



# A Steady Hand

**Dr. France Córdoba explains how strong fiscal management in the face of budget cuts has helped this major public university stay true to its strategic plan.**



**W**hen the fiscal fallout of the economy finally trickled down to higher education state funding, Purdue University in West Lafayette, Ind. was certainly affected. But instead of having a reactionary response, Purdue's administration adeptly worked with the state legislature as well as its own faculty, staff, and students to find ways to make up the difference and minimize the impact. One thing it would not compromise on, however, was the quality of the Purdue degree.

And apparently, it's worth a lot. *US News and World Report* recently ranked Purdue as 18th among all public universities, up from 26th just two years ago. Plus, a *Wall Street Journal* survey of corporate recruiters ranked Purdue as fourth in the nation in preparing its students for the workforce. As further testament to the level of academic rigor available, one of Purdue's own professors, Dr. Ei-ichi Negishi, was selected as a 2010 co-recipient of the Nobel Prize for chemistry.

"These rankings and acknowledgements show that the emphasis on student success in our strategic plan is paying off," said Dr. France Córdoba, president. "The outstanding work of our faculty and the dedication of our staff are making a tangible difference in the lives of our students."

### **A heavy blow**

According to Córdoba, Purdue has recently faced two budgetary behemoths, the first being the Indiana Governor's cut of

## PURDUE UNIVERSITY

\$150 million to higher education in December 2009, signifying an immediate loss of \$45 million for the Purdue University system. The budget cut was compounded by a longer-term projected deficit of \$67 million over the next biennium that will carry through fiscal year 2013.

To contend with these simultaneous challenges, the administration employed an all-hands-on-deck strategy. "We had a steering committee comprising faculty, staff, administrators, and students look at the structural deficit and how to address it as well as come to terms with the immediate cut of \$45 million," she said.

The steering committee was charged with reviewing all programs, operations, and expenses of the university to find areas where spending could be reduced without compromising academic quality or derailing New Synergies, the six-year strategic plan that was approved during Córdova's first year as president in 2008. New Synergies aims to launch tomorrow's leaders, promote discovery with delivery, and meet global challenges.

### Sustainable solutions

As a result, the administration developed the Sustaining New Synergies initiative to cut costs and increase efficiencies in areas like energy conservation by monitoring heat and air conditioning and reducing electricity consumption. For example, Purdue recently initiated a power-down hour in which faculty, staff, and students simply turned off lights, computers, and equipment for one hour, which had the carbon dioxide emissions equivalent of taking 530 cars off the road for one hour. Strategic sourcing and purchasing, a campus-wide realignment of IT, and a freeze on filling appointments and salary increases were also priorities.

"These are areas of interest because they are large in scope, so you can realize more savings by attacking some of the big items that you spend money on. They are also more highly distributed, so we felt there were opportunities to centralize our approach in realizing efficiencies," she said.

The \$67 million deficit in the next biennium was, as Córdova explained, a worst-case scenario projection. They considered how Purdue would be affected if there were no increase in budget or tuition. The final figure won't be confirmed until the next budget appropriations cycle has been completed.

Córdova said Purdue has remained steadfast in its support of the governor's initiatives and has worked both closely and effectively with the State Budget Committee to resolve any difficulties. "We have resolved to have constant communication with the state legislature so there are hopefully no surprises on either end," she said. "This is a partnership, and we're all working for the same thing."

### Sure footing

Purdue's administration team is committed to doing whatever is necessary to protect the integrity of the education it provides. "We have to operate a big university with a total budget that's more than \$2 billion," she said. "We don't want to let go of the quality of our education. That's why students come here. That's what they expect, and that's what employers expect when they hire our students."

Clearly, the efforts to keep Purdue on course despite pitfalls have been successful thus far. Student retention for first-year students is at an all-time high at 89%, up from 87.3% last year. Second-year student retention, which measures retention from the first to third years, has also increased. In addition, the academic profile of incoming students continues to improve, along with their average SAT scores.

In the near future, Córdova and her team will continue to meet these challenges head on with strong fiscal management and collaborative problem-solving with key stakeholders. In addition, Purdue will continue implementing its strategic plan and making inroads toward its three main goals.

First, it plans to continue improving the metrics for student success and ensure that the Purdue degree gains increased value, especially for research and global credentials. Second, Purdue aims to maintain its reputation as a research powerhouse, increase its research awards and impact, and be among the top-ranked research universities in the world. Last, Purdue hopes to become a truly global university.

"I was brought here to add value and to increase Purdue's reputation nationally and globally," Córdova said. "We started a new global policy research institute and have a very distinguished national leader to be its inaugural director. We're defining our global presence and impact, and I think this will arguably be the lasting legacy of my administration." ♦

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