July 2009

Dear University of Michigan Students and Families,

On June 18, 2009, the Board of Regents approved the University’s budget and set tuition and fees for the 2009-2010 academic year. The new tuition and fee schedule can be found at http://www.provost.umich.edu/Fall2009FeeSched.pdf.

This year’s budget development has been particularly complex and unusual given the economic circumstances of the state and the nation. As the Regents and the administration develop a budget and set tuition each year, two top priorities are to maintain the excellence of our educational programs and to ensure access to the University by students from all economic backgrounds. Accordingly, we have consistently increased financial aid for students with demonstrated need from year to year. Despite constrained resources, this year’s budget includes the largest dollar increase in centrally awarded financial aid for undergraduates in U-M history.

In making this commitment, we are mindful of the effects that the current period of unprecedented economic turmoil may have on our students and their families. We are also aware that the economic downturn could threaten some sources of financial aid that are external to the University. If your circumstances have changed, or change over the next year, you may be eligible for assistance even if your family has not qualified for financial aid in the past. For detailed information regarding financial aid, please see the Office of Financial Aid website at www.finaid.umich.edu.

It is important to note that for the next two years, our students and their families will become eligible for a federal tax credit for tuition of up to $2,500 for families earning up to $160,000 (two earners) or up to $80,000 (single earners) per year. The provision of this tax credit, coupled with our own investment in financial aid, means that even with a tuition rate increase, many students and their families will pay less out-of-pocket to attend the University of Michigan in academic year 2009-10 than they did in 2008-09. See the IRS website for more information: http://www.irs.gov/newsroom/article/0, id=205674,00.html.

The annual appropriation from the state of Michigan plays a key role in setting tuition and fees. In the last six years, the University has seen a 10 percent reduction in the state appropriation. Based on the current recommendations from the Michigan Governor, House and Senate, U-M anticipates a reduction of at least $10 million in the state appropriation for fiscal year 2009-10. At the same time, the University is experiencing increased costs in core expenses, though the rate of growth in these costs has been tempered by the rigorous cost containment efforts we have been implementing for the last few years. Exceptional efforts are being made to contain costs further in the 2009-10 budget. This year’s tuition and fee structure reflects these financial constraints.

Your tuition helps support the learning opportunities, quality teaching, research experience and respected scholarship that make a University of Michigan education one of the best in the world. Through prudent fiscal management, we are committed to maintaining the high standards of the University and to supporting the priorities and initiatives, including financial aid, that will help prepare our students for success in whatever career path they choose. For more information about this year’s budget, I invite you to look at the Office of the Provost website at www.provost.umich.edu.

I hope that you are enjoying the summer and are looking forward to the start of the academic year.

Very truly yours,

Teresa A. Sullivan
Provost and Executive Vice President for Academic Affairs

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