

## **MINUTES**

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

July 23, 2025

The Higher Education Student Assistance Authority (HESAA) Board held a remote teleconference meeting on July 23, 2025 at 10:00 am via Zoom. 42 people logged into the meeting.

**PRESENT:** HESAA Board Members: Dr. Brian Bridges, Secretary of Higher Education; Ms. Margo Chaly; Ms. Beatrice Daggett; Ms. Ellie Dowek; Ms. Favour Oyelade; Ms. Shernelle Pringle; Mr. Anthony Longo, Treasurer's Designee; Dr. Nelson Turcios; Ms. Christy Van Horn, Chair.

**ABSENT:** Mr. Scott Salmon and Mr. Gary Williams.

#### **CALL TO ORDER**

Christy Van Horn called the meeting to order at 10:01 am. Margo Chaly 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, Roseann Sorrentino would conduct a roll call for the resolutions.

Ms. Van Horn welcomed Samuel Kovach-Orr, Associate Counsel from the Governor's Authorities Unit; and Kevin Milton, Deputy Attorney General from the New Jersey Division of Law.

Ms. Van Horn asked Roseann Sorrentino to call the roll.

#### **INTRODUCTION OF NEW STUDENT ADVISORY COMMITTEE REPRESENTATIVES**

Chair Van Horn advised that at their kick-off meeting on June 27, 2025 the Student Advisory Committee (SAC) elected Favour Oyelade to serve as Chair of the Student Advisory Committee for academic year 2025-2026 and elected Ellie Dowek to serve as Vice-Chair. At the June SAC meeting, Ms. Dowek was sworn-in to the HESAA Board in front of her peers.

#### **CONSIDERATION OF THE MINUTES OF THE APRIL 16, 2025 MEETING**

A motion to approve the minutes of the April 16, 2025 meeting was made by Dr. Brian Bridges and seconded by Ms. Bea Daggett. The minutes were approved unanimously with two abstentions, Ms. Ellie Dowek and Mr. Anthony Longo who were not present at this meeting.

## **CONSIDERATION OF THE MINUTES OF THE APRIL 29, 2025 MEETING**

A motion to approve the minutes of the April 29, 2025 meeting was made by Ms. Bea Daggett and seconded by Ms. Shernelle Pringle. The minutes were approved unanimously with two abstentions Ms. Ellie Dowek and Ms. Favour Oyelade, who were not present at this meeting.

## **CHAIR TO ANNOUNCE AUDIT EVALUATION COMMITTEE APPOINTMENTS**

Christy Van Horn gave the following report to the Board announcing the Audit Evaluation Committee members:

HESAA's contract with the current external auditor, CliftonLarsonAllen, is set to expire once they complete the external review of the fiscal year 2025 financial statements.

Pursuant to Governor McGreevey's Executive Order 122 HESAA is required to appoint an Evaluation Committee, which works in conjunction with the existing Audit Committee to issue an RFP and select the new external auditors. The Evaluation Committee consists of at least three Board members.

E.O. 122 was issued on July 23, 2004 to make the State's public authorities, commissions, boards and councils more accountable to the public in their accounting and financial reporting processes. It requires the Board to create an Audit Committee, made up of members who have no financial relationship to the organization. The Audit Committee is given the task of selecting the independent auditor for the Authority, and is the only body to which the auditor reports after being selected. Pursuant to the bylaws, HESAA's Audit Committee Consists of the Public members of the Executive Committee and, to ensure that at least one member of the Audit Committee has accounting or related financial expertise, the Treasurer's designee.

In order to ensure the independence of the auditor selection process, E.O. 122 also requires that the Board establish an Evaluation Committee to solicit and evaluate potential auditors. This committee must prepare a written report of the evaluation process, which it forwards to the Audit Committee. Based on its review of the Evaluation Committee report, the Audit Committee makes a recommendation to the Board. The Board reviews the recommendation and awards the audit contract to that firm. Within six months of making the recommendation, the Audit Committee must issue a report to the State Treasurer that sets forth the steps taken to comply with the auditor selection process required by E.O. 122.

Beatrice Daggett, Nelson Turcios, and Favour Oyelade will serve on the Audit Evaluation Committee.

## **RESOLUTION 07:25 ELECTING THE EXECUTIVE COMMITTEE**

Favour Oyelade presented to the Board:

In accordance with Article V of the Bylaws of the Higher Education Student Assistance Authority, the Chairperson appointed Nelson Turcios, Scott Salmon and myself to the Nominating Committee to nominate a Chairperson and Vice Chairperson from among the public members of the Authority

Board and two additional members of the Executive Committee, one from among the public members of the Board and one from among the institutional members of the Board.

The bylaws include the State Treasurer or designee and the Executive Director as members of the Executive Committee, with the Executive Director serving as Secretary Treasurer. Accordingly, Robert Tighue, as Treasurer's Designee is a member of the Executive Committee, and Executive Director Margo Chaly will serve as Secretary/Treasurer of the Executive Committee.

At the April 16, 2025 Board meeting, the Chairperson advised members to contact HESAA if they were willing and able to serve on the Executive Committee.

The Nominating Committee met on June 13, 2025 and recommends electing the following officers for Fiscal Year 2026: Christy Van Horn as Chairperson, Shernelle Pringle as Vice Chairperson, and Scott Salmon as the member of the Executive Committee representing the public members. There are no Institutional Representatives on the Board.

A motion to approve Resolution 07:25 was made by Ms. Bea Daggett and seconded by Dr. Brian Bridges. The motion passed unanimously.

#### **RESOLUTION 08:25 ADOPTING A TUITION AID GRANT AWARD TABLE FOR ACADEMIC YEAR 2025-2026**

Jean Hathaway presented Resolution 08:25 to the Board.

Each year in July, after the enactment of the Appropriations Act and prior to the start of the academic year, HESAA establishes a table of Tuition Aid Grant (TAG) award amounts. Resolution 08:25 will establish the award values for the Full-Time TAG Award table for the 2025-2026 academic year.

On June 30, 2025, Governor Murphy signed the Fiscal Year (FY) 2026 Appropriations Act directing the Board to develop a table of TAG award amounts based on the FY 2026 State appropriations for TAG. The total appropriations shown on Attachment A includes \$492.729 million for two separate line-items: \$491.887 million for TAG awards to full-time students and \$842,000 for Part-Time TAG for Educational Opportunity Fund (EOF) Students. The Part-Time TAG for EOF Students program is presented together with the full-time TAG table because EOF students are typically enrolled full-time and are approved by the EOF program on an exception basis for a limited period of part-time enrollment. Additionally, the FY 2026 Appropriations Act includes \$6 million to ensure the maximum TAG award amount for applicants at Kean University qualifying for full-time TAG awards in the 2025-2026 academic year is no less than the maximum TAG award amount for applicants at all other public research universities

The structure of the TAG award table is based on a numeric New Jersey Eligibility Index (NJEI) that represents the relative levels of financial need of students and their families, as determined through the HESAA Needs Analysis methodology that accounts for income, assets, household size and the number in college. The NJEI ranges on the award table are referred to as "cells." Students demonstrating the highest need are in the first cell, with an NJEI level under 1,500. Students with NJEI levels in subsequent cells are eligible for proportionately lower awards that decrease as the family's calculated financial need also decreases.

The recommended Full-Time TAG Award Table in Attachment A provides award values equal to the 2024-2025 academic year award values, and provides TAG award values at the Research award level for Kean University.

It is recommended that the Board approve Resolution 08:25 adopting Attachment A as the Full-Time Tuition Aid Grant Award Table for academic year 2025-2026.

A motion to approve Resolution 08:25 was made by Dr. Brian Bridges and seconded by Ms. Bea Daggett.

The motion passed unanimously.

#### **RESOLUTION 09:25 ADOPTING A PART-TIME TUITION AID GRANT AWARD TABLE FOR COUNTY COLLEGES FOR ACADEMIC YEAR 2025-2026**

Jean Hathaway presented Resolution 09:25 to the Board.

The FY 2026 Appropriations Act includes an appropriation of \$8.737 million for the Part-Time TAG for County College Students program. This program provides awards to qualifying community college students who enroll for between 6–11 credits per semester. Resolution 09:25 will establish award values for the Part-Time TAG for County Colleges Program for the 2025-2026 academic year.

The Part-Time TAG Award Table shown in Attachment A follows the same parameters used to construct the 2025-2026 full-time TAG award table. The full-time TAG awards were prorated by 50 percent or 75 percent to account for anticipated numbers of part-time TAG awards for students enrolled in 6-8 credits (“half-time”) or 9-11 credits (“three-quarter time”) per semester.

It is recommended that the Board approve Resolution 09:25 Adopting Attachment A as the Part-Time Tuition Aid Grant (TAG) for County Colleges Award Table for Academic Year 2025-2026.

A motion to approve Resolution 09:25 was made by Dr. Brian Bridges and seconded by Ms. Bea Daggett.

The motion passed unanimously.

#### **RESOLUTION 10:25 ADOPTING A SUMMER TUITION AID GRANT AWARD TABLE FOR SUMMER 2026**

Jean Hathaway presented Resolution 10:25 to the Board.

The FY 2026 Appropriations Act included an appropriation of \$21 million to provide Summer TAG awards to students who enroll in the summer 2026 term, and satisfy all eligibility requirements. Resolution 10:25 will establish award values for the Summer TAG program for the 2025-2026 academic year.

To receive a Summer TAG award during the Summer 2026 term, students must enroll at least half-time at the same institution of higher education in which the student was enrolled and received a TAG award during the fall 2025 and/or spring 2026.

The full time Summer TAG award in attachment A follows the same parameters used to construct the 2025-2026 academic year Full-time TAG table, capping the Summer TAG awards at 50 percent of the maximum award in each cell. For part-time enrollment the awards on the tables will be further pro-rated by 50 percent for students enrolled in 6-8 credits and 75 percent for students enrolled for 9-11 credits.

It is recommended that the Board approve Resolution 10:25 Adopting Attachment A as the Summer Tuition Aid Grant Award Table for Summer 2026.

A motion to approve Resolution 10:25 was made by Dr. Brian Bridges and seconded by Ms. Bea Daggett.

Chair Van Horn commented that it is great news that the State continues to offer financial aid support for undergraduates to complete their study year round. With Sumer TAG students are maintaining their momentum to complete their degrees on time, or even in an accelerated timeframe, which helps reduce student loan debt. Chair Van Horn thanked the Governor and Legislature for their continued support of this important program.

The motion passed unanimously.

#### **RESOLUTION 11:25 ADOPTING THE SCHEDULE OF MAXIMUM COMMUNITY COLLEGE OPPORTUNITY GRANT AWARD AMOUNTS FOR ACADEMIC YEAR 2025-2026**

Jean Hathaway presented Resolution 11:25 to the Board.

The FY 2026 Appropriations Act includes an appropriation of \$32.5M for the Community College Opportunity Grant (or CCOG). Resolution 11:25 will establish the maximum individual CCOG award amount for each community college.

Under the law, students with adjust gross incomes (AGI) between \$0 and \$65,000 are eligible for maximum grant award amounts. Pursuant to the FY 2026 Appropriation Act, for eligible students who have AGI's between \$65,001-\$80,000 and who previously received a CCOG award, awards will be set at 50 percent of the maximum individual grant award for students with AGIs between \$0 and \$65,000.

For eligible students with AGIs between \$80,001 and \$100,000, and who previously received a CCOG award, awards will be set at 33 1/3 percent of the maximum individual grant award for students with AGIs between \$0 and \$65,000.

The Table of CCOG Awards shown in Attachment A calculates the maximum individual annual grant award for students at each county college in Academic Year 2025-2026 at each tier of eligibility. These amounts were determined by taking the tuition for 36 credit-hours of enrollment

at each community college in AY 2025-2026, plus \$3,000 for approved educational fees, not to exceed 3 percent more than the maximum award value for Academic Year 2024-2025.

For students enrolled in at least six credits but less than 12 credits per semester, CCOG awards are pro-rated from the full-time tuition and approved educational fees based on the number of credits for which a student enrolls. Maximum awards for part-time students are calculated as follows:

- 50 percent of the value of a full-time award for students enrolled in 6 to 8 credits per semester; and
- 75 percent of the full-time award value for students enrolled in 9 to 11 credits per semester.

It is recommended that the Board approve Resolution 11:25 Adopting Attachment A as the Maximum Community College Opportunity Grant Awards for Academic Year 2025-2026.

A motion to approve Resolution 11:25 was made by Ms. Bea Daggett and seconded by Dr. Brian Bridges.

The motion passed unanimously.

#### **RESOLUTION 12:25 ADOPTING THE SCHEDULE OF MAXIMUM GARDEN STATE GUARANTEE GRANT AWARD AMOUNTS FOR ACADEMIC YEAR 2025-2026**

Jean Hathaway presented Resolution 12:25 to the Board.

The FY 2026 Appropriations Act funds \$84.4 million for HESAA to provide Garden State Guarantee (GSG) awards to New Jersey resident undergraduate students in each student's third and/or fourth year of full-time enrollment at a New Jersey 4-year public college or university. Resolution 12:25 will establish the Maximum GSG Awards for Academic Year (AY) 2025-2026.

To be eligible for GSG, students must be enrolled full-time, must be working toward completing their first Bachelor's degree, and must be enrolled in their 3<sup>rd</sup> or 4<sup>th</sup> years of study. Students with an annual adjusted gross income (AGI) between \$0 and \$65,000 will pay a net price of \$0 for tuition and fees during academic year 2025-2026. In addition,

- students with AGIs between \$65,001 and \$80,000 who previously received at least one (1) GSG award payment and satisfy all other eligibility criteria will pay an annual net price of no more than \$7,500 annually (\$3,750 per semester) for tuition and mandatory fees; and
- students with AGIs between \$80,001 and \$100,000 who previously received at least one (1) GSG award payment and satisfy all other eligibility criteria, will pay an annual net price of no more than \$10,000 annually (\$5,000 per semester) for tuition and mandatory fees.

The FY 2026 program parameters maintain support for students with the greatest need while ensuring that students already benefitting from GSG will continue to receive a GSG award as long as they remain otherwise eligible for it.

Attachment A calculates the maximum individual annual grant award amount for students at each of the 4-year public colleges and universities in AY 2025-2026, at each tier of eligibility. These

amounts are determined using the official full-time in state tuition rates at each institution, as well as the mandatory fees charged to all or nearly all students.

It is recommended that the Board approve Resolution 12:25 Adopting Attachment A as the Maximum Garden State Guarantee Awards for Academic Year 2025-2026.

A motion to approve Resolution 12:25 was made by Ms. Bea Daggett and seconded by Dr Brian Bridges.

Chair Van Horn reiterated that the award table continues to support the students with the greatest need while ensuring that students already benefitting from GSG will continue to receive a GSG award as long as they remain otherwise eligible for it. Chair Van Horn expressed gratitude to the Governor and Legislature for their continued support of this program.

The motion passed unanimously.

### **RESOLUTION 13:25 APPOINTING AN ARBITRAGE CALCULATION CONSULTANT**

Arthur Quaranta presented Resolution 13:25 to the Board.

Good Morning and thank you Chairwoman Van Horn and Members of the board for your attention to Resolution 13:25 which regards your approval to the Appointment of an arbitrage calculation consultant

Under the federal tax code, municipal bond issuers, including the New Jersey Higher Education Student Assistance Authority (HESAA) as an issuer of qualified student loan revenue bonds, are required to produce two types of arbitrage reports on a periodic basis.

Should a liability exist, which is determined from each of the two reports, an issuer may be required to remit payment to the IRS or provide for the reduction of the liability through other means. These analyses are required at specific intervals during the life of a bond issue, including at the point a series of bonds is refunded or at final maturity.

The production of these detailed and elaborate computations requires issuers such as HESAA to utilize an arbitrage compliance specialist. Due to the complexity of the federal tax code as it relates to arbitrage calculations for the structures of the HESAA asset-backed bonds, the Authority will continue to retain the services of an arbitrage calculation consultant to ensure compliance.

HESAA's current agreement for a provider of arbitrage calculation services is set to expire this year. Therefore, on May 30, 2025, HESAA issued a Request for Proposals (RFP) for Arbitrage Compliance Computation Services, which was circulated to seven potential bidders, advertised in the State's NJ Advance Media and Gannett online newspapers, and posted on the HESAA website.

HESAA received two proposals in response to the RFP, one from HESAA's current provider, BLX Group (BLX) and one from Hawkins Delafield & Wood LLP (Hawkins).

An evaluation committee comprised of HESAA's Controller, Assistant Controller, and a representative from HESAA's Financial Advisor, Hilltop Securities, reviewed both proposals and

determined that both firms are well regarded in the student loan industry, and both have extensive experience with student loan bonds.

The differential between the proposed fees was de minimis. However, while BLX proposed slightly higher fees per report, their proposal was all inclusive. Since Hawkins' proposed fees were not all inclusive, the total fees cannot be quantified until the transaction is completed.

The professional relationship between HESAA and BLX is positive, with the latter providing accurate calculations, timely reports, and, when needed, comprehensive legal opinions.

Further and importantly, as outlined in the proposals submitted by each of BLX and Hawkins, BLX has a significantly larger presence in the complex arena of student loan arbitrage analysis and computation. On an annual basis, BLX performs significantly more student loan arbitrage calculations than Hawkins.

After reviewing both proposals, the Evaluation Committee determined that BLX is best situated to meet the needs of HESAA.

Based on the factors cited above, it is recommended that the Board approve the appointment of BLX Group as the Authority's provider of arbitrage compliance calculation services for the initial contract period of three years, with an initial expiration date of July 31, 2028, and subject to three one-year extensions at the option of the Authority.

Thank you for your review and approval to this resolution.

A motion to approve Resolution 13:25 was made by Mr. Anthony Longo and seconded by Dr. Brian Bridges.

The motion passed unanimously.

#### **RESOLUTION 14:25 APPROVAL OF HESAA's FY 2026 ADMINISTRATIVE AND CAPITAL BUDGETS**

Heidi Hunt presented Resolution 14:25 to the Board.

Thank you Chairwoman Van Horn and members of the Board for your attention to Resolution 14:25, addressing HESAA's proposed Fiscal Year (FY) 2026 Administrative and Capital Budget.

HESAA's proposed FY 2026 Administrative Budget totals \$48.1 million and will be funded through HESAA annual revenues and current cash reserves as detailed in the attachment to the memo provided.

These revenues include earnings from our administration of the NJCLASS and NJBEST programs, and certain State loan redemption and other programs as well as cash receipt collections from HESAA-owned defaulted NJCLASS loans, and interest earned on cash funds.

Looking first at revenues, as detailed in Schedule I, HESAA's projected revenues for FY 2026 total \$28.1 million, broken down as follows:



\$23.1 million from NJCLASS Program Revenues, which includes:

- 1) \$13.5 million in Origination, Servicing, and Administrative fees;
- 2) \$8.5 million in Cash Receipts on HESAA owned student Loans on the non-trust assets; and
- 3) \$1.1 million in Interest Earnings on cash used to fund HESAA's administrative expenses.

We have \$4.4 million from NJBEST Net Revenues - NJBEST revenue for FY 2026 is projected to total \$8.4 million from fees and interest earnings related to the NJBEST trust for administration of the program. This amount is reduced by \$4 million which is set aside for NJBEST scholarship obligations, resulting in net revenues of \$4.4 million.

And lastly \$0.6 million for the Administration of the Loan Redemption and Other Programs – In FY 2026 HESAA will be reimbursed for the costs of administering the State's loan redemption and other programs which were expanded over the past 4 fiscal years. The expanded programs are noted in the memo.

Shifting now to the operating expense side of the budget and shifting to anticipated expenditures, HESAA's proposed administrative expenditures for FY 2026 is \$48.1 million. This is a net increase of \$4.9 million over the FY25 budget. It will support 200 HESAA positions and all non-salary costs associated with delivering State student assistance funds and services to tens of thousands of New Jersey residents each year.

Taking a look at changes in the FY 2026 expenditures verses FY 2025 are as follows:

- \$31.3 million in Salary and Benefits, which is an increase of \$3.1 million in employee salary compensation and benefit costs due to contractually obligated cost-of-living increases and the anticipated increase in employee headcount to support the mission-critical initiatives administered by the Authority;
- \$11.7 million in Services Other than Personnel, which is an increase of \$1.4 million, attributable to software and software maintenance costs, temporary agency service contractors, legal and audit costs;
- \$1.4 million in Maintenance and Fixed Charges, which is flat to the FY 2025 costs and comprised mainly of building rent, maintenance of equipment, and records storage; and
- \$2.7 million in anticipated bond-related transaction and trustee costs, which is slightly up from FY 2025 costs.

Taking a look at HESAA's Capital Budget, as detailed in Schedule 2, the proposed Capital Budget of \$4.5 million is an increase of \$0.4 million over the FY 2025 Capital Budget.

The FY 2026 capital spending plan will be funded through current cash reserves which includes an estimated \$803,000 of unspent FY 2025 capital resources. The major expenditures for FY 2026 include:

- 1) Almost \$2.2 million for Technology Infrastructure, which includes:
  - Telephone system replacement;
  - Moving email management to a cloud-based Microsoft 365 solution;
  - Desktop replacement;
  - Upgrades to HVAC systems;
  - Primary and back-up/disaster recovery storage; and
  - Network infrastructure switch upgrades;
- 2) \$1.8 million for Software Development, which includes
  - Upgrades to enhance operational functions and user experience to the HESAA Collections, Loan Accounting and Servicing System (CLASS); and
  - Modifications and improved functionality to the New Jersey Financial Aid Management System (NJFAMS);
- 3) \$340,000 for Facility Improvements, which includes conditional monies to replace the halon system should it ever discharge, security system upgrades and building and HVAC improvements; and
- 4) \$100,000 for Transportation, for the purchase of new motor pool vehicles.

This in summary form is the proposed FY 2026 Administrative and Capital budgets for HESAA for your review and approval today.

A motion to approve Resolution 14:25 was made by Ms. Bea Daggett and seconded by Ms. Shernelle Pringle.

The motion passed unanimously.

## **EXECUTIVE DIRECTOR'S REPORT**

Thank you Chair Van Horn, and the entire Board, for your actions today, which included approving five (5) financial aid program award tables. The core of the HESAA mission is to provide financial aid resources to students pursuing a college degree in the Garden State, and your leadership today continues this precedent.

Fittingly, as our name underscores, students are at the center of everything we do at HESAA. Therefore, I am thrilled to announce the Student Advisory Committee for the upcoming academic year. Favour, the Committee Chair who we heard from earlier, begins her second year with the committee, and Ellie Dowek was sworn in as Vice-Chair at the committee orientation last month. The new cohort represents a variety of institutions, programs of study, backgrounds, interests, and musical talents. We look forward to input from this engaged and excited group. Once again, I must thank Board Member Bea Daggett for her commitment to working with the student leaders as a mentor this year.

Without further delay, I must take this opportunity to thank Jean Hathaway, Director of Grants & Scholarships, and her entire team for preparing the materials for today as well as the many, many tasks that are handled seamlessly behind the scenes to implement the funding appropriated to HESAA in the Fiscal Year 2026 Budget. With more than a \$500 million investment in the combined TAG programs we are able to hold award amounts level for the upcoming Fall and Spring semesters, while supporting students year round with Summer TAG in 2026. We must thank the Governor and the Legislature for this crucial funding that reduces financial burdens for students pursuing a world-class education at New Jersey colleges and universities.

The FY 2026 Appropriations Act includes funding for several other student aid initiatives such as the Garden State Guarantee (GSG) and Community College Opportunity Grant (CCOG) programs that provide tuition-free education at our public institutions for eligible students with adjusted gross incomes (AGI) between \$0 and \$65,000, as well as merit-based programs such as NJSTARS and GUS.

The HESAA Grants team, under Jean's leadership, responsibly administers all of these, and other grant and scholarship programs, with integrity and, as several staff have shared with me, with pride. It is an honor to be part of the complex process that makes pursuing a degree after high school affordable in our state. I commend and thank the entire Grants team.

The Customer Care Solutions team will continue to administer the student loan redemption programs that bolster key workforces by incentivizing professionals serving in fields such as healthcare, education and STEM by alleviating some of the financial burden of outstanding student loan debt. The benefits offered by several of these programs can also continue to serve as helpful recruitment tools for faculty members and prospective students at New Jersey colleges. Three (3) of our loan redemption programs, for nursing faculty, teachers, and behavioral healthcare providers, each received an additional \$325,000 in the final budget compared to the Governor's Budget Message. We thank the Legislature for this added investment, and I thank the HESAA Customer Care team for their review of thousands of applications each year as the awareness of these programs continues to grow.

To that end, we can now share updates on the FY 2025 application cycles for two programs that were open during, or opened since, our last meeting. With expanded eligibility criteria for the Nursing Faculty Loan Redemption Program, 26 participants were enrolled through the most recent application period. For some perspective, since the inception of this program in Fiscal Year 2013, HESAA disbursed payments to only 22 participants overall. Allowing participants to serve as part-time faculty, and removing the requirement that they serve as faculty within one year of obtaining an advanced nursing degree, were the eligibility changes that made the program more accessible.

In the education sector, 109 educators teaching in high-need fields have been enrolled into the New Jersey Teacher Loan Redemption program to date. Along with the Customer Care team, I must thank both the HTECH and Outreach teams for all of their contributions to enhance the user experience for these applicants.

The Board will remember that we convened for a special meeting at the end of April to discuss the 2025 bond transaction, which we successfully completed in unprecedented fashion under the leadership of HESAA CFO Jerry Traino and Controller Art Quaranta. During a period of

uncertainty at the federal level when the tax-exempt status of municipal bonds, including qualified student loan bonds, was under consideration for repeal, Art and Jerry executed a two-year bond transaction for the first time in HESAA history. This approach ensures HESAA is able to fund the NJCLASS supplemental student loan program through tax-exempt bonds for both this academic year and next year. And we pass the tax-exempt savings onto borrowers through reasonable interest rates. Developing and pursuing the two-year deal required an exceptional amount of foresight and commitment. I also must thank our partners at the Office of the Attorney General for their invaluable expertise, as well as: our Financial Advisor, Tim Webb and his team at Hilltop; Senior Manager, RBC, led by Jeff Wagner and Brian Kares; Co-Managing firm Seibert; and Bond Counsel team at Obermayer for their professionalism and patience as we navigated the remarkable amount of moving parts of this transaction. The HESAA Student Loan and Customer Contact teams are now supporting students applying for NJCLASS loans to be used in undergraduate and graduate programs of study beginning as soon as next month.

Looking ahead to financial aid and other resources like NJCLASS available for the upcoming academic year, we have to stop to recognize the Finance & Accounting team, which supports all HESAA units that serve students, borrowers, and our own HESAA team. You heard from our Budget Director, Heidi Hunt, who manages our Administrative and Capital Budgets to ensure a safe and secure HESAA operation. I commend Heidi as she simultaneously closes the Fiscal Year 2025 books while focusing on the Fiscal Year 2026 program implementation.

Similarly, the Outreach & Communications team collaborates with each HESAA unit and external stakeholders to amplify awareness of all HESAA programming. Compared to last year, this team increased outreach to high schools by 7 percent and presented to 13 percent more students and parents statewide. This included hosting annual workshops and meeting individually, as requested, with high school counselors to support the inaugural year of the graduation requirement that students complete a financial aid application or an opt-out waiver. This also included presenting hundreds of in-person and virtual financial aid workshops in every county of the state throughout the year. And, this included supporting financial aid professionals at the colleges and universities reaching financial aid recipients at their institutions ahead of the applicable renewal deadline. It should come as no surprise that the number of financial aid applications submitted for the upcoming school year already surpass the total number of financial aid applications submitted in the application cycles for FY 2024 and FY 2025, by 5 percent and 10 percent, respectively. As of July 11, 2025, New Jersey is ranked second in the nation for high school FAFSA completion. Congratulations to Jen Azzarano, Director of Outreach & Communications, and her entire team for leading these efforts and showing no signs of slowing down.

As the Outreach & Communication team continues to make enhancements to various hubs within the HESAA website and informational publications that are posted on the web and distributed at multiple events throughout the year, I want to highlight one of their many creative collaborations with the Grants and HTECH teams. Since its inception in 2017, the New Jersey Financial Aid Management System, which we all know as NJFAMS, sent electronic communications with the name displayed in the sender field as “HESAA NJFAMS.” Feedback from users, including our colleagues at the institutions, confirmed that the display name was vague and did little to encourage engagement, especially among first-time applicants unfamiliar with acronym-happy financial aid policies and procedures. So we changed the name! We surveyed users for display name suggestions, we prepared users for the new display name in their inboxes, and we deployed the new display name: “NJ Grants & Scholarship Office.” While it is still too early to quantify the

impact of this change, I can confirm that we are not seeing any less interaction with NJFAMS than in prior years. I applaud all the teams that contributed to this creative, user-friendly modification.

Turning briefly to in-house updates, the Diversity Equity & Inclusion Committee launched two inaugural celebrations this Spring. In May, the DEI Committee hosted the HESAA Asian American and Pacific Islander celebration with remarks from an aide to New Jersey Senator Andy Kim and a keynote address from Rajpal Bath, the Executive Director of the New Jersey-India Commission. In June, the Committee presented the HESAA Pride celebration during which Allison Chris Meyers, Chair of the New Jersey Civil Service Commission, and Dr. Joe Bertolino, President of Stockton University, shared powerful messages centered around the Ethic of Care, to treat others with dignity, respect, kindness, compassion and civility.

While we continue with our robust recruitment efforts since announcing our vacancies at the April meeting, we were able to announce a handful of promotions, so please join me in congratulating Pat Borden, Kieanna Childs-Alexander, and Jothi Uthaman as they step into their new roles. Additionally, a few statewide initiatives were launched in recent months, which created opportunities for HESAA employees to serve as liaisons to these critical programs, and so we would like to recognize Dennis Kim as the HESAA AI Officer and Christi Peace as the HESAA Language Access Coordinator.

Lastly, in what has become a bit of a tradition at our board meetings, we publically recognize our retirees of the last quarter:

Immacolata “Imma” Cranwell retired after 13 years working as an Investigator in our Contact Center. Imma displayed her unique customer service skills while helping HESAA customers answering questions regarding loan information, relief requests, and payment arrangements. Imma was a team builder and enjoyed collaborating with other HESAA departments to help improve the customer experience.

Joe Procopio joined HESAA in April of 2000. In his role as Program Associate within the NJCLASS Originations Unit, his chief responsibility was NJCLASS student loan underwriting. Throughout the years, Joe took on more responsibility, which included supervising employees and providing training to HESAA staff and our schools through HESAA University. His kindness, friendliness, and eagerness to help anyone made Joe a dedicated team member and always a favorite of our customers and colleagues. Joe plans to spend his retirement with his family, doing some traveling, and cheering for his beloved Eagles.

Nancy Rager retired from HESAA after 49 years of service. Nancy started working in the Special Loan Unit where she handled a variety of student loans and redemption programs. In 2010, Nancy joined the NJCLASS originations team where she completed loan changes, borrower correspondence, and many other tasks. Nancy was a team player and is missed by her colleagues. She plans to spend her retirement with her family especially her two grandchildren, along with frequent trips to the beach.

It is unnecessary, but impressive, to underscore that Nancy served the students of New Jersey for half a century. May Nancy, Joe and Imma inspire our current and future HESAA team members, Board members, and champions of student success throughout the Garden State.

Thank you again Chair Van Horn, and the entire board, for your attention and actions today.

Chair Van Horn commented that looking at the retirees we are losing 87 years of cumulative experience and wished all of the retirees much success in their retirement. Chair Van Horn also commended the HESAA staff for administering the TAG awards year round.

## **NEW BUSINESS**

Chair Van Horn presented the attached Resolution of Appreciation for departing Board member, former Student Advisory Committee Chair Ivona Szaro.

## **ADJOURNMENT**

Ms. Van Horn advised that the next regularly scheduled Board meeting is Wednesday, October 22, 2025 at 10:00 am and that the Audit Committee will be meeting on July 30, 2025 at 2:30 pm.

A motion to adjourn was made by Dr. Brian Bridges and seconded by Ms. Bea Daggett. The motion passed unanimously.

The meeting adjourned at 11:05 am.

## **RESOLUTION 07:25**

### **ELECTING THE EXECUTIVE COMMITTEE**

Moved by: Ms. Beatrice Daggett

Seconded by: Dr. Brian Bridges

**WHEREAS:** In accordance with Article V of the Bylaws of the Higher Education Student Assistance Authority, the Chairperson appointed a Nominating Committee to nominate a Chairperson and Vice Chairperson from among the public members of the Authority Board and two additional members of the Executive Committee, one from among the public members of the Board and one from among the institutional members of the Board; and

**WHEREAS:** The Bylaws include the State Treasurer or designee and the Executive Director as members of the Executive Committee; and

**WHEREAS:** The Nominating Committee recommends the election of members, as Chairperson, as Vice Chairperson, as a member of the Executive Committee representing institutional members, and as a member of the Executive Committee representing public members; and

**WHEREAS:** There are currently no institutional members serving on the HESAA Board.

#### **NOW THEREFORE, BE IT:**

**RESOLVED:** That the Higher Education Student Assistance Authority Board elects Christy Van Horn as Chairperson, Shernelle Pringle as Vice Chairperson, and Scott Salmon as the third public member of the Executive Committee for a term of one year, and recognizes the State Treasurer's Permanent designee, Robert Tighue, and Margo Chaly, Esq., Executive Director, ex-officio, as members of the Executive Committee.

July 23, 2025




**PHILIP D. MURPHY**  
Governor


**TAHESHA L. WAY**  
Lt. Governor

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**MARGO CHALY, ESQ.**  
Executive Director

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

**THROUGH:** Margo Chaly, Esq.   
Executive Director

**FROM:** Jean M. Hathaway   
Director, Grants and Scholarships

**SUBJECT:** Resolution 08:25 Adopting a Full-Time Tuition Aid Grant Award Table for Academic Year 2025-2026

**DATE:** July 23, 2025

### **Summary**

Attached for your review and approval is Resolution 08:25, adopting a Full-Time Tuition Aid Grant Award Table for Academic Year (AY) 2025-2026. In accordance with the provisions of the Tuition Aid Grant (TAG) program statute and pursuant to the Fiscal Year (FY) 2026 Appropriations Act, P.L. 2025, c. 74, this action will establish a table of Full-Time Tuition Aid Grant award values for the upcoming academic year.

On June 30, 2025 Governor Phil Murphy signed the Fiscal Year 2026 Appropriations Act, which includes a total appropriation of \$492,729,000 for two separate line-items that are presented together on the consolidated TAG table: \$491.887 million for TAG awards to full-time students and \$842,000 for Part-Time TAG for Educational Opportunity Fund (EOF) Students.

Language in the FY26 Appropriations Act includes, in relevant part, the following requirements for Full-Time TAG award levels and program participation:

- Provide TAG awards to all qualified applicants at levels set by the Higher Education Student Assistance Authority (HESAA).
- The TAG program is limited to institutions that previously participated in the program, or had applied in writing to HESAA to participate in the TAG program, prior to September 1, 2009, and had met all eligibility requirements prior to that date.



- \$6,000,000 appropriated to ensure the maximum Tuition Aid Grant award amount for applicants at Kean University qualifying for Full-Time Tuition Aid Grant awards in the 2025-2026 academic year is no less than the maximum TAG award amount for applicants at all other public research universities.
- There are appropriated such amounts as are required to cover the costs of increases in the number of applicants qualifying for Full-Time TAG awards.

## **Background**

The TAG Program is New Jersey's premier need-based assistance program for college students. Established by statute in 1978, the program covers a portion of tuition each academic year and helps keep higher education accessible and affordable for TAG-eligible, full-time undergraduates who attend public and non-public higher education institutions in New Jersey.

The purpose of the TAG Program is to reduce or eliminate the tuition component of the cost of attending college for students who demonstrate financial need. New Jersey's Governors and Legislators historically authorized significant funding for TAG. However, State appropriations over the past three decades have not been sufficient to fully fund the maximum award levels authorized in statute, which would provide awards of up to 100% of tuition at public institutions, and awards of up to 50% of the average tuition at non-public colleges and universities to students demonstrating the highest financial need.

Each year in July, after the enactment of the Appropriations Act and prior to the start of the academic year, HESAA establishes a table of TAG award values based on application volume at the time award tables are established; projected demand; and available funds. The Board's action to officially adopt award amounts no later than July is essential to notifying students of TAG award values prior to the due date of fall semester tuition bills.

The structure of the TAG award table is based on a numeric New Jersey Eligibility Index (NJEI) that represents the relative levels of financial need of students and their families, as determined through HESAA's needs analysis methodology that accounts for income, assets, and household size. The NJEI ranges on the award table are referred to as "cells." Students demonstrating the highest need are in the first cell, with an NJEI level under 1,500. Students with NJEI levels in subsequent cells are eligible for proportionately lower awards that decrease as the family's calculated financial need decreases.

## **FY 2026 Available Funds and Projected Award Volume**

The Board is tasked with approving a table of TAG award amounts based on the FY26 appropriation for TAG, including both \$491,887,000 for Full-Time TAG and the separate appropriation for \$842,000 for part-time students eligible to receive TAG awards through the Educational Opportunity Fund (EOF) Program. Please note that the Part-Time TAG for EOF Students program is presented together with the Full-Time TAG table because EOF students are typically enrolled full-time and are approved by the EOF program on an exception basis for a limited period of part-time enrollment.

## **Proposed Full-Time TAG Award Table for AY 2025-2026**

The recommended Full-Time TAG Award Table for AY 2025-2026 in Attachment A provides award amounts equal to AY 2024-2025 in all cells, and continues to provide Kean University with award values at the Research Institution level. This table deploys the funding in the FY26

Appropriations Act based on financial estimates derived from the proposed per-student award dollar values and HESAA's projections at the time award tables are established of the number of Tuition Aid Grants expected to be awarded to eligible students at participating institutions in AY 2025-2026. Of these projected grants, approximately 54% are projected to be maximum awards to students with NJEI levels in the first cell.

### **Recommendation**

It is recommended that the Board approve Resolution 08:25 Adopting Attachment A as the Full-Time Tuition Aid Grant Award Table for Academic Year 2025-2026.

Attachments

## **RESOLUTION 08:25**

### **ADOPTING A FULL-TIME TUITION AID GRANT AWARD TABLE FOR ACADEMIC YEAR 2025-26**

Moved by: Dr. Brian Bridges

Seconded by: Ms. Beatrice Daggett

**WHEREAS:** N.J.S.A. 18A:71B-21 authorizes the Higher Education Student Assistance Authority (HESAA) to establish a table of Full-Time award values for Tuition Aid Grants (TAG) based on financial need for the grant, tuition levels, projected number of eligible students, and available funding; and

**WHEREAS:** Pursuant to the Fiscal Year 2026 Appropriations Act, P.L. 2025, c. 74, HESAA is directed to adopt TAG award tables for Academic Year 2025-2026 based on the amounts to be expended on TAG in Academic Year 2025-2026, which are as follows: \$491.887 million for Full-Time TAG and \$842,000 for Part-Time TAG for EOF Students; and

**WHEREAS:** Language in the Fiscal Year 2026 Appropriations Act includes, in relevant part, the following requirements for Full-Time TAG award levels and program participation:

- TAG awards shall be provided to all qualified applicants at levels set by HESAA.
- The TAG program is limited to institutions that previously participated in the program, or had applied in writing to HESAA to participate in the TAG program prior to September 1, 2009 and met all eligibility requirements prior to that date.
- \$6,000,000 appropriated to ensure the maximum Tuition Aid Grant award amount for applicants at Kean University qualifying for Full-Time Tuition Aid Grant awards in the 2025-2026 academic year is no less than the maximum TAG award amount for applicants at all other public research universities.
- There are appropriated such sums as are required to cover the costs of increases in the number of applicants qualifying for Full-Time TAG awards.

### **NOW THEREFORE BE IT:**

**RESOLVED:** That the Higher Education Student Assistance Authority hereby adopts the attached Full-Time TAG Award Table for Academic Year 2025-2026 (Attachment A); and be it further

**RESOLVED:** That the attached Full-Time TAG Award Table for Academic Year 2025-2026 pertains to New Jersey institutions that are licensed and were approved for participation in the State grant program as of September 1, 2009; and be it further

**RESOLVED:** That the Higher Education Student Assistance Authority wishes to thank and commend Governor Murphy and the Legislature for their commitment to higher education access and affordability for all New Jersey residents.

July 23, 2025

**STATE OF NEW JERSEY  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
FULL-TIME TUITION AID GRANT (TAG) AWARD TABLE FOR 2025-26<sup>1</sup>**

<b>New Jersey Eligibility Index (NJEI)</b>	<b>County Colleges<sup>2</sup> Award Average</b>	<b>State Colleges<sup>3</sup> Award Values</b>	<b>Independent Non-Public<sup>4</sup> Award Values</b>	<b>Public Research<sup>3</sup> Award Values</b>
Under 1500	\$3,098	\$9,496	\$14,404	\$10,964
1500-2499	2,546	7,922	11,522	9,174
2500-3499	2,206	6,706	10,134	8,168
3500-4499	1,720	5,554	9,078	7,044
4500-5499	1,280	4,604	8,016	6,142
5500-6499	0	3,594	6,968	5,238
6500-7499		2,616	5,914	4,392
7500-8499		0	4,850	3,480
8500-9499			3,834	2,396
9500-10499			2,176	0
Over 10499			0	

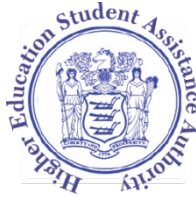
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<sup>1</sup> Approximate annual TAG award values at higher education institutions licensed and approved for participation in the TAG Program as of September 1, 2009. In accordance with State law, the value of a student's grant depends on appropriated funds, actual tuition charges, cost of attendance, and the student's financial need as calculated by the New Jersey Eligibility Index.

<sup>2</sup> For county college sector, this table displays average award values across the 18 colleges in the sector. The award values for students at a given county college may be higher or lower, based on tuition charged by the institution.

<sup>3</sup> For state college and public research sectors, this table displays standardized award values for the institutions in each sector. The award values for students at a given institution may not exceed tuition, but may be higher than these standardized values based on tuition charged by the institution.

<sup>4</sup> Proprietary institution awards limited to approved programs of study at Berkeley College, DeVry University, Eastern International College and Eastwick College.



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**MARGO CHALY, ESQ.**  
Executive Director

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

**THROUGH:** Margo Chaly, Esq.   
Executive Director

**FROM:** Jean M. Hathaway   
Director, Grants and Scholarships

**SUBJECT:** Resolution 09:25 Adopting a Part-Time Tuition Aid Grant for County College Students Award Table for Academic Year 2025-2026

**DATE:** July 23, 2025

### **Summary**

Attached for your review and approval is Resolution 09:25, Adopting a Part-Time Tuition Aid Grant for County College Students Award Table for Academic Year (AY) 2025-2026. In accordance with the provisions of the Tuition Aid Grant program statute and pursuant to the Fiscal Year (FY) 2026 Appropriations Act, P.L. 2025, c. 74, this action will establish a table of Part-Time Tuition Aid Grant award values for the upcoming academic year to be administered by the Higher Education Student Assistance Authority (HESAA).

### **Background**

On June 30, 2025, Governor Phil Murphy signed the FY 2026 Appropriations Act, which includes an appropriation of \$8,737,000 for the Part-Time TAG for County College Students program. This program was established during the 2003-2004 academic year to provide awards to county college students who demonstrate financial need and enroll for 6–11 credits per semester.

As provided in the FY 2026 Appropriations Act, part-time awards shall be prorated against full-time awards within the limits of available appropriations as follows: eligible students enrolled for 6–8 credits receive 50 percent of the value of a full-time award, while students enrolled for 9–11 credits receive 75 percent of the full-time award value.

Each year in July, after the enactment of the Appropriations Act and prior to the start of the academic year, HESAA establishes a table of Part-time TAG award values based on application volume at the time award tables are established; projected demand; and available funds. The Board's action to officially adopt award amounts no later than July is essential to notifying students of TAG award values prior to the due date of fall semester tuition bills.

### **Proposed Part-Time TAG for County College Students Award Table for AY 2025-2026**

The recommended Part-Time TAG Award Table for AY 2025-2026, as shown in Attachment A, follows the same parameters used to construct the AY 2025-2026 Full-Time TAG award table, by prorating the Full-Time TAG awards by 50 percent or 75 percent, and shows an average yearly award for each NJEI cell.

### **Recommendation**

It is recommended that the Board approve Resolution 09:25 Adopting Attachment A as the Part-Time Tuition Aid Grant (TAG) for County College Students Award Table for Academic Year 2025-2026.

Attachment

**RESOLUTION 09:25**

**ADOPTING A PART-TIME TUITION AID GRANT  
FOR COUNTY COLLEGE STUDENTS  
AWARD TABLE FOR ACADEMIC YEAR 2025-2026**

Moved by: Dr. Brian Bridges  
Seconded by: Ms. Beatrice Daggett

**WHEREAS:** The Part-Time Tuition Aid Grant (TAG) for County College Students Program was established effective in Academic Year 2003-2004 to provide awards to financially needy county college students who enroll in 6-11 credits per semester; and

**WHEREAS:** Pursuant to the Fiscal Year (FY) 2026 Appropriations Act, P.L. 2025, c. 74, HESAA is directed to establish Part-Time TAG for County College Students award amounts prorated against full-time awards at the county college sector based on the FY 2026 appropriation of \$8.737 million.

**WHEREAS:** Pursuant to the FY 2026 Appropriations Act, part-time TAG awards shall be prorated, within the limits of available appropriations, against full-time awards as follows: eligible students enrolled for 6–8 credits per semester receive 50 percent of the value of a full-time award, and students enrolled for 9–11 credits per semester receive 75 percent of the full-time award; and

**WHEREAS:** The Part-Time TAG for County Colleges Award Table shown in Attachment A was constructed following the parameters used to develop the Academic Year 2025-2026 Full-Time TAG Award Table with awards pro-rated by one-half and three-quarters; and

**NOW THEREFORE BE IT:**

**RESOLVED:** That the Higher Education Student Assistance Authority hereby adopts the attached Part-Time Tuition Aid Grant for County College Students Award Table for Academic Year 2025-2026 (Attachment A); and be it further

**RESOLVED:** That the attached Part-Time TAG for County College Students Award Table for AY 2025-2026 pertains to New Jersey County Colleges established pursuant to N.J.S.A. 18A:64A-1 et. seq. (and their programs of study) that are licensed and approved for participation in the State grant program as of September 1, 2009; and be it further



**RESOLVED:**

That the Higher Education Student Assistance Authority wishes to thank and commend Governor Murphy and the Legislature for their commitment to higher education access and affordability for all New Jersey residents.

July 23, 2025

**STATE OF NEW JERSEY  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
PART-TIME TUITION AID GRANT (TAG) FOR COUNTY COLLEGES AWARD TABLE FOR  
2025-26\***

NJEI	1/2 Time Semester Award (6-8 credits)	3/4 Time Semester Award (9-11 credits)
0-1499	\$774	\$1,161
1500-2499	636	954
2500-3499	551	827
3500-4499	430	645
4500-5499	320	480

\*Awards pro-rated against 2025-26 full-time TAG county college sector awards.

NOTE: If the TAG award reflected above exceeds the student's actual tuition charges, the institution must reduce the TAG award to reflect actual tuition charges.




**PHILIP D. MURPHY**  
Governor


**TAHESHA L. WAY**  
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**MARGO CHALY, ESQ.**  
Executive Director

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

**THROUGH:** Margo Chaly   
Executive Director

**FROM:** Jean M. Hathaway   
Director, Grants and Scholarships

**SUBJECT:** Resolution 10:25 Adopting a Summer Tuition Aid Grant Award Table for Summer 2026

**DATE:** July 23, 2025

Attached for your review and approval is Resolution 10:25, Adopting a Summer Tuition Aid Grant Award Table for Summer 2026. In accordance with the provisions of the Tuition Aid Grant (TAG) program statute and pursuant to the Fiscal Year (FY) 2026 Appropriations Act, P.L. 2025, c. 74, this action will establish a table of Summer TAG award values for Summer 2026.

### **Background**

On June 30, 2025 Governor Phil Murphy signed the FY 2026 Appropriations Act, which includes an appropriation of \$21 million to provide Summer TAG awards to students who enroll in summer 2026 terms, and satisfy all eligibility requirements. This program was established pursuant to P.L. 2023, c. 34, effective for Summer 2023.

To receive a Summer TAG award during the Summer 2026 term, students must enroll at least half-time at the same institution of higher education in which the student was enrolled and received a TAG award during the fall 2025 an/or spring 2026.

### **Proposed Summer TAG Award Table for Summer 2026**

Pursuant to the FY 2026 Appropriations Act, HESAA is directed to establish Summer TAG award amounts within the FY 2026 appropriation of \$21 million, prorated against the maximum Academic Year 2025-2026 Full-Time TAG awards for which eligible applicants qualify pursuant

to N.J.S.A. 18A:71B-20a. Therefore, based on current availability of funds, the Summer TAG Award Table shown in Attachment A follows the same parameters used to construct the Academic Year 2025-2026 Full-Time TAG award table, capping the Summer TAG awards at 50 percent of the maximum award in each cell. For part-time enrollment, the awards on the tables will be further pro-rated by 50 percent for students enrolled in 6-8 credits and 75 percent for students enrolled for 9-11 credits.

### **Recommendation**

It is recommended that the Board approve Resolution 10:25 Adopting Attachment A as the Summer Tuition Aid Grant Award Table for Summer 2026.

Attachments

## **RESOLUTION 10:25**

### **ADOPTING A SUMMER TUITION AID GRANT AWARD TABLE FOR SUMMER 2026**

Moved by: Dr. Brian Bridges  
Seconded by: Ms. Beatrice Daggett

**WHEREAS:** The Summer Tuition Aid Grant (TAG) was established pursuant to P.L. 2023, c. 34, effective for Summer 2023; and

**WHEREAS:** Pursuant to the Fiscal Year (FY) 2026 Appropriations Act, P.L. 2025, c. 74, HESAA is directed to establish Summer TAG award amounts within the FY 2026 appropriation of \$21 million, prorated against the maximum Academic Year 2025-2025 Full-Time TAG awards for which eligible applicants qualify pursuant to N.J.S.A. 18A:71B-20a; and

**WHEREAS:** Pursuant to the FY 2026 Appropriations Act, and based on current availability of funds, the Summer TAG Award Table shown in Attachment A follows the same parameters used to construct the Academic Year 2025-2026 Full-Time TAG award table, capping the Summer TAG awards at 50 percent of the maximum award in each cell; and

**WHEREAS:** For part-time enrollment, the awards on the tables will be further pro-rated by 50 percent for students enrolled in 6-8 credits and 75 percent for students enrolled for 9-11 credits.

#### **NOW THEREFORE BE IT:**

**RESOLVED:** That the Higher Education Student Assistance Authority hereby adopts the attached Summer Tuition Aid Grant Award Table for Summer 2026 (Attachment A); and be it further

**RESOLVED:** That the Higher Education Student Assistance Authority wishes to thank and commend Governor Murphy and the Legislature for their commitment to higher education access and affordability for all New Jersey residents.

July 23, 2025

**STATE OF NEW JERSEY**  
**HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY**  
**SUMMER TUITION AID GRANT (TAG) AWARD TABLE FOR**  
**SUMMER 2026, WHICH FOLLOWS ACADEMIC YEAR 2025-2026<sup>1</sup>**

<b>New Jersey Eligibility Index (NJEI)</b>	<b>County Colleges<sup>2</sup> Award Average</b>	<b>State Colleges<sup>3</sup> Award Values</b>	<b>Independent Non-Public<sup>4</sup> Award Values</b>	<b>Public Research<sup>3</sup> Award Values</b>
Under 1500	\$774	\$2,374	\$3,600	\$2,740
1500-2499	\$636	\$1,980	\$2,880	\$2,292
2500-3499	\$550	\$1,676	\$2,532	\$2,042
3500-4499	\$430	\$1,388	\$2,268	\$1,760
4500-5499	\$320	\$1,150	\$2,004	\$1,534
5500-6499	\$0	\$898	\$1,478	\$1,308
6500-7499		\$654	\$2,216	\$1,098
7500-8499		\$0	\$1,212	\$870
8500-9499			\$958	\$598
9500-10499			\$544	\$0
Over 10499			\$0	

<sup>1</sup> Approximate Summer TAG award values at higher education institutions licensed and approved for participation in the TAG Program as of September 1, 2009. In accordance with State law, the value of a student's grant depends on appropriated funds, actual tuition charges, cost of attendance, and the student's financial need as calculated by the New Jersey Eligibility Index.

<sup>2</sup> For county college sector, this table displays average award values across the 18 colleges in the sector. The award values for students at a given county college may be higher or lower, based on tuition charged by the institution.

<sup>3</sup> For state college and public research sectors, this table displays standardized award values for the institutions in each sector. The award values for students at a given institution may not exceed tuition, but may be higher than these standardized values based on tuition charged by the institution.

<sup>4</sup> Proprietary institution awards limited to approved programs of study at Berkeley College, DeVry University, Eastern International College and Eastwick College.



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Governor


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**MARGO CHALY, ESQ.**  
Executive Director

## MEMORANDUM

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

**THROUGH:** Margo Chaly, Esq.   
Executive Director

**FROM:** Jean M. Hathaway   
Director, Grants and Scholarships

**SUBJECT:** Resolution 11:25 Adopting Maximum Community College Opportunity Grant Awards for Academic Year 2025-2026

**DATE:** July 23, 2025

Attached for your review and approval is Resolution 11:25 Adopting Maximum Community College Opportunity Grant Awards for Academic Year 2025-2026. In accordance with the provisions of the Community College Opportunity Grant (CCOG) program statute and subject to the limits of the Fiscal Year (FY) 2026 Appropriations Act, this action will establish the maximum individual CCOG award amount for eligible students at each county college for the upcoming academic year.

On June 30, 2025 Governor Murphy signed the FY 2026 Appropriations Act, which includes an appropriation of \$32,540,000 for CCOG.

### **Background**

The CCOG Program Act requires HESAA annually to establish maximum individual grant amounts to be awarded under the program at each county college. The goal of CCOG is to remove financial barriers to students' enrollment at one of New Jersey's 18 community colleges. CCOG awards are designed as "last-dollar" grants that cover the costs of tuition and approved educational fees that are not already covered by any other federal, State, and institutional need-based grants or merit scholarships. Under the law, HESAA administers CCOG financial aid awards for eligible county college students whose adjusted gross incomes (AGIs) are between \$0 and \$65,000. In

addition, the law further provides that the authority “may annually establish maximum annual adjusted gross income eligibility limits” that exceed \$65,000, subject to available funding. In FY 2023, the program expanded to students whose AGIs are between \$65,001-\$80,000, known as “eligibility Tier 2,” which provides students with CCOG awards set at 50 percent of the maximum individual grant award for students with AGIs between \$0 and \$65,000. In FY 2024, the program expanded to students whose AGIs are between \$80,001 and \$100,000, known as “eligibility Tier 3,” which provides students with CCOG awards set at 33 1/3 percent of the maximum individual grant award for students with AGIs between \$0 and \$65,000.

For FY 2026, CCOG will continue to fund awards for all eligible students whose AGI’s are between \$0 and \$65,000. For students with AGIs between \$65,001-\$80,000 who previously received at least one (1) CCOG award payment and satisfy all other eligibility criteria, awards will be provided at 50 percent of the maximum individual grant award for students with AGIs between \$0 and \$65,000. For students with AGIs between \$80,001 and \$100,000 who previously received at least one (1) CCOG award payment and satisfy all other eligibility criteria, awards will be provided at 33 1/3 percent of the maximum individual grant award for students with AGIs between \$0 and \$65,000.

These program parameters maintain support for students with the greatest need while ensuring that students already benefitting from CCOG will continue to receive a CCOG award as long as they remain otherwise eligible for it.

### **Award Amounts**

The recommended Table of Maximum CCOG Awards, as shown in Attachment A, calculates the maximum individual annual grant award for full-time students at each county college during Academic Year (AY) 2025-2026. These amounts, which statutorily may not exceed three percent (3%) more than maximum award values of the prior academic year, are determined by adding the tuition for 36 credit-hours of enrollment at each college in AY 2025-2026 with \$3,000 for approved educational fees.

For students enrolled for at least six credits but less than 12 credits per semester in an associate’s degree, certificate, or three plus one degree program, CCOG awards are pro-rated from the full-time tuition and approved educational fees based on the number of credits for which a student enrolls. Maximum awards for part-time students will be calculated as follows:

- eligible students enrolled in 6 to 8 credits per semester will receive a CCOG award up to 50 percent of the value of a full-time award in each Tier as applicable
- eligible students enrolled in 9 to 11 credits per semester will receive a CCOG award up to 75 percent of the value of a full-time award in each Tier as applicable

### **Recommendation**

It is recommended that the Board approve Resolution 11:25 Adopting Attachment A as the Maximum Community College Opportunity Grant Awards for Academic Year 2025-2026.

Attachment



## **RESOLUTION 11:25**

### **ADOPTING MAXIMUM COMMUNITY COLLEGE OPPORTUNITY GRANT AWARDS FOR ACADEMIC YEAR 2025-2026**

Moved by: Ms. Beatrice Daggett

Seconded by: Dr. Brian Bridges

**WHEREAS:** Public Law 2021, chapter 26 (the “Community College Opportunity Grant Act”) requires the Higher Education Student Assistance Authority (HESAA) to annually establish maximum individual grant amounts to be awarded under the Community College Opportunity Grant (“CCOG”) program for each county college; and

**WHEREAS:** The Fiscal Year 2026 Appropriation Act, P.L. 2025, c. 74, includes an appropriation of \$32.540 million for CCOG; and

**WHEREAS:** The Table of Maximum CCOG Awards, as shown in Attachment A, calculates the maximum individual annual grant award for full-time students at each county college during Academic Year (AY) 2025-2026. These amounts are determined by:

- Calculating the tuition for 36 credit-hours of enrollment at each college in AY 2025-2026, not to exceed three percent above AY 2024-2025 maximum award value and adding
- \$3,000 towards approved educational fees; and

**WHEREAS:** For eligible county college students with an adjusted gross income (AGI) between \$65,001-\$80,000 who previously received at least one (1) CCOG award payment and satisfy all other eligibility criteria the maximum award value is 50 percent of the maximum individual CCOG award value for students with an AGI between \$0 and \$65,000, and for eligible county college students with an AGI between \$80,001 and \$100,000 who previously received at least one (1) CCOG award and satisfy all other eligibility criteria, the maximum award value is 33 1/3 percent of the maximum individual CCOG award value for students with an AGI between \$0 and \$65,000; and

**WHEREAS:** Pursuant to P.L. 2021, c. 26, for students enrolled for at least six credits but less than 12 credits per semester in an associate’s degree, certificate, or three plus one degree program, CCOG awards shall be pro-rated from the full-time tuition and approved educational fees based on the number of credits for which that student is enrolled, calculated as follows:

- eligible students enrolled in 6 to 8 credits per semester will receive a CCOG award up to 50 percent of the value of a full-time award in each Tier as applicable; and
- eligible students enrolled in 9 to 11 credits per semester will receive a CCOG award up to 75 percent of the value of a full-time award in each Tier as applicable; and

**WHEREAS:** Current projections indicate that the FY26 appropriation will be sufficient to fund the Table of Maximum CCOG Awards shown in Attachment A.

**NOW THEREFORE BE IT:**

**RESOLVED:** That the Higher Education Student Assistance Authority hereby adopts the attached Table of Maximum CCOG Awards (Attachment A); and be it further

**RESOLVED:** That the Higher Education Student Assistance Authority wishes to thank and commend Governor Murphy and the Legislature for their commitment to higher education access and affordability for all New Jersey residents.

July 23, 2025

## COMMUNITY COLLEGE OPPORTUNITY GRANT 2025-2026 MAXIMUM ANNUAL AWARDS

Institution Name	Tier 1 Max Annual Award Value	Tier 2 Max Annual Award Value	Tier 3 Max Annual Award Value
	Students with AGIs from \$0- \$65,000	Students with AGIs from \$65,001- \$80,000 who previously received a CCOG award	Students with AGIs from \$80,001- \$100,000 who previously received a CCOG award
ATLANTIC CAPE COMMUNITY COLLEGE	\$9,024	\$4,512	\$3,008
BERGEN COMMUNITY COLLEGE	\$8,832	\$4,416	\$2,944
BROOKDALE COMMUNITY COLLEGE	\$9,217	\$4,608	\$3,072
CAMDEN COUNTY COLLEGE	\$7,574	\$3,787	\$2,524
COUNTY COLLEGE OF MORRIS	\$9,171	\$4,585	\$3,057
ESSEX COUNTY COLLEGE	\$8,027	\$4,013	\$2,675
HUDSON COUNTY COMMUNITY COLLEGE	\$9,059	\$4,529	\$3,019
MERCER COUNTY COMMUNITY COLLEGE	\$9,045	\$4,522	\$3,015
MIDDLESEX COLLEGE	\$7,536	\$3,768	\$2,512
OCEAN COUNTY COLLEGE	\$10,056	\$5,028	\$3,352
PASSAIC COUNTY COMMUNITY COLLEGE	\$10,061	\$5,030	\$3,353
RARITAN VALLEY COMMUNITY COLLEGE	\$9,912	\$4,956	\$3,304
ROWAN COLLEGE AT BURLINGTON COUNTY	\$8,707	\$4,353	\$2,902
ROWAN COLLEGE SOUTH JERSEY	\$7,762	\$3,881	\$2,587
SALEM COMMUNITY COLLEGE	\$10,884	\$5,442	\$3,628
SUSSEX COUNTY COMMUNITY COLLEGE	\$8,256	\$4,128	\$2,752
UNION COLLEGE OF UNION COUNTY, NJ	\$9,291	\$4,645	\$3,097
WARREN COUNTY COMMUNITY COLLEGE	\$9,356	\$4,678	\$3,118



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**TAHESHA L. WAY**  
Lt. Governor

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**MARGO CHALY, ESQ.**  
Executive Director

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

**THROUGH:** Margo Chaly, Esq.   
Executive Director

**FROM:** Jean M. Hathaway   
Director, Grants and Scholarships

**SUBJECT:** Resolution 12:25 Adopting Maximum Garden State Guarantee Awards for Academic Year 2025-2026

**DATE:** July 23, 2025

Attached for your review and approval is Resolution 12:25 Maximum Garden State Guarantee Awards for Academic Year 2025-2026. In accordance with the provisions of the Garden State Guarantee (GSG) program description within the Fiscal Year (FY) 2026 Appropriations Act, this action will establish the maximum individual GSG award amount for eligible students at each 4-year public institution.

On June 30, 2025 Governor Murphy signed the FY 2026 Appropriations Act, which includes an appropriation of \$84,412,000 for GSG.

### **Background**

GSG covers the cost of tuition and mandatory fees that are not already covered by federal, state, and institutional need-based grants or merit scholarships for students in their third and/or fourth year of study at an in-state, public, four-year institution. Students must be enrolled full time (at least 12 credits per semester) and must be working toward completing their first Bachelor's degree.

Pursuant to the Appropriations Act, students with an annual adjusted gross income (AGI) between \$0 and \$65,000 will pay a net price of \$0 for tuition and fees and during academic year 2025-2026:

- students with AGIs between \$65,001 and \$80,000 who previously received at least one (1) GSG award payment and satisfy all other eligibility criteria will pay a net price of no more than \$7,500 (\$3,750 per semester) for tuition and mandatory fees; and
- students with AGIs between \$80,001 and \$100,000 who have previously received at least one (1) GSG award payment and satisfy all other eligibility criteria, will pay a net price of no more than \$10,000 (\$5,000 per semester) for tuition and mandatory fees.

The FY 2026 program parameters maintain support for students with the greatest need while ensuring that students already benefitting from GSG will continue to receive a GSG award as long as they remain otherwise eligible for it.

### **Award Amounts**

The recommended Table of Maximum GSG Awards, as shown in Attachment A, calculates the maximum individual annual grant award for students enrolled full-time at each New Jersey 4-year public college or university during Academic Year (AY) 2025-2026. These amounts are determined by adding the tuition for full time (at least 12 credits) enrollment and the cost of mandatory fees charged to all students as defined by IPEDS survey of Institutional Characteristics. For students with AGIs between \$0 and \$65,000 the maximum award value is 100% tuition and fees. For students with AGIs between \$65,001 and \$80,000, the maximum award value is tuition and fees minus \$7,500 net price, and for students with AGIs between \$80,001 and \$100,000, the maximum award value is tuition and fees minus \$10,000 net price.

### **Recommendation**

It is recommended that the Board approve Resolution 12:25 Adopting Attachment A as the Maximum Garden State Guarantee Grant Awards for Academic Year 2025-2026.

Attachment

## **RESOLUTION 12:25**

### **ADOPTING MAXIMUM GARDEN STATE GUARANTEE AWARDS FOR ACADEMIC YEAR 2025-2026**

Moved by: M. Beatrice Daggett

Seconded by: Dr. Brian Bridges

**WHEREAS:** The Fiscal Year (FY) 2026 Appropriations Act, P.L. 2025, c.74, appropriates \$84.412 million for the Higher Education Student Assistance Authority (HESAA) to provide Garden State Guarantee (GSG) awards to New Jersey resident undergraduate students in their third and/or fourth year of study at an in-state, public, four-year institution; and

**WHEREAS:** The Table of Maximum GSG Awards, as shown in Attachment A, calculates the maximum individual annual grant award for students enrolled full-time at each New Jersey 4-year public college or university during Academic Year (AY) 2025-2026; and

**WHEREAS:** These amounts are determined by adding the tuition for full time (at least 12 credits) enrollment and the cost of mandatory fees charged to all students as defined by IPEDS survey of Institutional Characteristics; and

**WHEREAS:** For students with an adjusted gross income (AGI) between \$0 and \$65,000 the maximum award value is 100% of tuition and fees; and

**WHEREAS:** For students with an AGI between \$65,001 and \$80,000 who previously received at least one (1) GSG award payment satisfy all other eligibility criteria, the maximum annual award value is tuition and fees minus the \$7,500 net price eligible students are required to pay, and for students with an AGI between \$80,001 and \$100,000 who previously received at least one (1) GSG award payment satisfy all other eligibility criteria, the maximum award value is tuition and fees minus the \$10,000 net price eligible students are required to pay; and

**WHEREAS:** Current projections indicate that the FY 26 appropriation will be sufficient to fund the Table of Maximum GSG Awards shown in Attachment A.

#### **NOW THEREFORE BE IT:**

**RESOLVED:** That the Higher Education Student Assistance Authority hereby adopts the attached Table of Maximum GSG Awards (Attachment A); and be it further

**RESOLVED:** That the Higher Education Student Assistance Authority wishes to thank and commend Governor Murphy and the Legislature for their commitment to higher education access and affordability for all New Jersey residents.

July 23, 2025

## Garden State Guarantee 2025-2026 Maximum Annual Awards

Institution Name	Annual Tuition Dependent Resident	Institutional Fees Dependent Resident	Tier 1 Max Annual Award Value	Tier 2 Max Annual Award Value	Tier 3 Max Annual Award Value
			Students with AGIs from \$0- 65,000: guaranteed a net price of \$0 for Tuition and Required Fees	Students with AGIs from \$65,001-\$80,000 who previously received a GSG award: guaranteed a net price of no more than \$7,500 for Tuition and Required Fees	Students with AGIs from \$80,001- \$100,000 who previously received a GSG award: guaranteed a net price of no more than \$10,000 for Tuition and Required Fees
*NEW JERSEY CITY UNIVERSITY	\$14,267	\$192	\$14,459	\$6,959	\$4,459
STOCKTON UNIVERSITY	\$14,016	\$2,738	\$16,754	\$9,254	\$6,754
RAMAPO COLLEGE OF NEW JERSEY	\$17,615	\$0	\$17,615	\$10,115	\$7,615
THE COLLEGE OF NEW JERSEY	\$15,906	\$4,492	\$20,398	\$12,898	\$10,398
THOMAS EDISON STATE UNIVERSITY	\$7,044	\$0	\$7,044	\$0	\$0
WILLIAM PATERSON UNIVERSITY	\$16,192	\$556	\$16,748	\$9,248	\$6,748
RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY	\$14,933	\$3,891	\$18,824	\$11,324	\$8,824
KEAN UNIVERSITY	\$12,688	\$2,610	\$15,298	\$7,798	\$5,298
*NEW JERSEY INSTITUTE OF TECHNOLOGY	\$16,334	\$3,640	\$19,974	\$12,474	\$9,974
MONTCLAIR STATE UNIVERSITY	\$15,678	\$1,176	\$16,854	\$9,354	\$6,854
ROWAN UNIVERSITY	\$12,344	\$5,084	\$17,428	\$9,928	\$7,428

\*Tuition and fees for this school are estimated and subject to change; at the time of publication, school has not set 2025-2026 tuition and fees

7/17/2025




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**MARGO CHALY, ESQ.**  
Executive Director

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

**THROUGH:** Margo Chaly, Esq.   
Executive Director

**FROM:** Arthur Quaranta   
Controller

**SUBJECT:** Resolution 13:25 Approving the Appointment of Arbitrage Calculation Consultant

**DATE:** July 23, 2025

### **Background**

Under the federal tax code, municipal bond issuers, including the New Jersey Higher Education Student Assistance Authority (HESAA) as an issuer of qualified student loan revenue bonds, are required to produce two types of arbitrage reports on a periodic basis. Should a liability exist, an issuer may be required to remit payment to the IRS or provide for the reduction of the liability through other means. These analyses are required at specific intervals during the life of a bond issue, including at the point a series of bonds is refunded or at final maturity. For the production of these detailed and elaborate computations, issuers such as HESAA utilize an arbitrage compliance specialist. Therefore, due to the complexity of the federal tax code as it relates to arbitrage calculations for the structures of the HESAA asset-backed bonds, the Authority will continue to retain the services of an arbitrage calculation consultant to ensure compliance. The responsibilities of the consultant include, but are not limited to:

- Calculate applicable bond yield and student loan-yield for each of the Authority's respective bond issues;
- Calculate each bond issue's excess yield, if any, on student loans;
- Calculate each bond issue's excess earnings, if any, on non-purpose investments, taking into account any available temporary periods, spending exceptions and exceptions for funds on deposit in a qualified reserve fund;



- Prepare clear and concise reports for each issue;
- Deliver appropriate documentation required to support calculations;
- Provide an executive summary identifying the methodology employed, major assumptions, conclusions, and any recommendations for changes in the Authority's record keeping;
- Assist the Authority as necessary in the event of an IRS inquiry;
- Provide assistance and consultation as necessary to retain records and documentation at least six years after the issue's final maturity;
- Provide a professional opinion or certificate on the mathematical accuracy of all calculations performed;
- Provide a legal opinion that the arbitrage calculations are done in a manner that is consistent with the Arbitrage Requirements or an explanation as to why such is not necessary;
- Perform the required yield reduction or yield adjustment calculations and provide documentation to support such calculations;
- Prepare the necessary forms, if any, which need to be filed by the Authority with the Internal Revenue Service in connection with making yield reduction or arbitrage payments; and
- Consult with Authority staff and provide such other advice and assistance as the Authority may deem necessary to ensure full compliance with the arbitrage restrictions imposed by the Arbitrage Requirements.

HESAA's current agreement for a provider of arbitrage calculation services is set to expire this year. Therefore, on May 30, 2025, HESAA issued a Request for Proposals (RFP) for Arbitrage Compliance Computation Services, which was circulated to seven potential bidders, advertised in the State's NJ Advance Media and Gannett online newspapers, and posted on the HESAA website.

HESAA received two proposals in response to the RFP, one from HESAA's current provider, BLX Group (BLX) and one from Hawkins Delafield & Wood LLP (Hawkins).

An evaluation committee comprised of HESAA's Controller, Assistant Controller, and a representative from HESAA's Financial Advisor, Hilltop Securities, reviewed both proposals and determined that both firms are well regarded in the student loan industry, and both have extensive experience with student loan bonds.

The differential between the proposed fees was de minimis. However, while BLX proposed slightly higher fees per report, their proposal was all inclusive. Since Hawkins' proposed fees were not all inclusive, the total fees cannot be quantified until the transaction is completed.

The professional relationship between HESAA and BLX is positive, with the latter providing accurate calculations, timely reports, and, when needed, invaluable legal opinions. Similarly, Hawkins received strong references from another state lender with similar loan volume to HESAA. Further and importantly, as outlined in the proposals submitted by each of BLX and Hawkins, BLX has a significantly larger presence in the

complex arena of student loan arbitrage analysis and computation. On an annual basis, BLX performs significantly more student loan arbitrage calculations than Hawkins.

After reviewing two strong proposals, the Evaluation Committee determined that BLX is situated to best meet the needs of HESAA.

### **Recommendation**

Based on the factors cited above, it is recommended that the Board approve the appointment of BLX Group as the Authority's provider of arbitrage compliance calculation services for the initial contract period of three years, with an initial expiration date of July 31, 2028, and subject to three one-year extensions at the option of the Authority.

Attachments

## **RESOLUTION 13:25**

### **APPROVING THE APPOINTMENT OF ARBITRAGE CALCULATION CONSULTANT**

Moved By: Mr. Anthony Longo

Seconded By: Dr. Brian Bridges

**WHEREAS:** Under the federal tax code (“the code”), issuers of tax exempt municipal bonds, which include the qualified student loan revenue bonds issued by the Higher Education Student Assistance Authority (HESAA), are required to produce certain arbitrage reports on a periodic basis, and may need to remit to the IRS any liability determined as a result of the calculations and/or provide for the reduction of the liability through other means; and

**WHEREAS:** Due to the complexity of the code as it relates to arbitrage calculations for tax-exempt student loan bonds such as those issued by HESAA, the services of a specialist in this area of tax accounting are required to ensure compliance; and

**WHEREAS:** The term of HESAA’s current contract with a provider of arbitrage calculation services is set to expire; and

**WHEREAS:** On May 30, 2025, HESAA issued a request for proposals (RFP) seeking a firm to provide arbitrage calculation consulting services, which was circulated to seven potential bidders, posted on the HESAA website, and advertised in the State’s NJ Advance Media and Gannett online newspapers; and

**WHEREAS:** Two firms provided proposals in response to the RFP; and

**WHEREAS:** An evaluation committee comprising the Authority’s Controller, Assistant Controller, and a representative from HESAA’s Financial Advisor, Hilltop Securities, reviewed both proposals; and

**WHEREAS:** BLX Group received the highest score as a result of such evaluation.

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

**RESOLVED:** That the Higher Education Student Assistance Authority appoints BLX Group, as the provider of arbitrage calculation consulting services for a period of three years, with an initial expiration date of July 31, 2028, and subject to three additional one-year extensions at the option of the Higher Education Student Assistance Authority.

July 23, 2025

<b>EVALUATION SCORE SHEET</b>	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY Arbitrage Compliance Services	
BIDDER BLX Group LLC	DATE	7/10/2025
<p>BLX is well regarded and has extensive experience in the field. BLX has always been very responsive to HESAA, provided swift service, accurate calcluations, timely reports, and legal opinions when needed.</p>		

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	TOTAL
Personnel: The qualifications and experience of the Bidder's management, supervisory, and key personnel assigned to the Contract, including the candidates recommended for each of the positions/roles required	10	8	10	28
Experience of firm: The Bidder's documented experience in successfully completing Contract of a similar size and scope in relation to the work required by this Bid Solicitation	10	7	10	27
Ability of firm to complete the Scope of Work based on its Technical Quote: The Bidder's demonstration in the Quote that the Bidder understands the requirements of the Scope of Work and presents an approach that would permit successful performance of the technical requirements of the Contract	10	8	10	28
Total	30	23	30	83

<b>EVALUATION SCORE SHEET</b>	<b>HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY</b> Arbitrage Compliance Services	
BIDDER Hawkins Delafield & Wood LLP	DATE _____ 7/10/2025	
<p>Hawkins is well regarded and has extensive experience in student loans with strong references from a State lender with similar loan volume to HESAA. There was some concern as to whether HESAA would get lost in such a big firm.</p>		

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	TOTAL
Personnel: The qualifications and experience of the Bidder's management, supervisory, and key personnel assigned to the Contract, including the candidates recommended for each of the positions/roles required	10	7	9	26
Experience of firm: The Bidder's documented experience in successfully completing Contract of a similar size and scope in relation to the work required by this Bid Solicitation	9	7	9	25
Ability of firm to complete the Scope of Work based on its Technical Quote: The Bidder's demonstration in the Quote that the Bidder understands the requirements of the Scope of Work and presents an approach that would permit successful performance of the technical requirements of the Contract	10	8	9	27
Total	29	22	27	78

Summary

Bidder	Score	Rank
BLX	83	1
Hawkins	78	2



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**MARGO CHALY, ESQ.**  
Executive Director

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

**THROUGH:** Board Budget Committee

**FROM:** Heidi Hunt *HH*  
Director of Budgeting and Financial Analysis

**SUBJECT:** Resolution 14:25 Approval of HESAA FY 2026 Administrative and Capital Budgets

**DATE:** July 23, 2025

To ensure the Board's continued oversight of the programmatic and administrative activities of the Authority, on July 9, 2025 staff presented the Fiscal Year (FY) 2026 administrative and capital budgets to the Board Budget Committee for its review and approval. The Budget Committee approved the budgets and recommends that the full Board approve these budgets through the attached resolution.

### **Revenue Budgets**

In FY 2026, HESAA revenues and current cash reserves will fully provide the resources required to pay for the expenditure and capital budgets outlined below. These revenues include, but are not limited to: earnings from the administration of the NJCLASS and NJBEST programs; allocated administrative fees appropriated through certain State loan redemption and other programs; and funding from unallocated cash reserves.

Projected administrative revenues for FY 2026 total \$28.1 million, broken down as follows:

### ***\$23.1 million from NJCLASS Program Revenues***

It is anticipated that HESAA will receive \$23.1 million for the origination and servicing of NJCLASS loans in FY 2026, a net increase of \$1.0 million from the FY 2025 budget.

Under the NJCLASS loan program HESAA retains a 1% origination fee from Consolidation loans. HESAA also earns servicing and administrative fees from the bond trusts, which are paid from the spread between the cost of capital and the loan rate. Included in NJCLASS program revenues for FY 2026 are:

- \$13.5 million in origination, servicing, and administrative fees
- \$8.5 million in cash receipts on NJCLASS loans no longer an asset of any outstanding bond trust
- \$1.1 million in interest earnings on cash used to fund HESAA administrative expenses

#### ***\$4.4 million from NJBEST Net Revenues***

NJBEST revenue for FY 2026 is projected to total \$8.4 million from fees and interest earnings related to the NJBEST trust for administration of the program. HESAA will set aside \$4 million for NJBEST scholarship obligations, resulting in net revenues of \$4.4 million.

#### ***\$0.6 million for the Administration of Loan Redemption and Other Programs***

In FY 2026, HESAA will be reimbursed for the costs of administering several loan redemption and other programs that were expanded over the past four fiscal years, including the State-funded Behavioral Healthcare Providers Loan Redemption Program; the State-funded Student Teacher Scholarships; the Governor's Industry Vocations Scholarship Program funded by the Schools Development Authority; and the State-funded Air Traffic Controller Loan Redemption Program, if enacted into law.

### **Operating Expenditure and Capital Budgets**

#### ***Operating Expenditures***

HESAA's administrative expenditure budget for FY 2026 totals \$48.1 million, which is a net increase of \$4.9 million over the FY 2025 budget as detailed in attached Schedule I. This proposed budget funds 200 HESAA positions and all non-salary costs associated with delivering State student assistance funds and services to tens of thousands of New Jersey residents each year.

The Authority utilizes its resources across all programs to create flexibility to meet program peak demands. A review of operating expenditures for FY 2026 compared with FY 2025 shows:

- \$31.3 million in Salary and Benefits, which is an increase of \$3.1 million in employee salary compensation and benefit costs due to contractually obligated cost-of-living increases and the anticipated increase in employee headcount to support the mission-critical initiatives administered by the Authority
- \$11.7 million in Services Other than Personnel, which is an increase of \$1.4 million, attributable to software & software maintenance costs, temporary agency service contractors, legal and audit costs
- \$1.4 million in Maintenance and Fixed Charges, which is flat to FY 2025 and comprised mainly of building rent, maintenance of equipment and records storage
- \$2.7 million in anticipated bond-related transaction and trustee costs, which reflects a slight increase compared to FY 2025

Over the past few budget cycles HESAA took proactive measures to prepare for the anticipated loss of experienced staff through retirement and to realign certain units through targeted new hires across Authority staff. In FY 2026 HESAA will continue to fill positions necessary to continue to meet statutorily mandated program administration duties, launch several newly enacted initiatives, and further reduce the Authority's reliance on temporary agency services.

#### ***Capital Budget***

The Authority maintains a capital fund that is utilized for investments towards the improvement of HESAA's technological infrastructure, software development, facility improvements, systems security compliance and transportation purchases.

As the Board consistently recognizes, the increasing volume of data and business conducted through the internet makes it mission critical for HESAA to annually maintain and upgrade appropriate infrastructure investments to adequately serve students, families, and institutions, as well as provide Authority staff the ability to securely and efficiently fulfill their responsibilities, either onsite or from a remote setting, with



minimal impact to the quality of service to New Jersey students and their families. This proposed capital spending plan reaffirms the Board's commitment to funding the Authority's long-term capital investment strategy.

The FY 2026 Capital Budget is \$4.5 million, an increase of \$0.4 million over the FY 2025 Capital Budget, as detailed in attached Schedule II. The Capital spending plan will be funded through current cash reserves, which includes an estimated \$0.8 million of unspent FY 2025 capital resources.

The major capital expenditures for FY 2026 include:

- \$2.2 million for Technology Infrastructure, which includes: telephone system replacement; moving email management to a cloud-based Microsoft 365 solution requiring professional services and loan origination functionality from the end-of-life mainframe solution to a distributed Microsoft SQL and Java-based server solution; desktop replacement to include additional hardware related to new hires as well as obsolescence and failure of existing equipment; upgrades to HVAC systems to ensure safe operating temperatures within HESAA's data center; primary and back-up/disaster recovery storage as HESAA's server implementation and data storage needs increase; and network infrastructure switch upgrades to replace/enhance existing network switches to improve performance, capacity, and reliability
- \$1.8 million for Software Development, which includes the HESAA Collections, Loan Accounting and Servicing System (CLASS) and New Jersey Financial Aid Management System (NJFAMS). HESAA is currently contracted with DecisivEdge to implement CLASS, which is developed from a core Oracle Financial Services Lending and Leasing software. This Oracle product requires periodic system upgrades to enhance operational functions and the user experience. HESAA strategically delayed certain upgrade opportunities to ensure necessary CLASS customizations to the core Oracle system are preserved. However, at this time certain core functions are no longer supported by Oracle and HESAA relies on the coordination and expertise of DecisivEdge to maintain the integrity and functionality of our new CLASS platform as the necessary Oracle upgrades are implemented. Additional monies are for Grants & Scholarships NJFAMS to make modifications in accordance with the State FY 2026 budget, improve the password reset functionality, and make improvements to the verification functions
- \$0.3 million for Facility Improvements, which include conditional monies to replace the halon system should it ever discharge, security system upgrades, and building and HVAC improvements
- \$0.1 million for Transportation, for the purchase of new motor pool vehicles.

### **Summary**

FY 2026 administrative current year revenues of \$28.1 million and cash reserves of \$20.0 million will fund budgeted operating expenditures of \$48.1 million. The \$4.5 million FY 2026 Capital Budget will be funded through current cash reserves (including nearly \$0.8 million in unspent capital funds carried over from FY 2025). HESAA continues to contain administrative expenditures wherever possible while making needed investments in infrastructure and facilities in support of its higher education financial information and services mission; to better serve constituents; and to continue improving staff productivity and information security.

The FY 2026 Administrative and Capital Budgets are recommended for your approval.

Attachments

**NEW JERSEY HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY**  
**Appropriated Administrative Revenues, Expenses & Funding FY 2024 - 2026**  
(\$ in 000's)

	FY 2024 Actual	FY 2025 Budget	FY 2025 Forecast	FY 2026 Budget	Inc/(Dec) FY 2026 Budget vs FY 2025 Budget	
					\$	%
<b><u>NJCLASS:</u></b>						
Application Fees	\$339	\$180	\$116	\$118	(\$62)	-34.4%
Servicing Fees	4,472	4,617	4,578	4,696	80	1.7%
Administrative Fees	5,978	6,235	6,787	7,190	954	15.3%
Net Collection Revenue	1,537	1,468	1,380	1,469	0	0.0%
2010-1 FFELP Admin Fee from Servicer	37	36	27	26	(10)	-26.7%
Cash Receipts on HESAA Loans	7,183	7,584	8,646	8,464	881	11.6%
Interest Earnings	2,456	1,955	2,081	1,144	(812)	-41.5%
Equity Distribution from Bond Refunding	10,726	0	1,046	0	0	N/M
<b>Total NJCLASS Program</b>	<b>\$32,729</b>	<b>\$22,075</b>	<b>\$24,661</b>	<b>\$23,107</b>	<b>\$1,032</b>	<b>4.7%</b>
<b><u>NJBEST:</u></b>						
Fee Income From Provider	\$5,038	\$5,379	\$5,390	\$5,681	\$302	5.6%
Interest Earnings	3,115	3,242	2,838	2,692	(550)	-17.0%
Scholarship Awards	(1,425)	(4,000)	(2,600)	(4,000)	0	0.0%
<b>Total NJBEST Program</b>	<b>\$6,727</b>	<b>\$4,621</b>	<b>\$5,629</b>	<b>\$4,373</b>	<b>(\$248)</b>	<b>-5.4%</b>
<b><u>Administration of Loan Redemption &amp; Other Programs:</u></b>						
Loan Redemption & Other Program Revenue	\$618	\$1,494	\$1,041	\$621	(\$873)	-58.4%
<b>Total Loan Redemption &amp; Other Programs</b>	<b>\$618</b>	<b>\$1,494</b>	<b>\$1,041</b>	<b>\$621</b>	<b>(\$873)</b>	<b>-58.4%</b>
<b>Total All Funds</b>	<b>\$40,074</b>	<b>\$28,190</b>	<b>\$31,330</b>	<b>\$28,101</b>	<b>(\$89)</b>	<b>-0.3%</b>
<b><u>HESAA Program Administrative Expenditures:</u></b>						
Salary and Wages	\$13,249	\$15,893	\$13,567	\$18,254	\$2,361	14.9%
Employee Benefits	10,095	12,261	9,694	13,042	781	6.4%
Materials/Supplies	390	621	560	654	32	5.2%
Services Other Than Personnel	9,134	10,227	8,390	11,668	1,441	14.1%
Maintenance and Fixed Charges	1,201	1,403	1,259	1,396	(7)	-0.5%
Special Purpose/Indirect Cost	9	325	295	425	100	30.8%
Bond Transaction & Trustee Costs	2,570	2,458	263	2,680	223	9.1%
<b>Total Program Expenditures</b>	<b>\$36,647</b>	<b>\$43,188</b>	<b>\$34,027</b>	<b>\$48,119</b>	<b>\$4,931</b>	<b>11.4%</b>
<b>Net Earnings (Loss)</b>	<b>\$3,427</b>	<b>(\$14,998)</b>	<b>(\$2,697)</b>	<b>(\$20,018)</b>	<b>(\$5,020)</b>	<b>33.5%</b>
<b>Funding from (to) Unallocated Cash Reserves <sup>(1)</sup></b>	<b>(\$3,427)</b>	<b>\$14,998</b>	<b>\$2,697</b>	<b>\$20,018</b>	<b>\$5,020</b>	<b>33.5%</b>
<b>Net Earnings (Loss) Net of Funding</b>	<b>(\$0)</b>	<b>\$0</b>	<b>(\$0)</b>	<b>\$0</b>		

(1) Funding from (to) Unallocated Cash Reserves are used to fund current (future) operational costs.

**NEW JERSEY HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY**  
**CAPITAL FUND**  
**FY 2025 and FY 2026**  
**(\$ in 000's)**

	<b>FY 2025 Budget</b>	<b>FY 2025 Forecast</b>	<b>FY 2026 Budget</b>
Technology Infrastructure	1,193	1,009	2,170
Software Development	2,530	2,530	1,842
Facility Improvements	275	38	340
Systems Security Compliance	20	-	20
Transportation	100	-	100
<b>Total Capital Spend <sup>(1)</sup></b>	<b>\$4,118</b>	<b>\$3,577</b>	<b>\$4,472</b>

(1) Total FY26 capital spend of \$4.472 million will be funded through current cash reserves. The capital carryover from FY25 is estimated to be \$0.803 million.

## **RESOLUTION 14:25**

### **APPROVING HESAA's FY 2026 ADMINISTRATIVE AND CAPITAL BUDGETS**

Moved by: Ms. Beatrice Daggett  
Seconded by: Ms. Shernelle Pringle

**WHEREAS:** To ensure the Board's oversight of the programmatic and administrative activities of the Authority, staff presents the Fiscal Year 2026 administrative and capital budgets to the Board for its review and approval; and

**WHEREAS:** On July 9, 2025 the Board Budget Committee met with staff to review and approve the Fiscal Year 2026 administrative and capital budgets for consideration by the full Board.

**NOW THEREFORE, LET IT BE:**

**RESOLVED:** That the Board hereby approves the FY 2026 administrative and capital budgets as advanced by the Board's Budget Committee and described in the attachment to this resolution.

July 23, 2025

# Report to the Board

## July 23, 2025

Presented by Margo Chaly, Esq. Executive Director



### 2025-2026 Student Advisory Committee



Jeremy Albujar  
Rutgers - NB



Artem Belavski  
Montclair



Elimelech Dowek  
Ocean



Angellina Koenig  
Rider



Sara One  
Atlantic Cape



Favour Oyelade  
Kean



Chelsa Salesman  
Raritan Valley



Thanusa Sivanesan  
Rutgers - Newark



Cesar Vivas  
Ramapo

## FY26 Grants & Scholarship Funding: \$650M

- **\$522.5M | Tuition Aid Grants (TAG) Includes:**
  - Full-Time TAG for Fall/Spring Academic Year
  - Part-Time TAG for County College Students for Fall/Spring Academic Year
  - Part-Time TAG for EOF Students for Fall/Spring Academic Year
  - Summer TAG 2026 at 50% of Full-Time Academic Year Awards
  - Kean University in Research University Sector
- **\$84.4M | Garden State Guarantee (GSG)**
- **\$32.5M | Community College Opportunity Grant (CCOG)**
- **\$6M | STARS & STARS II**
- **\$3.5M | Student-Teacher Scholarship**
- **600K | Tuition Assistance Thomas Edison State University Students**
- **\$250K | Governor's Urban Scholarship**
- **\$108K | World Trade Center Scholarship**

## FY26 Workforce Investment: \$7.4M

- **\$3.825M | Behavioral Healthcare Provider Loan Redemption Program**
- **\$1M | Pay It Forward**
  - Funded through the NJ Department of Labor Workforce Development Fund
- **\$850K | Primary Care Physician Loan Redemption Program**
  - Minimum appropriation, which is allocated to NJ Department of Health Reproductive Health Access Fund
- **\$825K | New Jersey Teacher Loan Redemption**
- **\$825K | Nursing Faculty Loan Redemption Program**
- **\$100K | STEM Loan Redemption Program**

## HESAA Programs Update

- **FY25 Nursing Faculty Loan Redemption Program**

- 26 Participants Enrolled

- **FY25 Teacher Loan Redemption Program**

- 109 Participants Enrolled to date
  - 90 participants hired on or between January 1, 2009 and December 31, 2023
    - One-time expanded eligibility criteria
  - 19 participants hired on or after January 1, 2024

## AY 2025-2026 NJCLASS

NJCLASS		Federal Parent PLUS Rate/APR - Origination Fee 4.228%
10-Year OPTION 1	6.50% APR Immediate repayment of principal and interest while in school	8.94% / 9.960% APR
15-Year OPTION 2	7.99% APR Interest only payments while in school	8.94% / 9.868% APR
20-Year OPTION 3	8.75% APR Full deferment while enrolled in school at least half time	8.94% / 9.642% APR

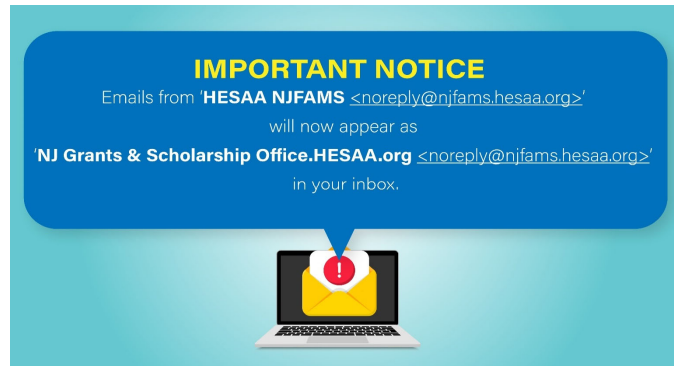
ReFi <sup>+</sup> Loan Term:	
10-Year Fixed Rate	15-Year Fixed Rate
7.50%	8.50%

## AY 2025-2026 Financial Aid

- **Financial Aid Applications to Date**

- 409K+
- NJ is ranked #2 in the nation for % of high school FAFSA completion

- **NJFAMS New Email**



## Staff Updates

- **Ongoing DEI Programming**





## Staff Updates

- **Promotions:**

- Pat Borden, Grants & Scholarships
- Kieanna Childs-Alexander, Human Resources
- Jothi Uthaman, HTECH

- **Statewide Liaisons**

- Dennis Kim, HTECH
  - HESAA AI Officer
- Christi Peace, Outreach & Communications
  - HESAA Language Access Coordinator

- **Retirements:**

- Imma Cranwall - 13 years
- Joe Procopio - 25 years
- Nancy Rager - 49 years

# Thank you

