

March 18, 2013

Dear colleagues:

Earlier this month we announced Purdue's intention to break a 37-year string of increases and to hold tuition constant for the next two school years. From discussions with faculty, staff, alumni and students themselves, it's my clear impression that actions to ensure the accessibility of a Purdue education have very broad support across our community, and the initial response to our announcement seems to confirm this view.

Putting students and their families first is always the right principle, but especially during a time of continued economic and income stagnation. As I wrote in my first message as president, we must never forget that the dollars we are privileged to spend at our university come for the most part from either a student's family or a taxpayer. Any unnecessary expenditure by definition either limits our ability to invest in the excellence of our teaching and research or, if paid for by higher tuition charges, makes coming to Purdue more of a financial burden.

It has been too easy in higher education for institutions to decide first what they would like to spend, and then raise student bills to produce the desired funds. That approach has run its course. At Purdue, we will make our first goal affordability, accommodating our spending to students' budgets and not the other way around.

Over the next weeks and months, we will assess current practices and expenditures across all central university units. I am asking every college, administrative and auxiliary unit to look closely at all its activities and do the same. This is not just a task for supervisors: Everyone can play a part.

We should all be asking each other questions like: What are we doing that once made sense but no longer does? What are we doing in multiple places that could be done less expensively in one? Most important, what are we doing that does not in any clear and meaningful sense further our core missions: teaching, research, engagement and affordable access?

Is this publication really essential? That subscription? That committee? That trip? If a trip really is necessary, do five of us have to make it? Purdue has a reputation for “showing up in force”; maybe we can start thinking twice before booking that next group excursion.

To offset the foregone revenue from the previously anticipated tuition increase will require us to find about \$40 million over the next two years. Since Purdue is scheduled to spend some \$4 billion during that timeframe, half of it in what is termed “general fund” expenditures, this amounts to 1-2 percent of the base. Surely it is not beyond our collective ability to find savings of 1-2 percent. In fact, I believe we should set our sights higher and work to create savings beyond \$40 million that can be used to augment our inadequate funds for scholarships and/or to extend the tuition freeze further.

I have asked the Treasurer to establish a new Student Affordability and Accessibility Account. As provable savings are identified, the budget for the relevant activity will be reduced and the saved amount credited directly and solely to the SA&A Account (with a big public thanks to the contributing unit!). As a first step, we will eliminate merit pay raises for all senior administrators, deans, and administrative and professional staff with salaries above \$50,000 for the next two years. This will result in an expected savings of \$5 million for the biennium. Expect additional such decisions in the next few weeks.

By many measures, a Purdue degree is today one of the best buys in American higher education. Purdue has been ranked #8 by *Wall Street Journal's SmartMoney* for our students' return on their investment, #4 by the *Wall Street Journal's recruiter survey* for the employability of our graduates, and #33 among public universities for the success of our alumni. All of these point to the value of a Purdue degree, and we expect that value to grow. I hope I am not the only one excited by the opportunity to cement and stretch this critical advantage.

With everyone's support and cooperation, we can assert boldly that, regardless of what others may do, Purdue will stay true to its land-grant mission, delivering the education our state and nation needs most to students from any income level or background. Please join us in honoring this pledge.

A handwritten signature in black ink that reads "Mitchell Daniels". The signature is written in a cursive, flowing style.

Mitchell E. Daniels Jr.
President