements

1.1 Effective November 1, 2004 ASC has adopted a fully transferable, foundational general education core curriculum that corresponds with GT Pathways, Colorado's statewide guaranteed transfer program for general education that was created and endorsed by the General Education Council ("GE 25 Council") and the Commission. The Governing Board shall ensure that its general education core curriculum continues to meet the GT Pathways curriculum requirements for academic areas and corresponding credit hour requirements established by the GT Pathways.

1.2 The Student Bill of Rights, Title 23, Article 1, Section 125, Colorado Revised Statutes, provides that students, upon completion of core general education courses, regardless of the delivery method, should have those courses satisfy the general education core course requirements of all Colorado public institutions of higher education. In order to meet this requirement, all courses in the ASC's general education core curriculum shall be submitted, according to Commission policy, to the GE 25 Council or its successor, for approval and inclusion in GT Pathways for guaranteed transfer. The Department shall convene the GE 25 Council and provide sufficient resources to ensure that all courses submitted to the GE 25 Council, or its successor, are reviewed within 6 months of submission.

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

1.4 In addition to requiring the completion of its approved general education core curriculum by all newly enrolled, first-time students, the Governing Board shall ensure the following:

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

(b) All course catalogs and related materials shall clearly designate lower division courses that are not eligible for statewide guaranteed transfer.

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

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

of any additional lower division general education courses by that student that would exceed the 40 credit hour lower division general education limit.

1.6 Beginning July 1, 2006, and each year thereafter, the Governing Board shall report statistics on the demand for and supply of courses at its campus(es) that satisfy its general education core curriculum. Such data, if available, may include the number of sections offered, enrollment demand and course availability, data on the ranks of instructor teaching the courses, and the average class enrollment for each course, disaggregated by course title and number.

Section 2: Grade Distribution

2.1 The Governing Board has set high academic standards for ASC and shall demonstrate the same by providing a description or copies of policies and procedures for evaluating the distribution of grades by academic subject and course level or otherwise. In addition, by September 1, 2006 and each year thereafter, the Governing Board shall provide data on all course grades conferred during the previous academic year, disaggregated by academic subject and course level.

Section 3: Faculty

3.1 The Governing Board shall continue to ensure that the proportion of core courses taught by the highest quality and/or most qualified faculty, as identified by ASC, is equivalent, to that in undergraduate non-core courses.

3.2 The Governing Board will continue to examine its current faculty compensation policies, including merit compensation provisions, and consider appropriate faculty evaluation, promotion and tenure policies and procedures in light of the institutional goals, mission and values. By July 1, 2006 and each year thereafter, the Governing Board shall provide a report that illustrates specifically whether and how financial incentives, such as cash bonuses, raises, stipends, awards or other items, are used in the implementation of its faculty evaluation and professional development procedure. The report shall be accompanied by data showing how the financial incentives are applied differentially to faculty based on the evaluation criteria.

Section 4: Evaluation and Assessment of Student Learning

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

4.2 The Governing Board agrees to cooperate with the Department in developing and implementing standard methods to assess students' knowledge and improve the delivery of content taught in courses approved for ASC's core curriculum. These programs shall

be in place no later than January 1, 2007. The Department and the Governing Board agree that implementation of these assessment methods is contingent on additional resources being made available for these purposes.

Goal #3: Efficiency of Operations

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

NOW, THEREFORE, the Parties agree as follows:

Section 1: Costs

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

1.2 The Department shall use the information submitted by the institutions to determine the base funding increase necessary for cash fund and cash fund exempt increases that at a minimum shall consider changes in mandatory costs, such as salary, insurance and utility costs, as well as enrollment growth and inflation.

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

1.4 The Governing Board will strive to control costs so that mandatory cost increases do not exceed the latest published cost adjustment figure from the State Higher Education Executive Officers Higher Education Cost Adjustment model, excluding controlled maintenance and capital needs.

Section 2: Capital Assets and Maintenance

2.1 The Governing Board shall allocate a percentage of new tuition revenue for deferred maintenance in proportion to the level of tuition increase in excess of inflation and mandated costs authorized by the General Assembly. The Governing Board shall breakout in a footnote in their annual Statement of Revenues, Expenses, and Changes in Net Assets the actual amount spent.

Section 3: Facilities

3.1 The Governing Board shall continuously assess operational efficiencies of its auxiliary facilities, as such facilities are defined under Title 23, Article 5, Sections 101.5(2)

and 102, Colorado Revised Statutes. Proposals will be periodically solicited from private firms for those facilities that are commonly found to be operated by private firms. Proposals will be awarded whenever it is determined that private operation of the facility can add value and improve operational efficiencies.

Section 4: Base Funding 3.1 In recognition of the role that floor funding plays in the continuing economic stability of the institution, it is acknowledged that the absence of floor funding could have implications on the institution's ability to meet the terms and conditions of this performance contract.

Goal #4: Other State Needs -- Teacher Education

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

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

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

WHEREAS, K-12 school districts have called for new teachers who are trained in critical areas, including but not limited to: (1) Technology and its role in instructional delivery; (2) Ability to communicate with students, parents and guardians regarding educational progress and student behavior; (3) Ability to assess student learning and modify curriculum based on assessment results; (4) Effective classroom management techniques; (5) Ability to apply knowledge to the P-12 classroom and adapt instruction in ways that enhance the ability of achievement levels to rise for all students student learning with a particular understanding of how to close the achievement gap for children of color and boys; and (6) Ability to teach reading, math and science.

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

WHEREAS, teacher education programs must prepare teachers to succeed in an era of high standards and strong accountability.

NOW, THEREFORE, the Parties agree as follows:

Section 1: Teacher Education Programs:

1.1 The Commission shall continue to authorize and re-authorize teacher education programs pursuant to Title 23, Article 1, Section 121, Colorado Revised Statutes and

existing Commission policies, including the continuance of joint on-site program reviews by the Commission and the Colorado Department of Education scheduled every fifth year.

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

(a) Each teacher candidate shall receive, as part of his or her formal preparation, instruction on teaching diverse student populations. To the extent possible, each teacher candidate shall spend time through required pre-rotation or student teaching experiences in a Title I or low performing or unsatisfactory school with an improving or stable rating, based upon the results of the previous year's School Accountability Report by the Colorado Department of Education.

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

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

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

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

Section 2: Recruitment and Training of Qualified Candidates

2.1 ASC shall maintain its levels of recruitment, retention, and graduation of teacher candidates who are under-represented in Colorado's public schools, with a particular focus on Hispanics and males. ASC shall submit to the Department on or before August 1st of each year, the student identification numbers and endorsement areas for all teacher candidates.

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

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

WHEREAS, the Commission has determined that Colorado's future competitiveness in the global economy depends on having an educated and skilled workforce. Colorado must have workers with high-level skills required for jobs in high-demand fields,

workers with basic workplace skills to obtain the most desirable jobs and to continually adapt to the changes that will continue to affect our evolving economy.

NOW, THEREFORE, the Parties agree as follows:

1.1 ASC will seek to increase the number of students who earn degrees in the following high-demand program areas:

- (a) By December 31, 2008, ASC shall increase the number of students graduating from its new BSN nursing program to at least fifteen.
- (b) By December 31, 2008, ASC shall increase the number of students graduating from its Elementary Education Associate of Arts degree program to at least fifteen.
- (c) By December 31, 2008, ASC shall increase the number of students graduating from its Early Childhood Education Associate of Arts program to at least fifteen.
- (d) By December 31, 2008, ASC shall increase the number of students graduating from its SLV REAP Program ID Studies/Elementary Education Bachelor of Arts programs to at least fifteen.
- (e) By December 31, 2008, ASC shall increase the number of 2+2 Program graduates by 15%.
- (f) By December 31, 2008, ASC shall increase the number of participants in life-long learning programs by 20%.
- (g) ASC shall complete required program changes in its Special Education undergraduate degree programs by December 31, 2005.
- (h) By December 31, 2008, ASC shall increase enrollment in evening and weekend college by 10%.

ADDENDUM B

RESOURCE, PROGRAMMATIC AND MANAGEMENT FLEXIBILITY

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

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

STATUTORY REQUIREMENTS

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

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

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

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

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

The Institution shall continue to be subject to the statutory requirements of this section. However, the Commission through the Department agrees to revise its policies to reduce current reporting requirements and to limit the review of off-campus, cash-funded degree and certificate programs, off-campus, state-funded degree programs, and out-of-state/out-of-country programs to ensuring that such programs are consistent with the Institution's statutory role and mission. The Commission also agrees to work with the Institution to modify current extended studies policies regarding budget and finance with the goal of reducing unnecessary and burdensome regulations and limiting the Commission's oversight of such programs. The Commission shall ensure that such policies recognize that the Institution's chief executive officer is responsible for the overall fiscal and operational policies of the Institution.

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

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

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

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

COMMISSION POLICIES

Academic Affairs:

Part B: Approval of New Academic Programs

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

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

Part H: Designating Programs of Excellence

Part I: Review of Proposals for Coordinated Academic Programs

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

Part O: Academic Planning

- Sections: 3.02, 4.00

Part Q: Policy on Affirmative Action

Capital Assets:

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

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

- 5.00 – Relation to Statewide Plan

Part I – Instructions & Forms For Completing Physical Plant Inventory

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

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

Part O – Policy Guidelines for Capital Outlay Expenditures.

Part P – Policies for Construction Projects Administration.

Budget Data Book:

Organization Chart

Campus Map

General information page

Format 40: Reporting of ASC II data

Format 9999

Consolidated Supplemental Financial Information

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

Administrative Salary Survey report

Decision Items requests for mandatory cost increases

CCHE approval of decision items above mandated costs