

## **MINUTES**

### **HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY**

April 15, 2026

The Higher Education Student Assistance Authority (HESAA) Board held a remote teleconference meeting on April 15, 2026 at 10:00 am via Zoom. Forty-eight people logged into the meeting.

**PRESENT:** HESAA Board Members: Angela Bethea, Secretary of Higher Education Designee; Beatrice Daggett; Lisa Dougherty; Ellie Dowek; Robert Joyce, Treasurer's Designee; Favour Oyelade; Shernelle Pringle; Scott Salmon; Jerry Traino; Nelson Turcios; Eduardo Valenzuela; and Christy Van Horn, Chair.

**ABSENT:** Gary Williams.

#### **CALL TO ORDER**

Christy Van Horn called the meeting to order at 10:02 am. Jerry Traino stated that the meeting had been noticed in compliance with the requirements of the Open Public Meetings Act.

Ms. Van Horn welcomed the Board members and advised that since this meeting is being held remotely, Alinna Calorio would conduct a roll call for the resolutions.

Ms. Van Horn welcomed Kevin Milton, Deputy Attorney General from the New Jersey Division of Law, and Blair Gerold, Associate Counsel from the Governor's Authorities Unit.

Ms. Van Horn asked Alinna Calorio to call the roll.

#### **CONSIDERATION OF THE MINUTES OF THE FEBRUARY 4, 2026 MEETING**

A motion to approve the minutes of the February 4, 2026 meeting was made by Angela Bethea and seconded by Robert Joyce. The minutes were approved unanimously with two abstentions, Ms. Shernelle Pringle and Mr. Nelson Turcios, who were not present at this meeting.

#### **CHAIR TO ANNOUNCE NOMINATING COMMITTEE APOINTMENTS**

Christy Van Horn announced that Scott Salmon has agreed to chair and Ellie Dowek and Nelson Turcios have agreed to serve on the Nominating Committee. Ms. Van Horn advised that any members interested in serving on the Executive Committee should advise Alinna Calorio or the Nominating Committee Members of their intention by June 1<sup>st</sup>. She thanked the members for agreeing to be on the Committee.

**RESOLUTION 02:26 ADOPTING A SCHEDULE OF MEETINGS FOR FISCAL YEAR 2027**

Marnie Grodman presented Resolution 02:26 to the Board.

At the last Board meeting of the fiscal year HESAA sets the meeting schedule for the next fiscal year in order to provide notice to the public. After polling the Board members regarding their availability it is recommended that for fiscal year 2027 the Board meetings be scheduled on Wednesday, July 22, 2026; Wednesday, October 21, 2026; Wednesday, January 27, 2027; and Wednesday, April 21, 2027. All of these meetings will take place at 10:00 am.

In addition, HESAA may call additional meetings, including telephone conference meetings and online Zoom meetings. Specific notice of each meeting will be provided prior to the meeting pursuant to the Open Public Meetings Act.

A motion to approve Resolution 02:26 was made by Bea Daggett and seconded by Scott Salmon.

The motion passed unanimously.

**RESOLUTION 03:26 AUTHORIZING THE ISSUANCE AND SALE OF ADDITIONAL SENIOR AND SUBORDINATE STUDENT LOAN REVENUE REFUNDING BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FOURTH SUPPLEMENTAL INDENTURE, PRELIMINARY OFFICAL STATEMENT, FINAL OFFICAL STATEMENT, CONTINUING DISCLOSURE AGREEMENT, ACKNOWLEDGEMENT OF SERVICING, BOND PURCHASE CONTRACT, AND OTHER MATTERS IN CONNECTION THEREWITH, AUTHORIZING THE TRANSFER OF CERTAIN NJCLASS LOANS TO THE 2021 INDENTURE AND ACKNOWLEDING A CHANGE IN LOAN RATES FOR 2025 NJCLASS LOANS**

Arthur Quaranta presented Resolution 03:26 to the Board.

Good morning and thank you all for your special attention to resolution 03:26 addressing the Series 2026 Bond Issue and related documents before you. This resolution authorizes the sale of Series 2026 Student Loan Revenue Refunding Bonds in an amount not to exceed \$300 million. The Series 2026 Bonds will be issued under a supplemental indenture to the 2021 Master Indenture.

Consistent with prior offerings by HESAA, the Series 2026 Bonds will consist of Senior Series Refunding Bonds and Subordinate Series Refunding Bonds.

The issuance of the Series 2026 Bond will allow HESAA to:

- Finance HESAA's NJCLASS program for the 2026-2027 academic year;
- Provide funds for NJCLASS Standard, Consolidation, and Refinance loans;
- Refund all Series 2025-2 student loan revenue bonds;
- Make deposits into the Series 2026 Debt Service Reserve Fund; and
- Fund the cost of issuance for the 2026 bond transaction.

As mentioned, the Series 2025-2 loan revenue bonds will be refunded. The Series 2025-2 Bonds were issued last spring as convertible option bonds (COBs) with an initial term of approximately one year and subject to mandatory tender. Bondholders have no right to retain the bonds. The 2025-2 bonds were issued to safeguard HESAA's ability to issue tax-exempt bonds, to support the 2026-2027 lending season. At that time there was discussion at the federal level of enacting legislation eliminating tax exemption for Private Activity Bonds (PAB). Fortunately, tax-exempt PABs were not eliminated.

Upon review of HESAA's options to fund loan originations for the 2026-2027 academic year, it was determined that the best way forward is to refund the Series 2025-2 Bonds under the 2021 Indenture. In doing so, HESAA retains the advantage of tax-exempt funding contemplated in the issuance of the 2025-2 COBs, and HESAA will not need to contribute any non-trust equity to pass rating agency stress tests. Another benefit of refunding the COBs under the 2021 Indenture this year is to allow the 2025 Indenture an extra 12 months of economic growth. Extra time without additional issuance should result in a reduced equity contribution when new money bonds are again issued under the 2025 Indenture.

As in prior years, the NJCLASS program will originate loans with three repayment options:

- The 10-year Option 1 with immediate principal and interest repayments;
- The 15-year Option 2 with interest-only repayments while the student is in school; and
- The 20-year Option 3 which defers all payments until the student is out of school.

Funds from the 2026 transaction will also be used to finance NJCLASS Consolidation Loans as well as the ReFi+ program, which allows eligible borrowers to refinance their NJCLASS loans as well as school-certified third-party education loans into either a 10-year or 15-year repayment term.

Due to the elimination of the Graduate Plus Loan Program and reduced loan limits under the Parent Plus Loan Program at the Federal level, HESAA anticipates a greater demand for all of HESAA's Standard NJCLASS Loans including the Option 3 loans. The 2026 transaction contemplates a higher loan volume limitation for Option 3 loans increasing total origination volume from \$25 million in past years to \$45 million.

All originated NJCLASS loans funded in connection with the issuance of the Series 2026 Bonds will continue to follow the credit standards adopted by HESAA in 2012. Each loan will have a fixed flat interest rate for the life of such loan.

Continuing HESAA's efforts to assist those families who suffer a material economic hardship for a period of time during the life of their loans, HESAA will again offer the Repayment Assistance Program (RAP) and Household Income Adjusted Repayment Plan (HIARP) to borrowers of Standard NJCLASS loans originated during the 2026-2027 academic year.

It is worth noting other Board approved changes to the NJCLASS loan program.

Beginning in 2017 with the implementation of RAP, followed by HIARP in 2018, HESAA has continued to enhance the transparency, efficiency, and the overall user experience of the NJCLASS program. To date this Board has authorized the elimination of the Step Up Rate, has simplified the

process a borrower goes through to select of loan products, has incentivized prompt repayment with interest rate reductions for ACH, as well as expanding the Refi+ program to include any school-certified third-party education loan rather than only NJCLASS and Parent PLUS loans.

With regard to the timing of this financing, HESAA staff will continue to assess market conditions in collaboration with HESAA's underwriters and with the advice of HESAA's municipal advisor. HESAA's bond team will consider final sizing and structuring recommendations for the Series 2026 Bonds based on market conditions at the time of marketing and sale of the bonds.

HESAA anticipates pricing this year's bonds in early May.

These student loan revenue bonds are being brought to market and sold to investors in a public sale. Given HESAA's long, established history we are hopeful that HESAA's bonds will again be well received, allowing HESAA to continue offering higher education financing options at competitive rates to New Jersey students, residents, and their families.

Available today for review by the Board are the specific provisions of the Bond Resolution. Tassos Efstratiades, representing HESAA's bond counsel, Obermayer Rebmann Maxwell and Hippel, is here to provide more specifics and to answer questions.

Also available to answer any questions from Board Members is Brian Kares and members of our Senior Managers, RBC Capital Markets.

As well as Tim Webb of Hilltop Securities, the Authority's Municipal Advisor.

Additionally, Representatives from the Attorney General's Office, are available.

It is recommended that the Board approve Resolution 03:26 authorizing the sale of Series 2026 Bonds, of which funds in connection with issuance will be used to finance the NJCLASS program for the 2026-2027 academic year.

A motion to approve Resolution 03:26 was made by Scott Salmon and seconded by Robert Joyce.

Chairwoman thanked the HESAA team and the full bond team for all of the work that goes into the bond deal. She commended the work to get the bonds to market in a timely fashion and to provide New Jersey's families with a low interest rate.

The motion passed unanimously.

**RESOLUTION 04:26 APPOINTING A FIRM TO SERVE AS HESAA'S INDEPENDENT AUDITOR PURSUANT TO EXECUTIVE ORDER 122 (204)**

Shernelle Pringle presented Resolution 04:26 to the Board.

Executive Order (E.O.) 122 (2004) requires public authorities to create an Audit Committee, which is charged with recommending to the Board the appointment of an independent auditor to conduct an audit of the Authority's financial statements. Under E.O. 122, an Evaluation Committee is responsible for issuing a Request for Proposals (RFP) for auditing services, evaluating responses to the RFP, and forwarding its recommendation to the Audit Committee. After reviewing and

accepting the Evaluation Committee recommendation, the Audit Committee forwards the recommendation to the full HESAA Board for approval.

The current members of the HESAA Board Audit Committee are Christy Van Horn, Scott Salmon, Robert Joyce, and me. At the July 2025 Board meeting, Chairwoman Van Horn appointed Bea Daggett, Nelson Turcios, and Favour Oyelade to serve on the ad hoc Evaluation Committee. Based on criteria discussed with the Audit Committee, and at the request of the Evaluation Committee, staff at HESAA developed an RFP for E.O. 122 auditing services for review and approval by the Evaluation Committee.

Following the Evaluation Committee's approval, the RFP was issued on February 3, 2026.

Six firms submitted proposals in response to the RFP, one of which was deemed non-responsive, and thus it was not considered.

The Evaluation Committee met on March 23, 2026 by teleconference to discuss the criteria contained in Section 8.3 of the RFP as the primary guidance in its selection process. On March 24, 2026, member Bea Daggett recused herself from the Evaluation Committee due to a conflict of interest. On March 25, 2026, Chairwoman Van Horn appointed Eduardo Valenzuela to replace Bea Daggett on the ad hoc Evaluation Committee.

The Evaluation Committee met on March 30, 2026 by teleconference to evaluate the proposals. Based on its review, the Evaluation Committee provided a report to the Audit Committee recommending the selection of Mercadien, P.C. as the auditing firm for HESAA for the initial term of three years, beginning with the independent audit of the fiscal year 2026 financial statements, and subject to two one-year extensions at the option of HESAA. The Evaluation Committee found that Mercadien P.C.'s proposal demonstrated a strong knowledge in audit technology, illustrating the experience needed to audit HESAA's complex financial statements. Mercadien P.C.'s staffing plans also demonstrated a qualified assignment of resources with a client model ensuring staff availability and the timely resolution of unexpected issues.

The Audit Committee met on April 2, 2026 and based upon the written report from the Evaluation Committee, agreed with the Evaluation Committee's recommendation. The Audit Committee noted that since CliftonLarsonAllen LLP has been HESAA's independent auditor for fifteen years, Mercadien P.C. will provide a fresh perspective to the audit.

It is recommended that the Board approve the attached Resolution 04:26 Appointing Mercadien P.C. as Independent Auditor.

A motion to approve Resolution 04:26 was made by Angela Bethea and seconded by Eduardo Valenzuela.

The motion passed unanimously.

**RESOLUTION 05:26 APPROVING THE SECOND EXTENSION OF THE CONTRACT WITH MEKETA INVESTMENT GROUP, INC., NJBEST CONSULTANT**

Jerry Traino presented Resolution 05:26 to the Board.

Good Morning and thank you all for your attention to Resolution 05:26 approving the second extension of HESAA's NJBEST/529 Investment Consultant contract with the Meketa Investment Group, Inc.

HESAA continually strives to maintain industry standards and implement best practices across its programs. As part of those ongoing efforts, in consultation with the State Division of Investment, the Authority issued an RFP in 2023 for the services of a consultant to review and analyze the New Jersey 529 plans. As a result of that competitive procurement process, HESAA engaged Meketa Invest Group, Inc. as a consultant for the NJBEST/529 College Savings Plans for a term of two years with three optional one-year extensions.

Based on the level of service Meketa had provided during the initial contact term, the Board approved the first one-year contract extension with Meketa at the April 2025 meeting. During this extension period, as with their initial term, Meketa provided HESAA with in-depth reports, including but not limited to evaluations of fund performance and risk monitoring of the New Jersey 529 programs. Meketa shared with the Authority valuable insight and assistance in understanding overall investment climate and market conditions. Meketa's work over the past three years continues to prove beneficial to the NJBEST program.

Therefore, it is recommended the Board approve the second extension to the contract with Meketa for one year at a cost of \$152,000 for the year.

A motion to approve Resolution 05:26 was made by Eduardo Valenzuela and seconded by Bea Daggett.

The motion passed unanimously.

**RESOLUTION 06:26 APPROVING THE FIRST EXTENSION OF THE CONTRACT WITH ASPIRE TECHNOLOGY PARTNERS, LLC TO PROVIDE MANAGED SECURITY SERVICES**

Khary Nickson presented Resolution 06:26 to the Board.

Good Morning, members of the Board. I appreciate the opportunity to discuss Resolution 06:26.

At its April 24, 2024, meeting, as a result of a Request for Proposals (RFP) the Board appointed Aspire Technology Partners, LLC to provide comprehensive managed cybersecurity services to protect the Higher Education Student Assistance Authority's (HESAA) digital environment and ensure the confidentiality, integrity and availability of its data. The appointment was for a term of two years with two optional one-year extensions. The contract with Aspire Technology Partners is subject to its first optional one-year renewal.

Aspire effectively executed on its unique ability to secure HESAA's on-premises and cloud-based infrastructure from day one, offering a range of CISCO-based products at no additional cost. This includes CISCO Umbrella, a cloud-based internet and network security solution that HESAA currently utilizes.

Based on Aspire’s successful execution of services, it would be in HESAA’s best interest to exercise the first optional renewal and extend the contract with Aspire for one year.

Therefore, it is recommended that the Board approve the attached Resolution 06:26 providing a one-year extension to the appointment of Aspire Technology Partners, LLC to provide Managed Security Services.

Thank you for your time and consideration. A motion to approve Resolution 06:26 was made by Angela Bethea and seconded by Scott Salmon.

Chairwoman Van Horn commented on how important security and reduction of risk is to HESAA and commended by Khary Nickson and Chief Compliance Officer Greg Foster on the work they are doing to keep HESAA’s information secure.

The motion passed unanimously.

**RESOLUTION 07:26 APPROVING THE FIRST EXTENSION OF THE CONTRACTS APPOINTING VENDORS TO PROVIDE TEMPORARY EMPLOYMENT SERVICES**

Alia Abbas presented Resolution 07:26 to the Board.

Resolution 07:26 requests Board approval for the first one-year extension of HESAA’s contracts for Temporary Employment Services across administrative, finance, and IT functions.

These contracts were originally awarded in April 2023 following a competitive RFP process and included two optional one-year extensions.

Over the past three years, the selected vendors have consistently provided qualified candidates in a timely and cost-effective manner. In the few instances where the primary vendor couldn’t meet demand, we were able to rely on secondary and tertiary vendors.

Based on this performance, staff recommends exercising the first one-year extension to ensure continuity of operations and ongoing access to qualified temporary resources.

A motion to approve Resolution 07:26 was made by Scott Salmon and seconded by Robert Joyce.

The motion passed unanimously.

**RESOLUTION 08:26 APPROVING PROPOSED NEW RULES FOR ADMINISTERING THE AIR TRAFFIC CONTROL LOAN REDEMPTION PROGRAM**

Marnie Grodman presented Resolution 08:26 to the Board.

On January 12, 2026, then Governor Murphy signed P.L. 2025, c. 269, which establishes an Air Traffic Controller Loan Redemption Program, supports partnerships between public institutions of higher education and the federal Air Traffic-Collegiate Training Initiative, and establishes a Center for Study of Unidentified Aerial Phenomena (Act). The Act provides that HESAA shall adopt rules necessary to implement the Air Traffic Controller Loan Redemption Program.

The Act authorizes redemption, not to exceed \$100,000, of principal and interest of a program participant's qualifying student loan amounts in return for up to four full years of service as an air traffic controller at an approved site.

The proposed new rules govern the policy, administration, and procedures of the program and are included in the materials. Upon the Board's approval today, the proposed rules will be published in the New Jersey Register for public comment and once the comment period expires the rules will be brought back to the Board for adoption.

A motion to approve Resolution 08:26 was made by Angela Bethea and seconded by Shernelle Pringle.

The motion passed unanimously.

## **REPORT OF THE PROGRAM REVIEW AND QUALITY CONTROL COMMITTEE**

Jill Schmid, Director of Audits and Quality Assurance, provided the following report:

Good morning Chairwoman Van Horn and members of the board – as Director of HESAA's Audits and Quality Assurance unit I appreciate this opportunity to report on my unit's progress and plans for the upcoming year.

New Jersey Statute defines HESAA's power to perform audit and review functions to ensure HESAA's programs are in compliance with federal and state statutes, regulations, policies, and procedures. The Audits & Quality Assurance (A&QA) unit conducts institutional management reviews focusing on state grant and scholarship programs, special counsel reviews of the Authority's contracted collection attorneys, Garden State Guarantee (GSG) analysis of Maintenance of Effort (MOE) compliance, annual internal control evaluations, reviews of New Jersey institutions' of higher education (IHE) single audit reports, and ongoing compliance monitoring.

On April 7<sup>th</sup>, HESAA's Audits and Quality Assurance unit met with the Program Review and Quality Control Committee to discuss its accomplishments and progress during the 2025-2026 review cycle, as well as the proposed review schedule for the 2026-2027 cycle. I would like to share some highlights from our meeting and the full report that is provided in your Board Meeting documents:

- This past year, our unit closed 4 management reviews resulting in refunds of approximately \$35,000 back to the state. Nine more reviews are in progress in various stages of analysis, and 4 more full and limited reviews will be announced before the end of this fiscal year. The 2026-2027 review schedule includes 7 full and 5 limited management reviews.
- HESAA contracts with 4 attorney firms to perform collection activities on defaulted NJCLASS loans. The Audits and Quality Assurance unit reviews these special counsels to verify their compliance with regulations for administering defaulted loans. One attorney

review closed in August 2025. A second attorney review will be announced by June and an additional attorney review is scheduled to commence before the end of 2026. Our schedule plans for 2 attorney reviews per year.

- The Audits and Quality Assurance unit performs reviews on the GSG program, three times a year, to ensure each participating institution's awarded institutional aid is compliant with the GSG MOE requirements. A&QA has completed the mid-year analysis on Fall 2025 data to help identify any potential non-compliant areas to be addressed, will perform an additional Spring 2026 semester analysis, and will perform the final, determinative MOE analysis at the end of Academic Year 2025-2026. Additionally, the A&QA unit is currently in the process of improving and automating the GSG review function. This automation will streamline the process as well as increase the accuracy, detail level, and flexibility of the GSG data analysis.
- HESAA completed the 2025 annual internal control self-assessment, as required by OMB, and submitted its certified internal control assessment report in May 2025. No significant weaknesses were identified during this process. The 2026 internal control assessment will commence by the end of this month and the certified report will be submitted by OMB's July 1<sup>st</sup> deadline.
- HESAA continues to review New Jersey institutions' Single Audit Reports annually and update Treasury's Grantee Single Audit System with our review results. No special audits were required as a result of this past year's single audit report review process.
- The A&QA unit, in collaboration with OSHE, monitors the compliance of NJ's Institutions of Higher Education (IHE) with various laws including arbitration Public Law 2021, chapter 53. Our unit reviewed and tracked school certifications of compliance in 2025 and will continue to do so for 2026.
- My last update is the hiring of a new team member. Nimmi Devasia joined HESAA in the A&QA unit in November and brings extensive data analysis experience and programming knowledge. In addition to management reviews, she will be working on automating and improving our review processes.

The proposed 2026-2027 review schedule, which has been provided in your board materials, adds 12 new management reviews, includes all of the reviews mentioned above, and allows flexibility for ad-hoc reviews, new programs, new laws, adjustments, and special projects as needed.

The proposed review schedule was approved by the Program Review and Quality Control committee on April 7th and it is recommended that the board approves the schedule today. Please let me know if you have any questions. Thank you.

A motion to approve the 2026-2027 review schedule was made by Robert Joyce and seconded by Shernelle Pringle. The motion passed unanimously.

Chairwoman Van Horn commented on the extensive work done by the A&QA unit. Angela Bethea agreed that there is a lot of detailed that goes into the auditing work. Ms. Bethea further commented on the strong partnership between HESAA and the Office of the Secretary of Higher Education in completing joint work.

## **REPORT OF THE STUDENT ADVISORY COMMITTEE**

Favour Oyelade, Student Advisory Committee Chair, and Ellie Dowek, Student Advisory Vice-Chair provided the Student Advisory Committee report.

Favour Oyelade reported as follows:

Good morning, and thank you for the opportunity to present to you today. On Friday, April 10<sup>th</sup>, the 2025-2026 Student Advisory Committee met for the last time this academic year. At this meeting, we discussed what we accomplished and our hopes for next year's Student Advisory Committee.

Over these last several months, the SAC distributed its survey about student awareness of HESAA and the financial aid available to undergraduate students at the colleges and universities the committee members represent. In total, we had 55 respondents.

The good news is that of the 55 responses we received, nearly half reported that they were familiar with HESAA and the financial aid process, having learned about both while they were in high school. And the majority of the other half of respondents stated that they were somewhat familiar with HESAA and the financial aid process, illustrating that while they may not be fully aware of all that the State of New Jersey offers, they are at least cognizant of some financial aid opportunities.

I am happy to report that only a very small percentage of respondents indicated a lack of State financial aid knowledge. And now I will turn our presentation to the SAC Vice Chair, Ellie Dowek.

Ellie Dowek reported as follows:

Thank you, Favour, and thank you to everyone here for the opportunity to present to you today. At Friday's meeting, after discussing the survey results, committee members discussed what next year's SAC can do to continue gathering data and reach more undergraduates.

First, it was recommended that the survey be redistributed at the beginning of the academic year in order to capture a more appropriate sample size that is representative of all sectors. However, rather than just rely on the survey alone to gather more information, committee members also recommended the survey questions be turned into polls on social media. In so doing, we believe the SAC will get more responses since students will not have to go to a new page to answer the questions. They'll be able to answer them right away.

Additionally, committee members discussed utilizing other social media platforms instead of only Instagram, and creating short videos to post to the new platforms. These videos not only expand upon what our Instagram posts already do, which is talk about the SAC in general, HESAA, and the different financial aid opportunities that the State offers, but will provide another way to speak to our target audience.

Chairwoman Van Horn thanked Favour and Ellie for their report, as well as the undertaking of the SAC over the last year. Chairwoman Van Horn also thanked Bea Daggett for her work as liaison to the SAC.

## **EXECUTIVE DIRECTOR'S REPORT**

Acting Executive Director Jerry Traino gave the following report:

Thank you Chairwoman Van Horn and members of the Board.

It was again a very productive quarter for HESAA as staff continues to deliver on our mission of providing financial aid information and resources to students and families of New Jersey as they pursue a higher education here in the Garden State. As the 2025-2026 academic year draws to a close I want to take a moment to highlight the outcomes produced across the Authority's units by our dedicated staff.

### **Current Academic Year Update**

So far this Academic Year, HESAA is supporting more than 102,000 residents of New Jersey in meeting the cost of a college degree. The bulk of this support is from our hallmark program, TAG, which provides financial aid to over 72,000 students currently enrolled in New Jersey institutions. Also in this current Academic Year, HESAA supports 25,000 students through both the Community College Opportunity Grant and Garden State Guarantee programs. In addition, merit awards are on the rise as more than 2,100 students currently receive tuition assistance through the NJ STARS and NJ STARS II programs. An additional 290 students have received merit-based awards under the Governor's Urban Scholarship program, while 140 New Jersey Governor's Industry Vocations Scholarships (NJ-GIVS) have been awarded. Another important scholarship to highlight is the NJBEST scholarship which was awarded to over 400 students this Academic Year.

### **NJCLASS Loan Volume**

Another important component of providing New Jersey students with the resources necessary to continue their education beyond high school is the NJCLASS loan program. While the grants and scholarships provided to so many of New Jersey's students are paramount to HESAA's mission, it is also important that we continue to offer an affordable supplemental financing option to those students who need to bridge the gap between their financial aid awards and their cost of education.

I would like to thank the Board for your approval of Resolution 03:26 this morning. Your action allows HESAA to move forward with its annual bond transaction and ensures that the NJCLASS program is available to families preparing for the 2026-27 academic year. Due to this Board's actions last spring, HESAA diligently worked to approve and fund nearly 7,260 Standard NJCLASS loans for this academic year, as well as to assist 170 borrowers in consolidating or refinancing their existing student loans.

As a reminder, nearly 40% of all NJCLASS borrowers are from families with household incomes under \$120,000 and roughly 85% of these loans are originated for New Jersey residents. The balance of the loans are for students attending New Jersey institutions of higher education.

## **Loan Redemption**

As part of a greater State effort to encourage recent graduates and professionals to establish their careers here in New Jersey, HESAA offers various, targeted student loan redemption programs. These programs incentivize professionals to work here in high-need career fields. In addition to loan relief, these professionals also support New Jersey businesses and ensure more of our residents have access to the essential services they need, including access to healthcare and fully staffed K-12 classrooms.

The Authority's management of these various loan redemption programs has grown in this current Fiscal Year. In addition to administering the Behavioral Health Care Providers, the Nurse Faculty, the New Jersey Teachers, and the STEM loan redemptions programs, HESAA has been asked to implement a new Air Traffic Controllers loan redemption program.

The action you took earlier today approves proposing regulations to administer this program. The Air Traffic Controller Loan Redemption Program was created in response to a national shortage of air traffic controllers, the program offers student loan relief as an incentive for those controllers serving the region's airspace. Over the course of up to four years, eligible program participants can receive a total of up to \$100,000 in student loan redemption.

I am happy to report that as a result of research and programming by our dedicated staff these past few months, HESAA staff will open the application period for the new Air Traffic Controllers Loan Redemption program on May 1<sup>st</sup>.

In addition to implementing the ATC program, HESAA has been working with the Department of Health to enhance and improve the incentives currently offered under the Primary Care Practitioners Loan Redemption Program. To that end as of July 1, 2026, the PCPLRP will become the Health Care Professionals Loan Redemption Program expanding both the underserved areas covered in the program as well as the list of professionals eligible to participate in the new program.

Between fiscal years 2025 and 2026 to date HESAA has committed to providing over \$15 million in loan redemption to our various LRP participants over the course of their years of committed service, and has paid approximately \$650,000 towards those participants' qualified outstanding student loan balances in 2026 alone.

## **Governor Sherrill's Proposed Budget FY27**

Turning our attention now to what lies ahead for HESAA, last month Governor Sherrill presented her Fiscal Year 2027 Budget Message.

The Fiscal Year 2027 (FY 27) proposed budget prioritizes affordability by focusing on the everyday budgeting issues that matter to New Jersey families. HESAA plays a part in that affordability agenda by putting a college degree within reach for residents through the financial and informational resources we offer.

This budget reduces our State's structural deficit while still protecting essential programs for residents, including core financial aid and student loan redemption programs administered by HESAA that benefit thousands of students and hundreds of professionals throughout New Jersey. The Governor's budget keeps pace with projected demand for New Jersey's flagship financial aid program, the Tuition Aid Grant, better known as TAG. The budget protects this important program with an appropriation of \$516,742,000 for full-time TAG and also supports part-time students by providing \$12.6 million in part-time TAG for county college students as well as \$842,000 for part-time students participating in the Educational Opportunity Fund (EOF) program.

In addition to TAG, the Governor's FY 27 Budget proposes a total of \$109 million for Community College Opportunity Grant and Garden State Guarantee programs. This funding allows HESAA to continue administering awards on behalf of eligible students under these crucial last-dollar programs.

The FY 27 Budget includes \$6 million for the New Jersey Student Tuition Assistance Reward Scholarship, known as NJ STARS, and NJ STARS II programs, as well as \$250,000 for the Governor's Urban Scholarship that supports the highest-ranking high school students from designated New Jersey communities.

Each of these programs recognizes the academic success of high-achieving students and encourages them to pursue their college degrees right here in New Jersey.

The proposed budget also provides \$3.5 million for the Behavioral Healthcare Provider Loan Redemption Program and an additional \$500,000 for the Nursing Faculty Loan Redemption Program. Both of these programs work to bolster New Jersey's healthcare workforce.

The budget also allows HESAA to continue administering both the Teacher Loan Redemption and STEM Loan Redemption programs, while funding for the newly rebranded Health Care Professional Loan Redemption Program, which HESAA administers in collaboration with the New Jersey Department of Health (DOH), is included in DOH's proposed budget.

The Proposed FY 27 Budget aligns with current year award levels and participation rates which means that, if adopted, HESAA can seamlessly continue to support students and targeted professionals at the same level in the upcoming year. The proposed budget provides robust appropriations across all programs which directly impacts affordability across all sectors and continues to support HESAA's part in the State's workforce development goals.

As always it is important to note the Governor's Budget Message is only the beginning of the annual budget process. HESAA, along with its partner agencies, is engaging the Legislative and Executive branches in constructive dialog to help craft a final spending plan for the State. I look forward to updating this Board on those details during our July meeting.

## **HESAA Staff Updates**

Finally, to offer some highlights about the HESAA staff itself, I am pleased to share that since our last Board meeting, Tomasz Zakrzewski was promoted to Senior Accountant in our Finance Unit. Tomasz brings strong full-cycle accounting experience, including student loan and bond accounting. Tomasz also plays a critical role in the development of general ledger functions within

the CLASS servicing platform. In his new role, Tomasz will apply his knowledge of NJCLASS and bond accounting with his consistent accuracy and reliability to continue to support HESAA and strengthen the Finance team.

It is with a very grateful heart that I share the recent retirement of our Director of Loan Originations and Redemption Unit, Lorraine Palmer. Lorraine joined HESAA as a Program Associate over 27 years ago. Drawing on her mortgage industry experience and deep understanding of underwriting, she was promoted to Program Officer, where she helped automate the NJCLASS loan program. In 2007, Lorraine became Assistant Director, overseeing the NJCLASS and Loan Redemption programs. She has played a key role in developing new products for NJCLASS Loan borrowers, such as the NJCLASS ReFi+ Loan and online processes like E-Sign. In recognition of her expertise, contributions, and leadership skills, Lorraine was promoted to Director in 2025. Lorraine will be greatly missed. Her expertise and dedication have been a tremendous asset to the Authority. Lorraine now looks forward to spending time with her family, doing some light gardening, and, as an avid reader, she always dreamed of writing a book. We wish Lorraine a happy and healthy retirement.

## **Conclusion**

As you can tell, this is a busy time for the Authority: budget hearings in the upcoming weeks; announcing new rates for the NJCLASS student loan program next month; processing 2026-2027 grant applications; and constant support and outreach to students and families to assure them that we are here with the financial aid resources to support them in their pursuit of a degree beyond high school. I thank the HESAA staff for its continued efforts and thank you to the Board for your attention this morning.

## **NEW BUSINESS**

### **Financial Disclosure Statements**

Chairwoman Van Horn reminded the Board members that the Financial Disclosure Statements and Conflict of Interest Forms filing deadline is May 15, 2026.

## **ADJOURNMENT**

Ms. Van Horn advised that the next Board meeting is scheduled for Wednesday, July 22, 2026 at 10:00 am.

A motion to adjourn was made by Scott Salmon and seconded by Shernelle Pringle. The motion passed unanimously.

The meeting adjourned at 11:06 am.



**MIKIE SHERRILL**  
Governor


**DR. DALE G. CALDWELL**  
Lt. Governor


**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
4 QUAKERBRIDGE PLAZA  
PO BOX 545  
TRENTON, NJ 08625-0545  
1-800-792-8670  
www.hesaa.org

**JERRY TRAINO**  
Acting Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Jerry Traino   
Acting Executive Director

**FROM:** Marnie B. Grodman, Esq.   
Director, Legal and Governmental Affairs

**SUBJECT:** Resolution 02:26 - Adopting a Schedule of Meetings for Fiscal Year 2027

**DATE:** April 15, 2026

Attached for your review is Resolution 02:26 recommending dates for the Fiscal Year 2027 HESAA Board meetings. The following dates were chosen after polling the Board members regarding their availability.

Wednesday, July 22, 2026  
Wednesday, October 21, 2026  
Wednesday, January 27, 2027  
Wednesday, April 21, 2027

All regular Board meetings will take place at 10:00 a.m. either virtually or at the HESAA offices, 4 Quakerbridge Plaza, Building 2, Hamilton, New Jersey. HESAA may call additional meetings, including virtual meetings, at its discretion.

The HESAA Board adopts a regular meeting schedule so that HESAA may notify Board members and the public of future meeting dates. Specific notice of each meeting will be provided to the public in a timely fashion in accordance with the provisions of the Open Public Meetings Act.

### **Recommendation**

It is recommended that the Board approve the attached Resolution 02:26 Adopting a Schedule of Meetings for Fiscal Year 2027.

Attachment

**RESOLUTION 02:26**

**ADOPTING A SCHEDULE OF MEETINGS  
FOR FISCAL YEAR 2027**

Moved By: Beatrice Daggett  
Seconded By: Scott Salmon

**WHEREAS:** Adopting a regular meeting schedule provides general notice to Board members and to the public of meetings of the Higher Education Student Assistance Authority Board; and

**WHEREAS:** The dates for the regular meetings for Fiscal Year 2027 were chosen after polling the Board members regarding their availability; and

**WHEREAS:** The Higher Education Student Assistance Authority may call additional meetings, including telephone conference meetings; and

**WHEREAS:** Specific notice of each meeting will be provided to the public in accordance with the provisions of the Open Public Meetings Act.

**NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Higher Education Student Assistance Authority hereby adopts the following schedule of meetings for Fiscal Year 2027:

Wednesday July 22, 2026  
Wednesday October 21, 2026  
Wednesday January 27, 2027  
Wednesday April 21, 2027

April 15, 2026



**MIKIE SHERRILL**  
Governor

**DR. DALE G. CALDWELL**  
Lt. Governor

**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
4 QUAKERBRIDGE PLAZA  
PO BOX 545  
TRENTON, NJ 08625-0545  
1-800-792-8670  
www.hesaa.org

**JERRY TRAINO**  
Acting Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Jerry Traino   
Acting Executive Director 

**FROM:** Art Quaranta  
Controller

**SUBJECT:** Resolution 03:26 Authorizing The Issuance and Sale of Additional Senior and Subordinate Student Loan Revenue Refunding Bonds and Approving the Execution and Delivery of a Fourth Supplemental Indenture, Preliminary Official Statement, Final Official Statement, Continuing Disclosure Agreement, Acknowledgement of Servicing, Bond Purchase Contract, and Other Matters in Connection Therewith, Authorizing the transfer of certain NJCLASS loans to the 2021 Indenture, if necessary and Acknowledging a Change in Loan Rates for 2025 NJCLASS Loans

**DATE:** April 15, 2026

### Summary

Resolution 03:26 authorizes the issuance of the Higher Education Student Assistance Authority's ("HESAA" or the "Authority") Series 2026 Bonds issued as Student Loan Revenue Refunding Bonds in an amount not to exceed \$300,000,000. Final maturity on the bonds shall not extend past December 1, 2056. The Series 2026 bonds will be issued under a fourth supplement to the 2021 Master Indenture dated May 1, 2021.

The Series 2026 bonds will consist of Senior Student Loan Revenue Refunding Bonds, Series 2026A, and Subordinate Student Loan Revenue Refunding Bonds, Series 2026B. The structure of the bonds currently contemplates the issuance of \$214.8 million in bonds, consisting of \$189.85

million of Series 2026A and \$25 million of Series 2026B bonds. Tranche sizes are subject to change to reflect updated loan volume projections for academic year 2026-2027 and market conditions at the time of pricing, but in no event will total issuance exceed \$300 million.

## **Background**

Since the program inception in 1991, the New Jersey College Loans to Assist State Students (“NJCLASS”) program has been funded by the sale of tax-exempt Qualified Student Loan Bonds (QSLBs) issued by the Authority. HESAA does not, nor has it ever relied on State taxpayer funds to finance NJCLASS loans.

HESAA uses QSLBs to originate education loans to students who often have limited options beyond federal student aid for low-cost funding. QSLBs are a unique type of Private Activity Bond (PAB). Unlike most PABs that invest in infrastructure, QSLBs invest in human capital and are critical to the development of a highly skilled and educated workforce.

Tax-exempt status allows HESAA to pass along savings to the borrowers in the form of:

- Annual Percentage Rates (APR) on NJCLASS loans markedly lower than those of credit-tiered, private supplemental education loans;
- No origination or late fees;
- Interest rate reductions for borrowers enrolled in auto-pay of principal and interest; and
- Relief programs previously enacted to support borrowers facing default due to financial hardship circumstances.

## **Series 2026 Bonds**

The Authority anticipates issuing the Series 2026 Bonds for the purposes of: (i) funding new fixed rate loans to be originated under the NJCLASS Loan Program (“NJCLASS Loans”) during the 2026-27 academic years; (ii) refunding the outstanding Series 2025-2 Bonds (the “Prior Bonds”); (iii) funding deposits to the Debt Service Reserve Fund; and (iv) paying the costs of issuing the Series 2026 Bonds.

The Series 2026 Bonds will consist of (i) \$[189.850 million]\* Senior Student Loan Revenue Refunding Bonds, Series 2026A (AMT) (the “Senior Series 2026A Bonds”); and (ii) \$[25 million]\* Subordinate Student Loan Revenue Refunding Bonds, Series 2026B (AMT) (the “Subordinate Series 2026B Bonds” and, together with the Senior Series 2026A Bonds, the “Series 2026 Bonds”).

The Senior Series 2026A Bonds will be sold as serial bonds with scheduled annual maturities from December 1, 2028, through December 1, 2036, and a super-sinker bond with a nominal maturity of December 1, 2046. The serial Senior Series 2026A Bonds will be non-callable. The Subordinate Series 2026B Bonds will have a maturity date of December 1, 2056. The Subordinate Series 2026B Bonds are being issued to reduce the amount of equity the Authority must contribute to achieve the necessary over-collateralization to obtain the desired ratings.

The Series 2026 Bonds are being issued to provide funds, together with amounts currently on deposit under the 2025 Indenture to currently refund and redeem all the Authority's outstanding Student Loan Revenue Bonds, Series 2025-2.

It is anticipated that the Senior Series 2026A will be rated "AA (sf)" while the Subordinate Series 2026B Bonds will be rated "BBB (sf)". The structure of the Series 2026 Bonds is substantially like the structure utilized by the Authority for the last 14 years. Tranche sizes may change subject to updates to projected loan origination volumes and market conditions at the time of pricing.

Amounts currently on deposit under the 2025 Indenture (Series 2025-2) will be released from the 2025 Indenture and used to: (i) originate or acquire NJCLASS loans; (ii) make deposits to the 2026 debt service reserve account; and (iii) pay certain cost of issuing the Series 2026 Bonds.

The Series 2025-2 Bonds were issued last spring as convertible option bonds (COBs) with an initial term of approximately one year (the "Initial Term Rate Period"). At the end of the Initial Term Rate Period, the Series 2025-2 Bonds are subject to mandatory tender. Bondholders have no right to retain. In 2025 at the federal level, the Administration and Congressional Republicans were advocating for the renewal of the *Tax Cut and Jobs Act*, which contained significant tax reform including the potential to eliminate the tax exemption for PABs. Elimination of the tax exemption on QSLBs would have forced HESAA to turn to the taxable-bond market to finance the NJCLASS supplement loan program and, absent an alternative low cost source of annual funding, students and their families would have been forced to borrow at a significantly higher interest rate. To proactively mitigate the negative impacts caused by the potential elimination of future tax-exempt bond financing, the Authority issued a portion of its 2025 bonds as COBs, Series 2025-2, to safeguard its ability to originate NJCLASS loans in the 2026-2027 academic years with tax-exempt funds.

Fortunately, tax-exempt PABs were not eliminated.

To generate the requisite loan funds in the most expeditious manner for the 2026/2027 academic year, HESAA will refund the Series 2025-2 Bonds under the 2021 Indenture. In doing so, HESAA retains the advantage of tax-exempt funding contemplated with the issuance of the 2025-2 COBs and will not need to contribute any non-trust equity to pass rating agency stresses. An added benefit of refunding the COBs under the 2021 Indenture this year is to allow the 2025 Indenture an extra 12 months of economic growth. The extra time without additional issuance should result in a reduced equity contribution when new money bonds are issued under the 2025 Indenture in future years.

Monies in connection with the issuance of the Series 2026 bonds will be used to originate NJCLASS loans as follows:

Standard Loans:            10-year Option 1 (immediate payment of principal and interest),  
   15-year Option 2 (immediate payment of interest only), and  
   20-year Option 3 (deferred payment of principal and interest);

Consolidation Loans:    25- and 30-year repayment options; and

Refinance Loans: 10-year and 15-year repayment options.

For the 2026-2027 Academic Year, Standard NJCLASS loans will be offered at fixed interest rates. Continuing the Authority's commitment since 2018 to provide greater transparency by maintaining a fixed interest rate throughout the life of each newly originated NJCLASS loan, there will be no interest rate step-up.

As first implemented with Standard NJCLASS loans originated for the 2023-2024 Academic Year, the Series 2026 Bonds will provide that borrowers do not pay an administrative fee when originating a Standard NJCLASS loan for Academic Year 2026-2027.

To meet the continued strong demand from eligible borrowers, the Authority will again offer 10-year Option 1 Standard NJCLASS Loan to families who choose to begin making payments of principal and interest immediately after disbursement. The Authority will offer 15-year Option 2 Standard NJCLASS Loan for families wishing to defer principal payments but make interest-only payments while the student is enrolled in school. The Option 3 Standard NJCLASS Loan allows the deferment of both principal and interest while the student is enrolled in school. It is anticipated that the 10-year Option 1 NJCLASS loan will carry a lower interest rate than either the 15-year Option 2 NJCLASS loan or the 20-year Option 3 NJCLASS loan. It is anticipated that each of the Option 1, Option 2, and Option 3 loans will offer interest rates comparable to those of the Federal Parent Loans for Undergraduate Students ("Parent PLUS loans").

### **NJCLASS Program Parameters**

For the 2026-2027 Academic Year HESAA will continue to offer Standard NJCLASS loans with three (3) repayment options, NJCLASS Consolidation Loans, and NJCLASS Refinance Loan Program loans (Refi +).

### **Loan Limitations**

Due to the elimination of the Graduate Plus Loan Program and reduced loan limits under the Parent Plus Loan Program at the Federal level, HESAA anticipates a greater demand for all of HESAA's Standard NJCLASS Loans including the Option 3 loans. The 2026 transaction contemplates a higher loan volume limitation for Option 3 loans increasing total origination volume from \$25 million to \$45 million. It is anticipated that the following loan origination limitations will apply for loans originated with monies derived from the Series 2026 Bonds; however, the dollar amounts may vary based on updated volume projections and as a function of bond pricing:

- No more than \$45 million in Option 3 20-year Standard NJCLASS loans; and
- No more than \$20 million in NJCLASS Consolidation loans

All NJCLASS loans originated from the Series 2026 Bond proceeds will continue to follow the credit standards adopted by the Authority in 2012 as detailed below:

- Minimum Income of \$40,000.

- Credit Score Criteria for Standard and Consolidation loans:
  - 670-699 FICO Band – all applicants’ credit reports reviewed for derogatories.
  - 700+ FICO Bands – application auto-approved.
- Credit Score Criteria for Refinance Loans:
  - Beginning with the Series 2024 bonds, HESAA eliminated tiered lending options and now offers a fixed interest rate for both its 10-year and 15-year Refi+ loans. In prior years, interest rates for the refinance loans were tiered based on a borrower’s credit score, as borrowers with credit scores 720 or higher were offered a lower refinancing interest rate than those with credit scores from 670-719. All eligible borrowers are expected to continue to realize savings when compared to the interest payments on the underlying loans being refinanced.
  - In conjunction with the issuance of the Series 2021 Bonds, HESAA eliminated the requirement of the debt-to-income (DTI) review for all refinance loan applicants. The majority of prospective refinance loan borrowers have well-established payment histories and already meet both the income and credit score criteria.

Borrowers who do not qualify for NJCLASS loans on their own will have the choice of obtaining a credit-worthy co-signer or will be counseled to apply for the federal Parent PLUS loan. Although federal Parent PLUS loans carry higher interest rates and higher origination fees than Standard NJCLASS loans, PLUS loans offer less stringent credit standards than Standard NJCLASS loans. The NJCLASS program is funded through the issuance of rated tax-exempt debt. Were HESAA to offer loans with similar credit criteria as federal PLUS loans (essentially no credit requirements), NJCLASS loans would need to carry significantly higher interest rates to meet bond rating stress analyses, thus disadvantaging HESAA borrower families.

HESAA continues to counsel families to strongly consider Option 1 or Option 2 for Standard NJCLASS loans rather than Option 3, since the first two options require some level of payment during the in-school period and thus mitigate the impact of interest capitalization. HESAA focuses particular attention to the explanation of these options to lower FICO-score borrowers who often end up facing monthly payments they cannot afford, which is detrimental to student borrowers and their family members who co-sign their loans, as well as to the NJCLASS program.

### **RAP and HIARP**

Continuing HESAA’s efforts to assist those families who suffer a material economic hardship for a period during the life of their loans, HESAA will again offer the Repayment Assistance Program (RAP) and Household Income Adjusted Repayment Plan (HIARP) to borrowers of Standard NJCLASS loans originated during the 2026-2027 academic year and for all borrowers of prior indentures. These programs are designed to avert defaults for those borrowers struggling to repay their loans. RAP was first offered to borrowers whose loans were originated with proceeds from

the Series 2017 Bonds. HIARP was first offered to borrowers of loans originated with Series 2018 Bond proceeds.

Once a borrower qualifies for RAP, their monthly payments are reduced. One hundred percent of the reduced borrower payment is applied to the principal balance of the loan. During RAP, HESAA makes all the borrower's interest payments. Eligibility for RAP may not exceed two (2) years.

HIARP is a longer-term assistance program, available to those who have exhausted their RAP eligibility period. Monthly payments in HIARP are reduced to a level that is deemed affordable based on the incomes of all the parties to the loan, and the loan term is extended to 25 years from the date of loan origination. Any loan balance remaining after 25 years will be forgiven. While in HIARP, loan interest continues to accrue on the outstanding balance and will be capitalized once the borrowers are no longer eligible for reduced payments. Annually, the borrowers must meet HIARP eligibility requirements, including certification of the incomes of all the parties to the loan. If the borrowers no longer qualify for reduced payments, the payment amount reverts to the Standard Loan Payment, but the repayment term remains 25 years from the date of loan origination.

Both RAP and HIARP are subject to the availability of funds. Based on cash flow analysis, HESAA believes the funds allocated within the structure for this bond issuance for RAP and HIARP will cover the projected number of borrowers who may experience economic difficulty, thus providing sufficient capacity for the programs to assist borrowers before a default occurs.

### **Sale of Bonds and Associated Documents**

The underwriters, RBC Capital Markets and Seibert Williams Shank & Co., in coordination with HESAA and its financial advisor, Hilltop Securities, will assess market conditions at the time of sale. The underwriters will make final sizing and structuring recommendations for the marketing and optimal sale of the Series 2026 bonds based on market demand and rating agency requirements to satisfy HESAA's expected demand for NJCLASS Loans for the 2026-2027 academic school year. It is anticipated that HESAA will price bonds mid-May with funds available in June to originate NJCLASS loans for the 2026-2027 academic year.

The Board's authorization today will provide HESAA the flexibility to access the market when it is advantageous to the 2026 transaction and will allow the Authority to secure competitive interest rates for students and their families.

An approved Resolution delegates to the Chairperson, Vice Chairperson, Secretary-Treasurer/Executive Director, Chief Financial Officer, or other authorized representative or designee of the Authority the power to modify and approve the final structure and interest costs of the Series 2026 bonds.

In conformance with New Jersey Executive Order 26 (1994), the bonds are being issued through a negotiated sale. Because of the complexity of the underlying credit (non-federal private student loans), the size of the issue, and complex bond structure (structured asset-backed issuance), a

negotiated sale should result in better pricing for the bonds than would be obtained from a competitive sale.

The bond documents are enclosed after the Resolution in the following order:

Attachment A – Continuing Disclosure Agreement

Attachment B – Investment Purchase Agreement

Attachment C – Bond Purchase Contract

Attachment D – Preliminary Official Statement

Attachment E – Acknowledgement of Servicing

Attachment F – Fourth Supplemental Indenture

Tassos Efstratiades, representing Obery Mayer Rebmann Maxwell and Hippel LLP, the Authority's Bond Counsel, is available to the Board to review the bond resolution and accompanying documents.

The Authority's Municipal Advisor, Tim Webb of Hilltop Securities, as well as a representative from the State Attorney General's Office are also available to the Board to answer any questions they may have.

It is recommended that the Board approve the attached Resolution 03:26.

Attachments

**RESOLUTION 03:26**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF ADDITIONAL SENIOR AND SUBORDINATE STUDENT LOAN REVENUE REFUNDING BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FOURTH SUPPLEMENTAL INDENTURE, A PRELIMINARY OFFICIAL STATEMENT, A FINAL OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT, AN ACKNOWLEDGEMENT OF SERVICING, A BOND PURCHASE CONTRACT, AND OTHER MATTERS IN CONNECTION THEREWITH, AUTHORIZING THE TRANSFER OF CERTAIN FUNDS TO THE 2021 INDENTURE AND ACKNOWLEDGING A CHANGE IN LOAN RATES FOR 2025 NJCLASS LOANS**

Moved: Scott Salmon  
Seconded: Robert Joyce

**WHEREAS:** The Higher Education Student Assistance Authority (the “Authority”) is a body corporate and politic constituting an instrumentality of the State of New Jersey (the “State”) established and created under and by virtue of the provisions of the Higher Education Student Assistance Authority Law, constituting Chapter 46 of the Pamphlet Laws of 1999 of the State of New Jersey, as amended and supplemented and any successor legislation (the “Act”); and

**WHEREAS:** Pursuant to the Act and the Indenture of Trust, dated as of May 1, 2021, between the Authority and Computershare Trust Company, National Association, as successor trustee thereunder to Wells Fargo Bank, National Association (the “Trustee”) (as amended and supplemented, including by the herein defined Fourth Supplemental Indenture, the “2021 Indenture”), the Authority has previously issued various series of its revenue and revenue refunding bonds; and

**WHEREAS:** Pursuant to the Act and the Indenture of Trust dated as of June 1, 2025 (as amended and supplemented, the “2025 Indenture”), between the Authority and Computershare Trust Company, National Association, as trustee thereunder, including as supplemented by a First Supplemental Indenture, dated as of June 1, 2025 (the “First Supplemental Indenture”), and a Second Supplemental Indenture, dated as of June 1, 2025 (the “Second Supplemental Indenture”) the Authority has previously issued its \$227,750,000 Student Loan Revenue and Refunding Bonds, Series 2025-1 (the “Series 2025-1 Bonds”) and its \$229,500,000 Student Loan Revenue Bonds, Series 2025-2 (the “Series 2025-2 Bonds”); and

**WHEREAS:** The Authority desires to acknowledge the change in the loan rates for the 2025 NJCLASS Loans (as defined in the First Supplemental Indenture) originated (i) with the proceeds of the Series 2025-1 Bonds from and after the date of issuance of the hereinafter defined Series 2026 Bonds and (ii) from Recoveries of Principal during the Recycling Period set forth in the hereinafter defined First Supplemental Indenture at the respective Loan Rates set forth in the First Supplemental Indenture from and after the issuance of the Series 2026 Bonds, as contemplated by the definition of “Loan Rate” as defined in the First Supplemental Indenture; and

**WHEREAS:** In order to accomplish the purposes of the Act and (a) provide Student Loans (as defined in the 2021 Indenture) commencing with the 2026-2027 school year and (b) provide for the refunding of the Series 2025-2 Bonds, the Authority wishes to (i) provide for the issuance and sale of senior student loan revenue refunding bonds and subordinate student loan revenue refunding bonds in one or more Series pursuant to the 2021 Indenture and (ii) authorize the transfer of certain amounts into the 2021 Indenture; and

**WHEREAS:** In accordance with the requirements of Executive Order No. 26 (Whitman 1994), the Authority hereby determines that because of the complexity and size of the financing structure as hereinafter described, and the potential for volatile market conditions, a negotiated sale of such Series 2026 Bonds (as defined herein) would best serve the requirements of this financing; and

**WHEREAS:** Underwriters for the Series 2026 Bonds, RBC Capital Markets, LLC and Siebert Williams Shank & Co. LLC; a Financial Advisor, Hilltop Securities, Inc.; and a Bond Counsel, Obermayer Rebmann Maxwell & Hoppel LLP, have been selected in accordance with the requirements of Executive Order No. 26; and

**WHEREAS:** In connection with the issuance and sale of the Series 2026 Bonds, the Authority intends to enter into a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) with the Trustee, acting as dissemination agent, in accordance with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”).

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY** (not less than a majority of a quorum thereof affirmatively concurring) **AS FOLLOWS:**

**Section 1.** The recitals set forth above are incorporated herein by reference as if set forth at length.

**Section 2.** To accomplish the purposes and objectives of the Act, including the purchase and origination of Student Loans as authorized by the Act and as defined in the 2021 Indenture, and the refinancing of all outstanding Series 2025-2 Bonds issued under the 2025 Indenture (the

“Prior Bonds”), the Authority hereby authorizes the issuance of its Series 2026 Bonds issued as Student Loan Revenue Refunding Bonds, Series 2026, in the aggregate principal amount not to exceed \$284,115,000 in one or more senior and subordinate Series, issued as fixed rate bonds. The Authority presently contemplates issuing the Series 2026 Bonds as (i) Senior Student Loan Revenue Refunding Bonds, Series 2026A (the “Series 2026A Bonds” or the “Series 2026 Senior Bonds”) and (ii) Subordinate Student Loan Revenue Refunding Bonds, Series 2026B (the “Series 2026 Subordinate Bonds” and together with the Series 2026 Senior Bonds, the “Series 2026 Bonds”) but may alter the Series designations as may be approved by the hereinafter defined Authorized Officer and reflected in the Fourth Supplemental Indenture.

The Series 2026 Senior Bonds shall constitute “Senior Bonds” for all purposes of the 2021 Indenture and shall be issued on a parity basis with all other Outstanding Series of Senior Bonds and any future Senior Bonds to be issued under the 2021 Indenture. The Series 2026 Subordinate Bonds shall constitute “Subordinate Bonds” for all purposes of the 2021 Indenture, the Principal Installments of which, except as specifically set forth in the Fourth Supplemental Indenture with respect to certain redemptions, will be payable on a subordinate basis to payment of all Principal Installments on the Series 2026 Senior Bonds in accordance with the requirements of the Fourth Supplemental Indenture. Any Series of Series 2026 Bonds may be issued as Federally Taxable Obligations or Tax-Exempt Obligations under the 2021 Indenture, as determined by an Authorized Officer and reflected in the Fourth Supplemental Indenture.

The Series 2026 Bonds shall be sold to RBC Capital Markets, LLC, acting as representative of the Underwriters (the “Representative”), pursuant to the terms of one or more Bond Purchase Contract(s) to be entered into by and between the Authority and the Representative (collectively, the “Bond Purchase Contract”) with an Underwriters’ fee (excluding Underwriters’ Counsel) in accordance with the best and final offer submitted by the Representative to the Authority on October 7, 2024 but in any event not to exceed \$7.00/\$1,000 of Series 2026 Bonds issued. The Chairperson, Vice Chairperson, Secretary-Treasurer, Executive Director, Acting Executive Director, Chief Financial Officer, and Controller or other authorized representative or designee (each an “Authorized Officer” and, collectively, the “Authorized Officers”) are each hereby authorized to execute the Bond Purchase Contract. The Series 2026 Bonds shall be dated, shall bear interest at the respective fixed rates, shall be payable as to principal, redemption premium, if any, and interest, shall be issued in the respective forms, shall be in the respective Authorized Denominations, shall be signed, authenticated and numbered, shall mature, shall be subject to redemption prior to maturity, and shall have such other details and provisions as set forth in the 2021 Indenture, as amended and supplemented by a Fourth Supplemental Indenture to be dated as of the first date of the month the Series 2026 Bonds are issued (the “Fourth Supplemental Indenture”), by and between the Authority and the Trustee; provided, however, an Authorized Officer may modify the stated interest rate(s) of the Series 2026 Bonds, the maturity date(s) of any of the Series 2026 Bonds (including, without limitation, creating serial and term bonds, if any, and providing for cumulative and/or mandatory sinking fund payments on term bonds), and the redemption provisions of the Series 2026 Bonds subject to the following: (i) the final maturity of the Series 2026 Bonds shall not be after December 1, 2056; (ii) the optional redemption price for any Series 2026 Bond shall not exceed 103% of the principal amount thereof, and the initial call protection for any Series 2026 Bond shall not exceed 10.5 years, and (iii) the stated interest rate on the Series 2026 Senior Bonds shall not exceed 5.50% per annum and the stated interest rate on the Series 2026 Subordinate Bonds shall not exceed 6.89% per annum.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the 2021 Indenture.

The Authorized Officers is authorized, together with the Trustee, to the extent necessary or appropriate, to take such actions and execute such documents as may be necessary or appropriate to qualify the Series 2026 Bonds with The Depository Trust Company, New York, New York, as book-entry obligations.

**Section 3.** The Series 2026 Bonds shall be limited obligations of the Authority and shall be payable solely out of the Trust Estate as set forth in the 2021 Indenture, subject to the application thereof to the purposes and on the conditions permitted by the 2021 Indenture. The payment of the principal, redemption premium, if any, and interest on the Series 2026 Bonds shall be secured by a pledge and assignment of the Trust Estate as provided in the 2021 Indenture. Neither the State nor the Authority shall be obligated to pay the principal and redemption premium, if any, of or interest on the Series 2026 Bonds except as so provided in the 2021 Indenture.

**Section 4.** No covenant, stipulation, obligation, or agreement herein contained or contained in the Bond Purchase Contract, the 2021 Indenture (including the Fourth Supplemental Indenture) or the Continuing Disclosure Agreement, shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Authority or of the State in an individual capacity. Neither the members of the Authority, nor any person executing the Series 2026 Bonds issued pursuant to this resolution and the Act, nor any officer nor employee of the Authority shall be liable personally on the Series 2026 Bonds by reason of the issuance or execution thereof. The Series 2026 Bonds shall not be in any way a debt or liability of the State or any political subdivision thereof (except the Authority to the limited extent of the Trust Estate), either legal, moral or otherwise, and neither the faith and credit nor the taxing power of the State or any political subdivision thereof (except the Authority to the limited extent of the Trust Estate) shall be pledged to the payment of the principal, redemption premium, if any, or interest thereon. The issuance of the Series 2026 Bonds shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or pledge any form of taxation whatsoever therefor.

**Section 5.** The Authority hereby authorizes the transfer of up to \$232,169,085 from the 2025 Revenue Account under the 2025 Indenture to the 2021 Indenture in connection with the refunding of the Series 2025-2 Bonds, to be applied as set forth in the Fourth Supplemental Indenture.

**Section 6.** The Bond Purchase Contract, the Continuing Disclosure Agreement, the Fourth Supplemental Indenture and the Series 2026 Bonds, substantially in the respective forms submitted to the Authority and made a part of this resolution as though set forth in full herein, are hereby approved. An Authorized Officer is hereby authorized to execute, acknowledge and deliver such documents with any changes, insertions and omissions (including, without limitation, insertion of the Loan Rates or the method of determination thereof in the Fourth Supplemental Indenture) as may be approved by said Authorized Officer and the Secretary-Treasurer of the Authority is hereby authorized to affix the seal of the Authority on such documents and attest the same. The execution of any of such documents by said Authorized Officer shall be conclusive evidence of any approval of such document in final form as authorized by this Section 6.

**Section 7.** The Acknowledgement of Servicing to be entered into by and between the Authority and the Trustee regarding the servicing of 2026 Student Loans (as defined in the Fourth Supplemental Indenture), substantially in the form submitted to the Authority and made a part of this resolution as though set forth in full herein, is hereby approved. The Authorized Officers are hereby authorized to execute, acknowledge and deliver such document with any changes, insertions and omissions as may be approved by said Authorized Officer and the Secretary-Treasurer of the Authority is hereby authorized to affix the seal of the Authority on such document and attest the same. The execution of such document by said Authorized Officer shall be conclusive evidence of any approval of such document in final form as authorized by this Section 7.

**Section 8.** The Series 2026 Bonds shall be executed in the manner provided in the 2021 Indenture, and the same shall be delivered to the Trustee for proper authentication and delivery to the Underwriters upon instructions to that effect. The 2021 Indenture shall provide the terms and conditions, covenants, rights, obligations, duties and agreements of the Holders of the Series 2026 Bonds, the Authority and the Trustee.

**Section 9.** All covenants, stipulations, obligations and agreements of the Authority contained in this resolution and contained in the Bond Purchase Contract, the Continuing Disclosure Agreement, the 2021 Indenture (including the Fourth Supplemental Indenture) and the Acknowledgement of Servicing shall be deemed to be the covenants, stipulations, obligations and agreements of the Authority to the full extent authorized or permitted by law, and such covenants, stipulations, obligations and agreements shall be binding upon the Authority and its successors from time to time and upon any board or body to which any powers or duties affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law. Except as otherwise provided in this resolution, all rights, powers and privileges conferred, and duties and liabilities imposed, upon the Authority or the members thereof by the provisions of this resolution, the Bond Purchase Contract, the Continuing Disclosure Agreement, the 2021 Indenture (including the Fourth Supplemental Indenture), and the Acknowledgement of Servicing shall be exercised or performed by the Authority or by such members, officers, board or body as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Bond Purchase Contract, the Continuing Disclosure Agreement, the 2021 Indenture (including the Fourth Supplemental Indenture), or the Acknowledgement of Servicing shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Authority or of the State in his or her individual capacity, and neither the members of the Authority nor any officer executing the Series 2026 Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

**Section 10.** The Authorized Officers of the Authority are hereby further directed to cause the proceeds of the Series 2026 Bonds, together with other available Authority funds, if any, to be initially deposited and disbursed as provided in the 2021 Indenture (including the Fourth Supplemental Indenture). To the extent the Authority pays any or all of the costs of issuance from other available funds of the Authority, the Authority may reimburse the expenditure of those funds from available funds on deposit in the Trust Estate, provided that said reimbursement complies with the requirements of the Internal Revenue Code of 1986, as amended, and court decisions

interpreting the same and existing regulations, rulings, and other publications promulgated or released thereunder.

**Section 11.** In order to secure payment of principal of (on the scheduled maturity dates and/or sinking fund maturity dates) and interest on the Series 2026 Bonds (on the dates due) the Authorized Officers are hereby authorized to obtain one or more municipal bond insurance policies and to enter into commitments and agreements with respect thereto. The Authorized Officers are each hereby authorized to enter into an agreement with the issuer(s) of such municipal bond insurance policy in customary form, and to make such revisions to the forms of documents submitted to this meeting as may be necessary or appropriate in connection with such policy. The Authorized Officers hereby further authorized to use proceeds of the Series 2026 Bonds or other available funds of the Authority to fund all or a portion of the premium payable to the issuer of the municipal bond insurance policy for such policy.

**Section 12.** The Authorized Officers, in consultation with the Treasurer of the State of New Jersey (the “Treasurer”) and the Attorney General of the State of New Jersey (the “Attorney General”), are hereby authorized to purchase one or more financial guaranty insurance policies or surety bonds for deposit to the Debt Service Reserve Fund established under the 2021 Indenture to satisfy the 2026 Reserve Requirement (as defined in the Fourth Supplemental Indenture) for the Series 2026 Bonds, if any, each constituting a Funding Instrument within the meaning of the 2021 Indenture, with respect to any or all of the Series 2026 Bonds (the “Funding Instrument(s)”). Such Funding Instrument, if any, shall be issued in an amount not exceeding the 2026 Reserve Requirement for the Series 2026 Bonds, if an Authorized Officer, in consultation with the Treasurer and the Attorney General, determines that such Funding Instrument(s) can be obtained upon terms and conditions consistent with the Act and reasonably acceptable to the Authority. The Authorized Officers are each hereby authorized to enter into an agreement with the issuer(s) of such Funding Instrument(s), in customary form, and to make such revisions to the forms of documents submitted to this meeting as may be necessary or appropriate in connection with such Funding Instruments). Together with, or in lieu of, a Funding Instrument, the Authorized Officers are hereby further authorized to use proceeds of the Series 2026 Bonds or other available funds of the Authority to fund all or a portion of the 2026 Reserve Requirement for the Series 2026 Bonds.

**Section 13.** Computershare Trust Company, National Association is hereby appointed (a) Trustee, Paying Agent, Registrar, and Authenticating Agent for the Series 2026 Bonds and (b) Dissemination Agent for the Series 2026 Bonds pursuant to the Continuing Disclosure Agreement.

**Section 14.** All actions of the Authority and its staff which have previously been taken with regard to the issuance of the Series 2026 Bonds and the NJCLASS Loan Program in respect of the Series 2026 Bonds are hereby ratified and approved.

**Section 15.** The Authorized Officers are hereby designated to be the authorized representatives of the Authority, and each of them and other authorized representatives and designees are hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents, including any required closing, tax, investment and escrow documents, and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution, the Bond Purchase Contract, the Continuing

Disclosure Agreement, the 2021 Indenture (including the Fourth Supplemental Indenture), the Acknowledgement of Servicing, and the issuance of the Series 2026 Bonds, including, without limitation, the substitution and approval of documents other than those approved and authorized to be executed by this resolution in order to conform the same to the purposes of the Act and the intentions of the Authority as expressed herein and in the Fourth Supplemental Indenture.

**Section 16.** The Preliminary Official Statement relating to the offering of the Series 2026 Bonds (the “Preliminary Official Statement”), substantially in the form presented to this meeting, is hereby approved, with any changes, insertions and omissions as may be approved by an Authorized Officer. The Authorized Officers are each authorized to execute such documents as shall be necessary or desirable to evidence that the final Preliminary Official Statement in the form to be electronically posted and/or printed and distributed, is “deemed final” within the meaning of (and with the exception of certain information permitted to be omitted by) Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended. The Authorized Officers are each authorized to execute and deliver a final Official Statement relating to the Series 2026 Bonds (the “final Official Statement”), substantially in the form of the Preliminary Official Statement, with any changes, insertions and omissions as may be approved by said Authorized Officer, and any amendments or supplements thereto as deemed necessary or desirable by an Authorized Officer. The execution of the final Official Statement and any amendment or supplement thereto by an Authorized Officer shall be conclusive evidence of any approval of such Official Statement, amendment or supplement in final form as authorized by this Section 16.

**Section 17.** Hilltop Securities, Inc., in its role as Financial Advisor, is hereby authorized to select, pursuant to a competitive solicitation process, (i) the printer for the Preliminary Official Statement and final Official Statement, and (ii) the verification agent for the refunding of the Prior Bonds.

**Section 18.** The Trustee is authorized to invest funds held under the 2021 Indenture in Investment Securities at the direction of an Authorized Officer.

**Section 19.** This resolution shall take effect immediately, but no action authorized herein shall have force and effect until ten (10) days after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State (the “Governor”) for her approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

April 15, 2026



**MIKIE SHERRILL**  
Governor

**DR. DALE G. CALDWELL**  
Lt. Governor

**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
4 QUAKERBRIDGE PLAZA  
PO BOX 545  
TRENTON, NJ 08625-0545  
1-800-792-8670  
www.hesaa.org

**JERRY TRAINO**  
Acting Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority

**FROM:** Shernelle Pringle *SP*  
Audit Committee

**SUBJECT:** Resolution 04:26 – Appointing a Firm to serve as HESAA’s Independent Auditor Pursuant to Executive Order 122 (2004)

**DATE:** April 15, 2026

### Background

Executive Order (E.O.) 122 (2004) requires public authorities, agencies and commissions to create an Audit Committee. Among other duties, the Audit Committee is charged with recommending to the Board the appointment of an independent auditor to conduct an audit of the Authority's financial statements. Under E.O. 122, an Evaluation Committee is responsible for issuing a Request for Proposal (RFP) for auditing services, evaluating responses to the RFP, and forwarding its recommendation to the Audit Committee. After reviewing and accepting the Evaluation Committee recommendation, the Audit Committee forwards the recommendation to the full HESAA Board for approval.

### Summary

The current members of the HESAA Board Audit Committee are Christy Van Horn, Scott Salmon, Robert Joyce, and me. At the July 2025 Board meeting, Chairwoman Van Horn appointed Bea Daggett, Nelson Turcios, and Favour Oyelade to serve on the ad hoc Evaluation Committee. Based on criteria discussed with the Audit Committee, and at the request of the Evaluation Committee, staff at HESAA developed an RFP for E.O. 122 auditing services for review and approval by the Evaluation Committee. In addition to auditing services, the RFP, too, requested bidders to submit their fees to provide the Agreed Upon Procedure (AUP) review for HESAA’s annual bond transaction if needed.

Following the Evaluation Committee's approval, the RFP was issued on February 3, 2026. HESAA mailed the RFP to 29 auditing firms, posted the RFP on HESAA's website and advertised the State's NJ Advance Media and Gannett newspapers.

Six firms submitted proposals in response to the RFP: CliftonLarsonAllen LLP, Grant Thornton, HBK CPAs & Consultants, Mercadien P.C., Mitchell Titus, and PFK O'Connor Davies, LLP. Because HBK CPAs & Consultants' proposal did not meet the RFP's minimum requirements, it was deemed non-responsive, and thus, it was not considered.

The Evaluation Committee met on March 23, 2026 by teleconference to discuss the criteria contained in Section 8.3 of the RFP as the primary guidance in its selection process. On March 24, 2026, member Bea Daggett recused herself from the Evaluation Committee due to a conflict of interest. On March 25, 2026, Chairwoman Van Horn appointed Eduardo Valenzuela to replace Bea Daggett on the ad hoc Evaluation Committee.

The Evaluation Committee met on March 30, 2026 by teleconference to evaluate the proposals using the criteria contained in Section 8.3 of the RFP as the primary guidance in its selection process. Based on their review and determination, the Evaluation Committee provided a report to the Audit Committee recommending the selection of Mercadien, P.C. as the auditing firm for HESAA for the initial term of three years, beginning with the independent audit of the fiscal year 2026 financial statements, and subject to two one-year extensions at the option of HESAA. While all five firms demonstrated their capability to provide the requested services, the Evaluation Committee found that Mercadien P.C.'s proposal demonstrated a strong knowledge in audit technology, illustrating the experience needed to audit HESAA's complex financial statements. Mercadien P.C.'s staffing plans also demonstrated a qualified assignment of resources with a client model ensuring staff availability and the timely resolution of unexpected issues.

Grant Thornton's proposal was also especially strong, but the firm's requests to modify numerous HESAA RFP requirements, as well as its lack of price certainty, misalign the baseline of its initial response. Additionally, the Evaluation Committee noted that CliftonLarsonAllen LLP is HESAA's current independent auditor, and though there have been no conflicts, its proposal relied heavily on assumptions based upon its current relationship with HESAA. However, the proposal itself did not adequately tailor its technical approach, staffing plan, or demonstrated experience to HESAA's specific audit score and requirements as outlined in the RFP.

The Evaluation Committee discussed the fact that Mercadien P.C. previously served as HESAA's independent auditor with no conflicts.

The Audit Committee met on April 2, 2026 and based upon the written report from the Evaluation Committee, agreed with the Evaluation Committee's recommendation. The Audit Committee noted that since CliftonLarsonAllen LLP has been HESAA's

independent auditor for fifteen years, Mercadien P.C. will provide a fresh perspective to the audit.

**Recommendation**

It is recommended that the Board approve the attached Resolution 04:26 – Appointing Mercadien P.C. as Independent Auditor.

Attachments

## RESOLUTION 04:26

### APPOINTING A FIRM TO SERVE AS HESAA'S INDEPENDENT AUDITOR PURSUANT TO EXECUTIVE ORDER 122 (2004)

Moved By: Angela Bethea  
Seconded By: Eduardo Valenzuela

**WHEREAS:** Executive Order (E.O.) 122 (2004) requires the Higher Education Student Assistance Authority (HESAA) to appoint an Independent Auditor; and

**WHEREAS:** At the request of the Evaluation Committee, a Request for Proposal (RFP) for E.O. 122 auditing services was issued on February 2, 2026. HESAA mailed the RFP to 29 auditing firms, posted the RFP on HESAA's website and advertised the State's NJ Advance Media and Gannett newspapers; and

**WHEREAS:** Five firms, CliftonLarsonAllen LLP, Grant Thornton, Mercadien P.C., Mitchell Titus, and PKF O'Connor Davies, LLP submitted responsive proposals to the RFP; and

**WHEREAS:** HESAA's Evaluation Committee met on March 30, 2026 by teleconference to evaluate these proposals using the criteria contained in Section 8.3 of the RFP as the primary guidance in its selection process; and

**WHEREAS:** The Evaluation Committee determined that Mercadien P.C. would best meet the needs of HESAA; and

**WHEREAS:** The Evaluation Committee provided the Audit Committee with a written report recommending the selection of Mercadien P.C. as the auditing firm for HESAA for the initial term of three years, subject to two one-year extensions at the option of HESAA; and

**WHEREAS:** The Audit Committee met on April 2, 2026 to review the report and agreed with the Evaluation Committee's recommendation that Mercadien P.C. is the most qualified firm to serve as HESAA's Independent Auditor.

**NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Higher Education Student Assistance Authority appoints Mercadien P.C. as its auditing firm for an initial term of three years with two possible one-year extensions.

April 15, 2026

|                                  |  |           |
|----------------------------------|--|-----------|
| <b>EVALUATION SCORE SHEET</b>    | HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY<br>(Independent Auditor) |           |
| BIDDER<br>CliftonLarsonAllen LLP | DATE   | 3/30/2026 |

**SUMMARY OF EVALUATION TEAM'S COMMENTS:**

This firm's proposal was clear, comprehensive in length, and demonstrated a general familiarity when approaching governmental audits. However, the proposal did not adequately tailor its technical approach, staffing plan, or demonstrated experience to HESAA's specific audit scope and requirements as outlined in the RFP. CLA is HESAA's current auditor, but the proposal itself did not sufficiently illustrate how proposed personnel would execute HESAA's audits nor did the proposal identify HESAA-specific risks or outline tailored audit procedures.

**Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response**

| CRITERIA   | Score 1 | Score 2 | Score 3 | WEIGHT | TOTAL |
|--|---------|---------|---------|--------|-------|
| The quality of response to the RFP package including the firm's general and technical approach and plans to meet the requirements of the RFP   | 3       | 9       | 10      | 20     | 440   |
| The demonstrated ability and qualifications to conduct governmental audits and the firm's demonstration of the ability and qualifications to conduct audits for the volume of borrowers and complexity of the HESAA investment portfolio | 3       | 9       | 10      | 20     | 440   |
| The quality of relevant service to governmental entities in previous transactions  | 3       | 10      | 10      | 20     | 460   |
| Familiarity with laws, rules and regulations relevant to governmental audits   | 4       | 10      | 10      | 20     | 480   |
| The qualifications, experience and assurance of the availability and timely performance of the assigned staffing providing the auditing services   | 3       | 10      | 10      | 20     | 460   |
| <b>Total</b>   | 16      | 48      | 50      | 100    | 2280  |

|  |  |                |                |               |              |
|--|--|----------------|----------------|---------------|--------------|
| <b>EVALUATION SCORE SHEET</b>  | <b>HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY<br/>(Independent Auditor)</b> |                |                |               |              |
| BIDDER<br>Grant Thornton   | 3/30/2026  |                |                |               |              |
| <b>SUMMARY OF EVALUATION TEAM'S COMMENTS:</b>  |  |                |                |               |              |
| The proposal was highly comprehensive and technically strong. It articulated a tailored audit approach that addressed HESAA programs, such as NJCLASS, FFELP, and other bond-financed operations. The proposal also illustrated Grant Thornton's extensive experience auditing large-scale governmental and bond-financed entities. However, the firm's requests to modify numerous HESAA RFP requirements, and lack of price certainty, misalign the baseline of its response. Additionally, not everyone on the proposed team has government experience. |  |                |                |               |              |
| <b>Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response</b>   |  |                |                |               |              |
| <b>CRITERIA</b>  | <b>Score 1</b>   | <b>Score 2</b> | <b>Score 3</b> | <b>WEIGHT</b> | <b>TOTAL</b> |
| The quality of response to the RFP package including the firm's general and technical approach and plans to meet the requirements of the RFP   | 4  | 6              | 5              | 20            | 300          |
| The demonstrated ability and qualifications to conduct governmental audits and the firm's demonstration of the ability and qualifications to conduct audits for the volume of borrowers and complexity of the HESAA investment portfolio   | 9  | 10             | 10             | 20            | 580          |
| The quality of relevant service to governmental entities in previous transactions  | 9  | 9              | 10             | 20            | 560          |
| Familiarity with laws, rules and regulations relevant to governmental audits   | 10   | 9              | 10             | 20            | 580          |
| The qualifications, experience and assurance of the availability and timely performance of the assigned staffing providing the auditing services   | 10   | 7              | 10             | 20            | 540          |
| <b>Total</b>   | 42   | 41             | 45             | 100           | 2560         |

|  |  |                |                |               |              |
|--|--|----------------|----------------|---------------|--------------|
| <b>EVALUATION SCORE SHEET</b>  | <b>HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY<br/>(Independent Auditor)</b> |                |                |               |              |
| BIDDER<br>Mitchell Titus   | DATE _____ 3/30/2026   |                |                |               |              |
| <b>SUMMARY OF EVALUATION TEAM'S COMMENTS:</b>  |  |                |                |               |              |
| The proposal demonstrated a strong understanding of HESAA's audit scope and statutory requirements. It presented a very clear technical approach and a strong understanding of applicable governmental auditing standards and professional requirements. However, while the proposal cited experience with auditing a comparable student loan authority, it did not provide quantitative benchmarks or documentation of portfolio size, loan volume, or transaction scale, and instead relied on general descriptions. |  |                |                |               |              |
| <b>Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response</b>   |  |                |                |               |              |
| <b>CRITERIA</b>  | <b>Score 1</b>   | <b>Score 2</b> | <b>Score 3</b> | <b>WEIGHT</b> | <b>TOTAL</b> |
| The quality of response to the RFP package including the firm's general and technical approach and plans to meet the requirements of the RFP   | 9  | 8              | 8              | 20            | 500          |
| The demonstrated ability and qualifications to conduct governmental audits and the firm's demonstration of the ability and qualifications to conduct audits for the volume of borrowers and complexity of the HESAA investment portfolio   | 6  | 8              | 5              | 20            | 380          |
| The quality of relevant service to governmental entities in previous transactions  | 8  | 7              | 5              | 20            | 400          |
| Familiarity with laws, rules and regulations relevant to governmental audits   | 10   | 7              | 5              | 20            | 440          |
| The qualifications, experience and assurance of the availability and timely performance of the assigned staffing providing the auditing services   | 10   | 8              | 8              | 20            | 520          |
| <b>Total</b>   | <b>43</b>  | <b>38</b>      | <b>31</b>      | <b>100</b>    | <b>2240</b>  |

|  |  |       |
|--|--|-------|
| <b>EVALUATION SCORE SHEET</b>          | <b>HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY<br/>(Independent Auditor)</b> |       |
| BIDDER<br>HBK                          | DATE   | _____ |
| SUMMARY OF EVALUATION TEAM'S COMMENTS: |  |       |

| Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response  |         |         |         |        |       |
|--|---------|---------|---------|--------|-------|
| CRITERIA   | Score 1 | Score 2 | Score 3 | WEIGHT | TOTAL |
| The quality of response to the RFP package including the firm's general and technical approach and plans to meet the requirements of the RFP   |         |         |         | 20     | 0     |
| The demonstrated ability and qualifications to conduct governmental audits and the firm's demonstration of the ability and qualifications to conduct audits for the volume of borrowers and complexity of the HESAA investment portfolio |         |         |         | 20     | 0     |
| The quality of relevant service to governmental entities in previous transactions  |         |         |         | 20     | 0     |
| Familiarity with laws, rules and regulations relevant to governmental audits   |         |         |         | 20     | 0     |
| The qualifications, experience and assurance of the availability and timely performance of the assigned staffing providing the auditing services   |         |         |         | 20     | 0     |
| <b>Total</b>   | 0       | 0       | 0       | 100    | 0     |

|                               |   |           |
|-------------------------------|---|-----------|
| <b>EVALUATION SCORE SHEET</b> | <b>HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY</b><br>(Independent Auditor) |           |
| BIDDER<br>PKF O'Connor Davies | DATE  | 3/30/2026 |

**SUMMARY OF EVALUATION TEAM'S COMMENTS:**

This proposal did not demonstrate the same breadth and depth of experience as the other proposals. While demonstrating a general familiarity with governmental auditing, it relied heavily on high-level descriptions and dispersed references rather than structured, program-specific documentation. HESAA-specific regulatory requirements were also not clearly articulated.

**Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response**

| CRITERIA   | Score 1 | Score 2 | Score 3 | WEIGHT | TOTAL |
|--|---------|---------|---------|--------|-------|
| The quality of response to the RFP package including the firm's general and technical approach and plans to meet the requirements of the RFP   | 4       | 7       | 7       | 20     | 360   |
| The demonstrated ability and qualifications to conduct governmental audits and the firm's demonstration of the ability and qualifications to conduct audits for the volume of borrowers and complexity of the HESAA investment portfolio | 4       | 7       | 7       | 20     | 360   |
| The quality of relevant service to governmental entities in previous transactions  | 4       | 6       | 7       | 20     | 340   |
| Familiarity with laws, rules and regulations relevant to governmental audits   | 6       | 7       | 7       | 20     | 400   |
| The qualifications, experience and assurance of the availability and timely performance of the assigned staffing providing the auditing services   | 3       | 7       | 5       | 20     | 300   |
| <b>Total</b>   | 21      | 34      | 33      | 100    | 1760  |

|                               |  |           |
|-------------------------------|--|-----------|
| <b>EVALUATION SCORE SHEET</b> | <b>HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY<br/>(Independent Auditor)</b> |           |
| BIDDER<br>Mercadien           | DATE   | 3/30/2026 |

**SUMMARY OF EVALUATION TEAM'S COMMENTS:**

Mercadien P.C.'s proposal demonstrated a strong knowledge in audit technology, and illustrated an alignment with HESAA's audit requirements. It also reflected a substantive understanding of HESAA's programs. The proposal addressed the delivery of the Authority's three distinct audits as well as other related AUP procedures. Explicit quantification of portfolio scale was limited, but personnel qualifications were strong, and staffing plans demonstrated a qualified assignment of resources for HESAA's audits. The firm's client experience model ensured staff availability and the timely resolution of unexpected issues.

**Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response**

| CRITERIA   | Score 1   | Score 2   | Score 3   | WEIGHT     | TOTAL       |
|--|-----------|-----------|-----------|------------|-------------|
| The quality of response to the RFP package including the firm's general and technical approach and plans to meet the requirements of the RFP   | 9         | 9         | 10        | 20         | 560         |
| The demonstrated ability and qualifications to conduct governmental audits and the firm's demonstration of the ability and qualifications to conduct audits for the volume of borrowers and complexity of the HESAA investment portfolio | 8         | 8         | 10        | 20         | 520         |
| The quality of relevant service to governmental entities in previous transactions  | 7         | 8         | 10        | 20         | 500         |
| Familiarity with laws, rules and regulations relevant to governmental audits   | 8         | 8         | 10        | 20         | 520         |
| The qualifications, experience and assurance of the availability and timely performance of the assigned staffing providing the auditing services   | 8         | 7         | 10        | 20         | 500         |
| <b>Total</b>   | <b>40</b> | <b>40</b> | <b>50</b> | <b>100</b> | <b>2600</b> |

| Firm           | Score | Rank |
|----------------|-------|------|
| CLA            | 2280  | 3    |
| Grant Thornton | 2560  | 2    |
| Mitchell Titus | 2240  | 4    |
| HBK            | 0     |      |
| PFKOC          | 1760  | 5    |
| Mercadien      | 2600  | 1    |



**MIKIE SHERRILL**  
Governor


**DR. DALE G. CALDWELL**  
Lt. Governor

**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
4 QUAKERBRIDGE PLAZA  
PO BOX 545  
TRENTON, NJ 08625-0545  
1-800-792-8670  
www.hesaa.org

**JERRY TRAINO**  
Acting Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**FROM:** Jerry Traino   
Acting Executive Director

**SUBJECT:** Resolution 05:26 Approving the Second Extension of the Contract with Meketa Investment Group, Inc., Consultant for 529 Plans

**DATE:** April 15, 2026

### **Background**

On April 4, 2023, the Higher Education Student Assistance Authority (HESAA) issued a Request for Proposals (RFP) seeking proposals from firms interested in serving as a fiduciary consultant for the New Jersey Better Educational Savings Trust (NJBEST) Program.

The responsibilities of the fiduciary consultant include evaluating, monitoring, and advising HESAA regarding New Jersey 529 College Savings Plan program fees, investment policies, and investment manager performance. Additionally, the consultant assists HESAA in responding to the annual requests for information that are sent to all 529 College Savings Plans nationwide, such as the information annually requested by Morningstar and Savingforcollege.com.

At its June 14, 2023 meeting, the Board appointed Meketa Investment Group, Inc. as Consultant for 529 Plans for a term of two (2) years with three (3) optional one-year extensions.

At its April 16, 2025 meeting the Board approved the first extension of the contract with Meketa noting their detailed approach to analyzing the investment strategies, in-depth reports, and valuable insights on 529 programs.

The contract with Meketa is subject to its second optional one-year renewal. Based on the previous years of service, it would be in the best interest of HESAA to exercise this option and extend the contract with Meketa for one year.

**Recommendation**

It is recommended that the Board approve Resolution 05:26 providing a one-year extension to the contract with Meketa Investment Group, Inc., Consultant for 529 Plans at a cost of \$152,000 for the year.

Attachments

## RESOLUTION 05:26

### APPROVING THE FIRST EXTENSION OF THE CONTRACT WITH MEKETA INVESTMENT GROUP, INC., CONSULTANT FOR 529 PLANS

Moved by: Eduardo Valenzuela

Seconded by: Beatrice Daggett

**WHEREAS:** On April 4, 2023 The Higher Education Student Assistance Authority (HESAA) issued a Request for Proposals (RFP) seeking proposals from firms interested in serving as a fiduciary consultant for the New Jersey Better Educational Savings Trust (NJBEST) Program; and

**WHEREAS:** The responsibilities of the fiduciary consultant include evaluating, monitoring, and advising HESAA regarding New Jersey's 529 College Savings Plan program fees, investment policies, and investment manager performance. Additionally, the consultant assists HESAA in responding to the annual requests for information that are sent to all 529 College Savings Plans nationwide, such as the information annually requested by Morningstar and Savingforcollege.com; and

**WHEREAS:** At its June 14, 2023 meeting the Board appointed Meketa Investment Group, Inc. as Consultant for 529 Plans for a term of two (2) years with three (3) optional one-year extensions; and

**WHEREAS:** During the initial contract term, Meketa demonstrated a detailed approach to analyzing the investment strategies, provided in-depth reports, and shared valuable insights on 529 programs; and

**WHEREAS:** At its April 16, 2025 meeting the Board approved the first extension of the contract with Meketa; and

**WHEREAS:** It was determined that it would be in the best interest of HESAA to exercise the second option to extend the contract with Meketa Investment Group, Inc. for one (1) year.

**NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Board approves a one-year extension to the appointment of Meketa Investment Group, Inc. as HESAA's 529 consultant at a cost of \$152,000 for the year.

April 15, 2026



**MIKIE SHERRILL**  
Governor


**DR. DALE G. CALDWELL**  
Lt. Governor


**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
4 QUAKERBRIDGE PLAZA  
PO BOX 545  
TRENTON, NJ 08625-0545  
1-800-792-8670  
[www.hesaa.org](http://www.hesaa.org)

**JERRY TRAINO**  
Acting Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority

**THROUGH:** Jerry Traino   
Acting Executive Director

**FROM:** Dr. Khary J. Nickson   
Deputy Chief Information Officer, Technology Unit

**SUBJECT:** Resolution 06:26 Approving the First Extension of the Agreement with Aspire Technology Partners, LLC to Provide Managed Security Services

**DATE:** April 15, 2026

### **Background**

At its April 24, 2024 meeting, as a result of a Request for Proposals (RFP) the Board appointed Aspire Technology Partners, LLC to provide comprehensive managed cybersecurity services to protect the Higher Education Student Assistance Authority's (HESAA) digital environment and ensure the confidentiality, integrity and availability of its data. The appointment was for a term of two years with two optional one-year extensions. The contract with Aspire Technology Partners is subject to its first optional one-year renewal.

Aspire effectively executed on its unique ability to secure HESAA's on-premises and cloud-based infrastructure from day one, offering a range of CISCO-based products at no additional cost. This includes CISCO Umbrella, a cloud-based internet and network security solution that HESAA currently utilizes.

Based on Aspire's successful execution of services, it would be in HESAA's best interest to exercise the first optional renewal and extend the contract with Aspire for one year.

**Recommendation**

It is recommended that the Board approve the attached Resolution 06:26 providing a one-year extension to the appointment of Aspire Technology Partners, LLC to provide Managed Security Services.

Attachment

**RESOLUTION 06:26**

**APPROVING THE FIRST EXTENSION OF THE CONTRACT WITH ASPIRE TECHNOLOGY PARTNERS, LLC TO PROVIDE MANAGED SECURITY SERVICES**

Moved by: Angela Bethea  
Seconded by: Scott Salmon

**WHEREAS:** On March 13, 2024 the Higher Education Student Assistance Authority (HESAA) issued a Request for Proposals for a contractor to provide managed security services (the “RFP”); and

**WHEREAS:** At its April 24, 2024 meeting the Board appointed Aspire Technology Partners, LLC to provide Managed Security Services for a term of 2 years with two optional one-year extensions; and

**WHEREAS:** The contract with Aspire Technology Partners, LLC is subject to its first optional one-year renewal; and

**WHEREAS:** Aspire effectively executed on its unique ability to secure HESAA’s on-premises and cloud-based infrastructure from day one, offering a range of CISCO-based products at no additional cost. This includes CISCO Umbrella, a cloud-based internet and network security solution that HESAA currently utilizes; and

**WHEREAS:** Based on Aspire’s successful execution of services, it would be in HESAA’s best interest to exercise the first optional renewal and extend the contract with Aspire for one year.

**NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Board approves the first extension of the contract with Aspire Technology Partners LLC to provide Managed Security Services.

April 15, 2026



**MIKIE SHERRILL**  
Governor


**DR. DALE G. CALDWELL**  
Lt. Governor


**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
4 QUAKERBRIDGE PLAZA  
PO BOX 545  
TRENTON, NJ 08625-0545  
1-800-792-8670  
www.hesaa.org

**JERRY TRAINO**  
Acting Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Jerry Traino   
Acting Executive Director

**FROM:** Alia Abbas   
Chief of Staff

**SUBJECT:** Resolution 07:26 Approving the First One-Year Extension of the Contracts  
Appointing Vendors to Provide Temporary Employment Services

**DATE:** April 15, 2026

### **Background**

In support its mission of providing students and their families with financial aid and informational resources to pursue education beyond high school, the Higher Education Student Assistance Authority (HESAA) supplements its permanent workforce with temporary services contractors and consultants.

To ensure the engagement of qualified resources in a cost effective manner, HESAA issued three Requests for Proposals (RFPs) on February 17, 2023 for Temporary Employment Services in the following categories:

- Administrative, Office & Clerical (“RFP-Admin”)
- Finance (“RFP-Finance”)
- Information Technology (“RFP-IT”)

At its April 26, 2023 meeting, the Board approved the following contract awards based on the evaluation committees’ recommendations:

| <b>Category</b> | <b>Primary</b>                             | <b>Secondary</b>           | <b>Tertiary</b>              |
|-----------------|--|----------------------------|------------------------------|
| Admin           | 22 <sup>nd</sup> Century Technologies Inc. | Aston Carter, Inc.         | AppleOne Employment Services |
| Finance         | J&J Staffing Resources                     | Protiviti                  | AcctPositions                |
| IT              | J&J Staffing Resources                     | Likeminds Consulting, Inc. | Cogent Infotech Corporation  |

All contracts were awarded for an initial three-year term, with two optional one-year extensions.

HESAA has been satisfied with both the quantity and quality of candidates provided by the selected vendors. In instances where the primary vendor is unable to meet staffing needs within the agreed-upon timeframe, HESAA has utilized secondary and, when necessary, the tertiary vendors; however this has occurred infrequently.

Based on vendor performance to date, staff recommends exercising the first one-year extension for all vendors.

**Recommendation**

It is recommended that the Board approve Resolution 07:26 authorizing a one-year extension to each vendor engaged by pursuant to the RFP for Temporary Employment Services.

Attachments

**RESOLUTION 07:26**

**APPROVING THE FIRST ONE-YEAR EXTENSION OF THE CONTRACTS  
APPOINTING VENDORS TO PROVIDE TEMPORARY EMPLOYMENT SERVICES**

Moved by: Scott Salmon  
Seconded by: Robert Joyce

**WHEREAS:** On February 17, 2023 the Higher Education Student Assistance Authority (HESAA) issued three separate Requests for Proposals for Temporary Employment Services in the following categories: Administrative, Office & Clerical; Finance; and Information Technology (IT); and

**WHEREAS:** On April 26, 2023 the Board approved contract awards for a three-year period with two optional one-year extensions, as follows:

| <b>Category</b> | <b>Primary</b>                             | <b>Secondary</b>           | <b>Tertiary</b>              |
|-----------------|--|----------------------------|------------------------------|
| Admin           | 22 <sup>nd</sup> Century Technologies Inc. | Aston Carter, Inc.         | AppleOne Employment Services |
| Finance         | J&J Staffing Resources                     | Protiviti                  | AcctPositions                |
| IT              | J&J Staffing Resources                     | Likeminds Consulting, Inc. | Cogent Infotech Corporation  |

; and

**WHEREAS:** These vendors have provided HESAA with qualified candidates for temporary employment services; and

**WHEREAS:** It is cost-effective and operationally efficient to extend the current contracts for an additional one year term.

**NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Board approves a one-year extension of the contracts with 22<sup>nd</sup> Century Technologies, Inc.; J&J Staffing Resources; Aston Carter, Inc.; Protiviti; Likeminds Consulting Inc.; AppleOne Employment Services; AcctPositions; and Cogent Infotech Corporation.

April 15, 2026



**MIKIE SHERRILL**  
Governor


**DR. DALE G. CALDWELL**  
Lt. Governor


**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
4 QUAKERBRIDGE PLAZA  
PO BOX 545  
TRENTON, NJ 08625-0545  
1-800-792-8670  
www.hesaa.org

**JERRY TRAINO**  
Acting Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Jerry Traino   
Acting Executive Director

**FROM:** Marnie B. Grodman   
Director, Legal & Governmental Affairs  
Administrative Practice Officer

**SUBJECT:** Resolution 08:26 Approving Proposed New Rules for Administering the Air Traffic Control Loan Redemption Program

**DATE:** April 15, 2026

### Background

On January 12, 2026, then Governor Murphy signed P.L. 2025, c. 269, which establishes an Air Traffic Controller Loan Redemption Program, supports partnerships between public institutions of higher education and the federal Air Traffic-Collegiate Training Initiative, and establishes a Center for Study of Unidentified Aerial Phenomena (Act). The Act provides that the Higher Education Student Assistance Authority (Authority) shall adopt rules necessary to implement the Air Traffic Controller Loan Redemption Program.

The Act authorizes the redemption of qualifying student loans in an amount of 16 percent of the program participant's qualifying student loan amounts in return for one full year of service at an approved site, up to \$16,000, an additional 26 percent for a second full year of service, up to \$26,000, an additional 28 percent for a third full year of service, up to \$28,000, and an additional 30 percent for a fourth full year of service, up to \$30,000. Pursuant to the Act total redemption of qualifying student loan amounts under the program shall not exceed \$100,000.

The proposed new rules govern the policy, administration, and procedures of the Air Traffic Controller Loan Redemption Program (Program), and are summarized below.

The subchapter heading establishes the name of the program for which these proposed new rules will be promulgated, as the Air Traffic Controller Loan Redemption Program.

Pursuant to the Act, proposed new N.J.A.C. 9A:10-10.1 provides that the purpose of the proposed new subchapter is to provide redemptions not to exceed \$100,000 of principal and interest of eligible student loan expenses for up to four years of service.

Proposed new N.J.A.C. 9A:10-10.2 provides the definitions for words and terms used within this subchapter, which include “Authority,” “Eligible Air Traffic Controller,” “Executive Director,” “Program,” “Program participant,” “Qualified physician,” “Qualifying student loan amounts,” and “Total and permanent disability.”

Proposed new N.J.A.C. 9A:10-10.3 provides the eligibility requirements that an applicant must meet in order to participate in the Program pursuant to subparagraph 2.b of the Act.

Proposed new N.J.A.C. 9A:10-10.4 establishes the application procedures that an applicant must follow to participate in the Program. Proposed new N.J.A.C. 9A:10-10.4(a) provides the minimum information required by the application, specifically, the applicant’s identification and contact information, certification of employment as an air traffic controller at an approved site from the Federal Aviation Administration, and documentation evidencing qualifying student loan amounts.

Proposed new N.J.A.C. 9A:10-10.4(b) establishes that applications will be considered in the order they are received, subject to available funding.

Proposed new N.J.A.C. 9A:10-10.4(c) provides that eligibility is based solely on the information submitted on the application and that the Authority will notify applicants of their acceptance into the Program.

Proposed new N.J.A.C. 9A:10-10.5 provides the terms that participants must meet in order for the Authority to release funds for loan redemption. Pursuant to subparagraph 2.d of the Act, proposed new N.J.A.C. 9A:10-10.5(a) provides that applicants selected for Program participation must enter into a contract with the Authority. The contract specifies the duration of the participant's approved employment service obligation, not to exceed four years, and the total amount of qualifying loans to be redeemed by the Authority in return for service.

Pursuant to subparagraph 2.e of the Act, proposed new N.J.A.C. 9A:10-10.5(b) specifies that the loan redemption under the Program shall amount to 16 percent of the program participant’s qualifying student loan amounts in return for one full year of service at an approved site, up to \$16,000, an additional 26 percent for a second full year of service, up to \$26,000, an additional 28 percent for a third full year of service, up to \$28,000, and an additional 30 percent for a fourth full year of service, up to \$30,000. Total loan redemption for a Program participant shall not exceed \$100,000. Proposed new N.J.A.C. 9A:10-10.5(b)1 provides that the Authority will encumber up

to \$100,000 of Program funds, as necessary, to provide for the redemption of the participant's outstanding qualifying loans upon the applicant's acceptance into the Program and execution of the written contract with the Authority.

To verify that Program participants meet the employment requirements for loan redemption, proposed new N.J.A.C. 9A:10-10.5(c) requires participants to submit to the Authority certification, in the form approved by the Authority, of employment.

Proposed new N.J.A.C. 9A:10-10.5(d) establishes that Program participants are not eligible for any benefits under the Program for less than a full year of service pursuant to subparagraph 2.g of the Act.

Pursuant to subparagraph 3.a of the Act, proposed new N.J.A.C. 9A:10-10.6 outlines the conditions for termination or suspension of the participant's participation contract. Proposed new N.J.A.C. 9A:10-10.6(a) provides that the Authority will terminate a participant's contract if: the participant is totally and permanently disabled; the participant is deceased; continued enforcement of the employment service obligation may result in an extreme hardship for the participant; the participant is no longer employed as an Air Traffic Controller at an approved site; or the participant has not provided the documentation required prior to annual redemption of loan indebtedness within 60 days of written request for the required documents by the Authority.

Proposed new N.J.A.C. 9A:10-10.6(b) provides that the Authority will suspend the participant's participation contract if continued enforcement of the employment service obligation may result in extreme hardship for the participant. The proposed new subsection defines extreme hardship to include temporary disability, active duty military service, or temporary suspension of the participant's professional license pending medical clearance or the outcome of an investigation. The subsection further provides that the contract may be suspended for up to two years, but that it may be extended under exceptional circumstances.

Proposed new N.J.A.C. 9A:10-10.6(c) provides that the participant can nullify the participation contract by notifying the Authority in writing. Proposed new N.J.A.C. 9A:10-10.6(d) establishes that the Authority has final decision-making authority to terminate a participation contract when a participant violates the eligibility requirements. Proposed new N.J.A.C. 9A:10-10.6(e) advises participants that, if a participation agreement is terminated or nullified, the participant is not eligible to reapply to participate in the Program.

Proposed new N.J.A.C. 9A:10-10.7 sets forth the procedures that an applicant must follow in order to appeal a notification of ineligibility for Program participation from the Authority and also requires the Authority to be responsible for providing the Authority's final decision on the appeal to the applicant within 30 days of receipt of the appeal.

### **Recommendation**

It is recommended that the Board approve Resolution 08:26 Proposing New Rules for Administering the Air Traffic Control Loan Redemption Program.

Attachment

## **SUBCHAPTER 10. AIR TRAFFIC CONTROLLER LOAN REDEMPTION PROGRAM**

### **9A:10-10.1 Purpose and scope**

The rules established by this subchapter provide the policies and procedures for participation in the Air Traffic Controller Loan Redemption Program administered by the Higher Education Student Assistance Authority. This Program shall provide redemptions not to exceed \$100,000 of principal and interest of eligible student loan expenses for up to four years of service.

### **9A:10-10.2 Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Approved site” means an airport located within the State or operated by a multi-state agency serving the State or a Terminal Radar Approach Control, Air Route Control Center, or any other similar Federal Aviation Administration facility serving an airport located within the State or operated by a multi-state agency serving the State.

“Authority” means the Higher Education Student Assistance Authority.

“Eligible Air Traffic Controller” means an air traffic controller holding an appropriate degree who commences employment with the Federal Aviation Administration on or after January 12, 2026.

“Executive Director” means the Executive Director of the Higher Education Student Assistance Authority.

“Program” means the Air Traffic Controller Loan Redemption Program established pursuant to section 3 of P.L. 2025, c. 269.

“Program participant” means an eligible air traffic controller who contracts with the Authority to be an air traffic controller at an approved site in exchange for the redemption of qualifying student loan amounts.

“Qualified physician” means a doctor of medicine or a doctor of osteopathy who is legally licensed to practice in the United States.

“Qualifying student loan amounts” means the cumulative outstanding balance of federal, State, or commercial student loans at the time an applicant is selected for the program, which an applicant has borrowed to pay for the cost of attendance for undergraduate or graduate education at an institution of higher education. Interest paid or due on qualifying student loan amounts shall be considered eligible for redemption under the program.

“Total and permanent disability” means a physical or mental disability that is expected to continue indefinitely or result in death and renders a Program participant unable to perform that

person's service obligation, as determined by the Executive Director, or the Executive Director's designee.

### **9A:10-10.3 Eligibility requirements for Program participation**

(a) To be eligible for participation in the Program, an applicant shall:

1. Be a New Jersey resident and maintain residency in the State during Program participation;
2. Be employed as an eligible Air Traffic Controller at an approved site;
3. Agree to remain employed as an Air Traffic Controller at an eligible site pursuant to the terms specified at N.J.A.C. 9A:10-10.5;
4. Not be in default on any eligible qualifying loan; and
5. Not previously have been selected for participation in the Program.

### **9A:10-10.4 Application procedures**

(a) In order to apply for participation in the Program, an applicant must complete a Program application and submit the complete application to the Authority.

1. The Program application includes, but is not limited to:

- i. The applicant's identification and contact information;
- ii. Certification from the Federal Aviation Administration of employment as an air traffic controller at an approved site; and
- iii. Documentation evidencing qualifying student loan amounts.

(b) The Authority will consider applications for approval of Program participation in the date order they are received, subject to available funding.

(c) The Authority will determine the applicant's eligibility for the Program based upon the information submitted on the application and will provide notification to the applicant of their acceptance into the Program.

### **9A:10-10.5 Terms for loan redemption**

(a) An applicant who has been selected for participation in the Program shall enter into a written contract with the Authority. The contract shall specify the start date of the Program participant's service obligation, the duration of the participant's employment obligation, not to exceed four years, and the total amount of qualifying student loans to be redeemed by the Authority in return for service.

(b) Loan redemption pursuant to the Program shall amount to 16 percent of the program participant's qualifying student loan amounts in return for one full year of service at an approved site, up to \$16,000, an additional 26 percent for a second full year of service, up to \$26,000, an additional 28 percent for a third full year of service, up to \$28,000, and an additional 30 percent for a fourth full year of service, up to \$30,000. Total loan redemption for a Program participant shall not exceed \$100,000.

1. At the time an applicant is accepted as a Program participant and has entered into a written contract with the Authority, the Authority will encumber up to \$100,000 of Program funds, as necessary, to provide for the redemption of the participant's outstanding qualifying student loan amounts.

(c) In order for a participant to qualify for a redemption payment, the Program participant shall submit to the Authority certification, in the form approved by the Authority, of employment as an eligible Air Traffic Controller at an approved site for the previous year.

(d) No amount of loan redemption shall be provided for service performed for less than one full year.

#### **9A:10-10.6 Termination or suspension of the Program participant's participation contract**

(a) The Authority shall terminate the Program participant's participation contract if it determines:

1. On the basis of a sworn affidavit of a qualified physician, that the participant has a total and permanent disability;

2. On the basis of a death certificate, or other evidence of death that is conclusive pursuant to State law, that the participant has died;

3. On the basis of substantiating documentation, as may be deemed necessary by the Authority upon specific case review, that continued enforcement of the employment service obligation may result in extreme hardship for the participant;

4. That the participant is no longer employed as an eligible Air Traffic Controller at an approved site;

5. The participant has not submitted the certification required pursuant to N.J.A.C. 9A:10-10.5(c) to receive the loan redemption within 60 days of the written request for the required documents by the Authority.

(b) The Authority may suspend the Program participant's participation contract if the Authority determines, on the basis of substantiating documentation, as may be deemed necessary by the Authority upon specific case review, that continued enforcement of the employment service obligation may result in extreme hardship for the participant. Extreme hardships include, but are not limited to, temporary disability, active duty military service, or temporary suspension

of the participant's qualifications pending medical clearance or the outcome of an investigation, as applicable.

1. The Authority may suspend the participant's participation contract for a period of up to two calendar years from the date the suspension commences. At the end of the first year of suspension, the participant must provide the Authority with substantiating documentation, as defined in this subsection, to renew the suspension for a second year.
2. The suspension, as stipulated at (b)1 above, may be extended beyond two years for exceptional circumstances at the discretion of the Authority on the basis of substantiating documentation, as defined in this subsection.

- (c) A participant may nullify the participation contract by notifying the Authority, in writing.
- (d) The Authority shall have final decision-making authority to terminate a participant's participation contract when a participant violates the eligibility requirements.
- (e) Participants who nullify their participation agreement, or whose participation agreements are terminated by the Authority, are not eligible to reapply to participate in the Program.

#### **9A:10-10.7 Appeals process**

- (a) When an applicant has received a notification of ineligibility for Program participation, the applicant may submit a written appeal to the Authority within 30 days of the date of the notification. The written appeal must include the following:
1. A copy of the notification of ineligibility received by the applicant from the Authority; and
  2. The reasons why the applicant believes the applicant is eligible to participate in the Program, along with any documentation that the applicant has obtained to support the appeal, if applicable.
- (b) Within 30 days of the receipt of the appeal, the Authority shall provide the applicant with the Authority's final determination of the appeal. Final decisions of the Authority can be appealed to the Appellate Division of the Superior Court.

**RESOLUTION 08:26**

**PROPOSED NEW RULES GOVERNING THE AIR TRAFFIC CONTROLLER LOAN  
REDEMPTION PROGRAM, N.J.A.C. 9A:10-10**

Moved by: Angela Bethea  
Seconded by: Shernelle Pringle

**WHEREAS:** On January 12, 2026, then Governor Murphy signed P.L. 2025, c. 269, establishing an Air Traffic Controller Loan Redemption Program, supports partnerships between public institutions of higher education and the federal Air Traffic-Collegiate Training Initiative, and establishes a Center for Study of Unidentified Aerial Phenomena (Act); and

**WHEREAS:** The Act provides that the Higher Education Student Assistance Authority (Authority shall adopt rules necessary to implement the Air Traffic Controller Loan Redemption Program; and

**WHEREAS:** The Act authorizes the redemption of qualifying student loans in an amount of 16 percent of the program participant's qualifying student loan amounts in return for one full year of service at an approved site, up to \$16,000, an additional 26 percent for a second full year of service, up to \$26,000, an additional 28 percent for a third full year of service, up to \$28,000, and an additional 30 percent for a fourth full year of service, up to \$30,000.; and

**WHEREAS:** The total amount of a participant's qualifying student loan amounts which may be redeemed under the Program, shall not exceed \$100,000.

**NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Board approves the proposed new rules governing the Air Traffic Controller Loan Redemption Program so that the proposed new rules can be published in the New Jersey Register.

April 15, 2026

# HESAA Audits & Quality Assurance 2026 Update for the Program Review and Quality Control Committee

Presented by Jill Schmid, Director, Audits & Quality Assurance

April 7, 2026

## **Introduction**

To ensure that the New Jersey Higher Education Student Assistance Authority (“HESAA” or the “Authority”) student assistance award programs are in compliance with federal and state statutes, regulations, policies, and procedures, the Audits & Quality Assurance unit (A&QA) conducts (1) institutional management reviews focusing on state grant and scholarship programs; (2) special counsel reviews of the Authority’s contracted collection attorneys; (3) Garden State Guarantee (GSG) analysis of Maintenance of Effort (MOE) compliance; (4) annual internal control evaluations; (5) reviews of New Jersey institutions’ of higher education (IHE) single audit reports; and (6) ongoing compliance monitoring.

## **Institutional Management Reviews**

HESAA conducts institutional management reviews to verify that New Jersey IHEs administer state grant and scholarship programs in accordance with all applicable federal and state statutes, regulations, policies, and procedures. The management reviews are designed to provide IHEs with recommendations on how to improve the operations of the business offices that have a part in the administration of their student financial aid to ensure compliance with state and federal statutes and regulations. These include the Financial Aid, Admissions, Registrar, Bursar, and Accounting offices.

HESAA conducts two types of reviews. Limited reviews focus on areas with the greatest potential for error, such as reconciliations, certification of student eligibility, dependency overrides, and professional judgment cases. Full-scale reviews have more in-depth testing and consist of the limited review components as well as adding a review of students selected for verification. Several variables are evaluated to determine if an institutional review is going to be limited or full-scale. These variables include, but are not limited to, the total dollar amount of awards, length of time since the last review, recent news or changes at the institution, unexpected trends observed, and findings from single audit reviews.

The following provides a summary of the 2025-2026 reviews:

Full-scale reviews: A&QA identified six (6) full-scale reviews during Fiscal Year 2026. One (1) of these reviews closed with a refund of almost \$9,000 issued back to the State. Three (3) reviews are in the final stage of analysis and two (2) reviews will be announced by the end of Fiscal Year 2026.

Limited reviews: A&QA identified eleven (11) limited reviews during Fiscal Year 2026. Three (3) reviews closed with a refund of almost \$26,000 due back to the State. Four (4) reviews are in the final stage of analysis and two (2) more are in the initial stage of analysis. Two (2) additional limited reviews will be announced by the end of Fiscal Year 2026.

## **Special Counsel Reviews**

HESAA contracts with four (4) firms acting as special counsel to perform collection activities on defaulted NJCLASS loans. The Audits & Quality Assurance unit conducts reviews of these special counsels to verify compliance with regulations for administering defaulted loans.

A&QA closed one attorney review in August 2025. One attorney review is scheduled to commence in June 2026, and then another one before the end of 2026.

## **Garden State Guarantee (GSG) Maintenance of Effort (MOE) Analysis**

The Garden State Guarantee (GSG) program was first introduced in Fiscal Year 2023 and administered by IHEs as institutional student aid funded through the Outcomes Based Allocation of the State operating aid appropriation. Beginning with the Fiscal Year 2024 Appropriations Act, HESAA became solely responsible for administering GSG as a student financial aid program. A&QA performs data analysis on each participating institution's awarded aid to ensure compliance with the Garden State Guarantee maintenance of effort (MOE) requirements.

A&QA performs three (3) analyses per year: in the fall, in the spring, and at the end of the academic year. A&QA has completed the mid-year analysis on Fall 2025 data to help identify any potential non-compliant areas to be addressed, will perform an additional Spring 2026 semester analysis, and will perform the final, determinative MOE analysis at the end of Academic Year 2025-2026.

In addition to performing MOE analysis, the A&QA unit is currently in the process of improving and automating the GSG review function. This automation will streamline the process as well as increase the accuracy, detail level, and flexibility of the GSG data analysis.

## **Annual Internal Control Evaluation**

The State Office of Management & Budget (OMB) requires all executive branch agencies to conduct an annual self-assessment of their internal controls. HESAA participates in this process through a series of evaluations and discussions that are conducted during the fourth quarter of each fiscal year by the Audits & Quality Assurance unit and senior staff members. The results of the internal control evaluations are analyzed, summarized, and reported to HESAA's Executive Director and Chief Financial Officer in a report detailing the review requirements, reviews conducted, and any weaknesses identified, along with recommendations for remediation.

On May 16, 2025, HESAA Executive Director and Chief Financial Officer sent a letter to the Director of OMB confirming that HESAA performed the 2025 Internal Control Evaluation as required and that HESAA's system of internal accounting and administrative controls complies with the standards prescribed by the State of New Jersey. HESAA was pleased to report that no significant weaknesses were identified as a result of the review.

A&QA is about to kick-off the 2026 assessment process, which is due to OMB by July 1, 2026.

## **New Jersey Institution Single Audit Report Reviews**

As of Academic Year 2016, HESAA has audit cognizance over New Jersey's IHEs. In accordance with state policy, OMB Circular Letter 15-08, HESAA must obtain and review the annual single audit reports for IHEs identified by New Jersey's Treasury department and update Treasury's Grantee Single Audit (GSA) system with the review results on an annual basis.

HESAA completed the review of all required single audit reports and updated the GSA in 2025, and is currently reviewing the institutions' most recent audit reports to update the GSA system by the 2026 deadline.

## **Compliance Monitoring**

Public Law 2021, chapter 53 eliminates eligibility of postsecondary students and other individuals for State student assistance, training, and employment services if the school or training provider requires students to consent to arbitration agreements or proceedings or to waive certain rights. Since the enactment of the law in April 2021, HESAA, in coordination with the Office of the Secretary of Higher Education (OSHE), is responsible for monitoring the annual compliance of New Jersey IHEs with the new legislation. A joint directive from HESAA and OSHE was issued in June 2021 requiring schools to certify compliance with the law. HESAA requires this certification annually.

A&QA reviewed and tracked the certifications required in 2025. A request for this year's certification will be sent in June 2026 and A&QA will ensure receipt of the certification from the institutions.

## **Personnel**

A&QA hired a new team member in November, 2025. Nimmi Devasia comes to HESAA with extensive data analysis and programming experience. She will be focused on automating the GSG review process, learning the details of the management and attorney reviews, and improving processes throughout the unit. We are excited to have Nimmi join the A&QA team.

## **Conclusion**

HESAA's Audits & Quality Assurance team is on target to complete the reviews listed on the 2025-2026 review schedule. The proposed 2026-2027 review schedule includes all of the elements of the previous year's schedule and has flexibility to address additional needs as they arise. The details of the proposed 2026-2027 plan are listed in the attached review schedule.

# Higher Education Student Assistance Authority

## Compliance and Audits & Quality Assurance Unit

### Proposed Review Schedule for 2026-2027

#### **2025-2026 FY Q4**

| <b>Type of Review</b>                   | <b>Description</b>  | <b>Auditees</b>  |
|---|---|--|
| Management                              | State Grants and Scholarship Program Reviews                            | 1 – Senior Public Institution (Full)<br>1 – Independent Institution (Full)<br>2 – Independent Institutions (Limited) |
| Garden State Guarantee                  | Spring 2026 MOE Compliance Review                                       | NJ Senior Public Institutions  |
| Single Audit Reports                    | Single Audit Reports Reviews  | All Institutions for which HESAA has audit cognizance  |
| Annual Internal Control Evaluation 2026 | Assessment of Internal Accounting and Administration Controls           | HESAA Units  |
| Collection Counsel                      | Review of compliance with regulations for administering defaulted loans | Attorney Firm  |

#### **2026-2027 FY Q1**

| <b>Type of Review</b>  | <b>Description</b>  | <b>Auditees</b>  |
|------------------------|---|--|
| Management             | State Grants and Scholarship Program Reviews                          | 2 – Community Colleges (Full)<br>1 – Independent Institution (Limited) |
| Single Audit Reports   | Update the State Grantee Single Audit System                          | All Institutions for which HESAA has audit cognizance                  |
| Garden State Guarantee | EOY 2025-2026 MOE Compliance Review                                   | NJ Senior Public Institutions  |
| Compliance             | Annual certifications for compliance with Public Law 2021, chapter 53 | All NJ institutions certifying students for State aid                  |

#### **2026-2027 FY Q2**

| <b>Type of Review</b>  | <b>Description</b>  | <b>Auditees</b>   |
|------------------------|---|---|
| Management             | State Grants and Scholarship Program Reviews                            | 1 – Community College (Full)<br>1 – Senior Public Institution (Full)<br>1 – Proprietary Institution (Limited) |
| Garden State Guarantee | Fall 2026 MOE Compliance Review   | NJ Senior Public Institutions   |
| Attorney               | Review of compliance with regulations for administering defaulted loans | Attorney Firm   |

# Higher Education Student Assistance Authority Compliance and Audits & Quality Assurance Unit

## Proposed Review Schedule for 2026-2027

### **2026-2027 FY Q3**

| <b>Type of Review</b> | <b>Description</b>                           | <b>Auditees</b>  |
|-----------------------|--|--|
| Management            | State Grants and Scholarship Program Reviews | 2 – Independent Institutions (Full)<br>1 – Senior Public Institution (Limited) |
| Single Audit Reports  | Review Single Audit Reports                  | All Institutions for which HESAA has audit cognizance                          |

### **2026-2027 FY Q4**

| <b>Type of Review</b>                   | <b>Description</b>   | <b>Auditees</b>  |
|---|--|--|
| Management                              | State Grants and Scholarship Program Reviews                                 | 1 – Community College (Full)<br>1 – Community College (Limited)<br>1 – Independent Institution (Limited) |
| Garden State Guarantee                  | Spring 2027 MOE Compliance Review  | NJ Senior Public Institutions  |
| Single Audit Reports                    | Review Single Audit Reports and update the State Grantee Single Audit System | All Institutions for which HESAA has audit cognizance  |
| Annual Internal Control Evaluation 2027 | Assessment of Internal Accounting and Administration Controls                | HESAA Units  |
| Collection Council                      | Review of compliance with regulations for administering defaulted loans      | Attorney Firm  |