

Contact: Diana Gonzalez

TUITION SET-ASIDE PRESENTATION

Action Requested: Receive the presentation.

Executive Summary: In September 2004, the Board of Regents approved Board Policy §8.02C (5i) which required the public universities to set-aside a minimum of 15% of gross tuition proceeds for student financial aid. Prior to that time, the universities had used a portion of tuition revenues for financial aid as a practice as far back as FY 1989.

In FY 2011, a total of \$144,391,499, or 21.3% of tuition proceeds, was set-aside and awarded to undergraduates and graduate/professional students as need-based and merit-based aid. A total of 25,583 undergraduate students received student financial aid through the tuition set-aside funds.

In response to the Board's request for a national perspective regarding student financial aid and tuition set-aside, specifically, the Board Office engaged Dr. Sandy Baum, senior policy analyst at the College Board. Dr. Baum will make a presentation to the Board of Regents about the practice of using tuition set-aside as a source of student financial aid, its practice in other states, and its policy implications.

Dr. Baum joined the Department of Economics at Skidmore College in 1987 and has served as chair of the department. She is currently a consultant to Skidmore's admissions and financial aid staff in addition to her responsibilities at the College Board. She has written extensively on issues relating to college access, college pricing, student aid policy, student debt, affordability, and other aspects of higher education finance. She has testified before Senate and House committees on matters of higher education finance.

Dr. Baum is the co-author of a number of publications for the College Board, including *Trends in Student Aid*, *Trends in College Pricing*, and *Education Pays: The Benefits of Higher Education for Individuals and Society*. Her recent work includes studies of benchmarks for manageable student debt and of tuition discounting at public and private institutions. She co-chaired the Rethinking Student Aid study group, a foundation-funded effort under the auspices of the College Board that, in 2008, released long-term proposals for reforming the student aid system.

Dr. Baum earned a B.A. in Sociology at Bryn Mawr College and a Ph.D. in Economics at Columbia University.