



INDIANA COMMISSION  
for  
HIGHER EDUCATION

December 22, 2009

The Honorable Mitch Daniels  
Indiana Statehouse  
200 West Washington Street  
Indianapolis, IN 46204

Dear Governor Daniels:

Recent budget realities demanded further budget cuts, including your reluctant but necessary need to trim \$150 million from the budgets of higher education institutions. You directed the Commission for Higher Education to oversee this process and bring recommendations to you for implementing these cuts. We have concluded our meetings with university leaders and, in consultation with members of the Commission, are prepared to provide the recommendations you requested.

Consistent with the Commission's strategic plan, *Reaching Higher*, we have used this opportunity to highlight our focus on degree completion and operating efficiency. The funding model we used to calculate the recommended cuts recognizes three main factors:

- 1) State appropriations per student (full-time equivalency);
- 2) Student progress toward degree completion (persistence); and
- 3) Availability of federal stimulus dollars.

The uniqueness of each institution's mission and cost structure has been taken into account as part of these recommendations. It is important to emphasize that our proposed budget cuts, which average approximately 6 percent statewide, do not require an increase in student tuition, and based on our meetings with university leaders tuition increases are not expected. Furthermore, we believe the current challenges present opportunities to explore greater long-term efficiencies and to realize permanent cost savings. With that goal in mind, the Commission's budget cut recommendations are supported by a series of efficiency measures for consideration by each university's board of trustees. [See attachment]

Our appreciation goes to the university leaders who stepped up and partnered with the Commission in these efforts. Each college president sought to be helpful in considering ways to improve the financial stability of our state by controlling college costs while still ensuring academic excellence. We are grateful for the assistance of our universities and for your strong leadership during this difficult period.

Sincerely,

Teresa Lubbers  
Commissioner for Higher Education

Michael Smith  
Chairman, Commission for Higher Education

Enclosure: 1) Funding Recommendations, 2) Funding Context, and 3) Efficiency Guidelines