

## **MINUTES**

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

July 24, 2024

The Higher Education Student Assistance Authority (HESAA) Board held a remote teleconference meeting on July 24, 2024 at 10:00 am via Zoom. Forty-two people logged into the meeting.

**PRESENT:** HESAA Board Members: Dr. Brian Bridges, Secretary of Higher Education; Ms. Margo Chaly; Ms. Beatrice Daggett; Ms. Jean McDonald Rash; Ms. Favour Oyelade; Ms. Shernelle Pringle; Mr. Scott Salmon; Ms. Ivona Szaro; Mr. Robert Tighue, Treasurer's Designee; Dr. Nelson Turcios; Ms. Christy Van Horn, Chair; and Mr. Byron Ward.

**ABSENT:** None.

#### **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 Alexis Franklin, Associate Counsel from the Governor's Authorities Unit; and Michael Lombardi, 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 28, 2024 the Student Advisory Committee (SAC) elected Ivona Szaro to continue to serve as Chair of the Student Advisory Committee for academic year 2024-2025 and elected Favour Oyelade to serve as Vice-Chair. At the June SAC meeting, Favour was sworn-into the HESAA Board in front of her peers.

Ms. Van Horn also announced that Board member Beatrice Daggett is serving as a liaison to the Student Advisory Committee as a mentor to the students and to provide insight into the working of the HESAA Board.

#### **CONSIDERATION OF THE MINUTES OF THE APRIL 24, 2024 MEETING**

A motion to approve the minutes of the April 24, 2024 meeting was made by Ms. Jean McDonald Rash and seconded by Mr. Scott Salmon. The minutes were approved unanimously with two abstentions, Dr. Nelson Turcios and Ms. Favour Oyelade who were not present at this meeting.

## **RESOLUTION 12:24 ELECTING THE EXECUTIVE COMMITTEE**

Jean McDonald Rash presented to the Board:

In accordance with Article V of the Bylaws of the Higher Education Student Assistance Authority, the Chairperson appointed Ivona Szaro, Nelson Turcios 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 24, 2024 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 10, 2024 and recommends electing the following officers for Fiscal Year 2025: Christy Van Horn as Chairperson, Shernelle Pringle as Vice Chairperson, Scott Salmon as the member of the Executive Committee representing the public members, and Jean McDonald Rash as the member of the Executive Committee representing institutional members.

A motion to approve Resolution 12:24 was made by Mr. Robert Tighue and seconded by Dr. Brian Bridges. The motion passed unanimously.

Chairwoman Van Horn thanked Scott Salmon for his term as Vice-Chair and commended the work he did in that role.

## **RESOLUTION 13:24 ADOPTING A TUITION AID GRANT AWARD TABLE FOR ACADEMIC YEAR 2024-2025**

Jean Hathaway presented Resolution 13:24 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 values based on application volume, projected demand, and available funds. Resolution 13:24 will establish the award values for the Full-Time TAG Award table for the 2024-2025 academic year.

On June 28, 2024, Governor Murphy signed the Fiscal Year 2025 (FY25) Appropriations Act directing the Board to develop a table of TAG award amounts based on the FY 2025 State appropriations for TAG. The total appropriations shown on Attachment A includes \$461.73 million for two separate line-items: \$460.887 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 these 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 FY25 Appropriations Act includes \$5 million to ensure the maximum Tuition Aid Grant award amount for applicants at Kean University qualifying for full-time Tuition Aid Grant awards in the 2024-2025 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 number of household 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 capacity to pay tuition increases.

The recommended Full-Time TAG Award Table in Attachment A provides award values equal to the 2023-2024 award values, and provides TAG award values at the Research award level values for Kean University.

It is recommended that the Board approve Resolution 13:24 adopting Attachment A as the Full-Time Tuition Aid Grant Award Table for academic year 2024-2025.

Ms. Favour Oyelade had to leave the meeting prior to the vote on this Resolution.

A motion to approve Resolution 13:24 was made by Ms. Beatrice Daggett and seconded by Dr. Brian Bridges.

The motion passed unanimously.

#### **RESOLUTION 14:24 ADOPTING A PART-TIME TUITION AID GRANT AWARD TABLE FOR COUNTY COLLEGES FOR ACADEMIC YEAR 2024-2025**

Jean Hathaway presented Resolution 14:24 to the Board.

The Fiscal Year 2025 Appropriations Act also 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 between 6–11 credits per semester. Resolution 14:24 will establish award values for the Part-Time TAG for County Colleges Program for the 2024-2025 academic year.

The Part-Time TAG Award Table shown in Attachment A follows the same parameters used to construct the 2024-2025 full-time TAG award table. The full-time TAG awards were prorated by 50% or 75% 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 14:24 Adopting Attachment A as the Part-Time Tuition Aid Grant (TAG) for County Colleges Award Table for Academic Year 2024-2025.

A motion to approve Resolution 14:24 was made by Dr. Nelson Turcios and seconded by Ms. Jean McDonald Rash.

The motion passed unanimously.

**RESOLUTION 15:24 ADOPTING THE SCHEDULE OF MAXIMUM COMMUNITY COLLEGE OPPORTUNITY GRANT AWARD AMOUNTS FOR ACADEMIC YEAR 2024-2025**

Jean Hathaway presented Resolution 15:24 to the Board.

The FY 2025 Appropriations Act includes an appropriation of \$39.8M for Community College Opportunity Grant (or CCOG). Resolution 15:24 will establish the maximum individual CCOG award amount for each community college.

Under the law, HESAA administers CCOG financial aid awards for eligible community college students with adjusted gross incomes (AGIs) between \$0 and \$100,000 in three separate eligibility tiers. Maximum grant award amounts are established for “eligibility Tier 1,” applicable to students with AGIs between \$0 and \$65,000. The CCOG Program Act provides that the Authority may “annually establish maximum annual adjusted gross income eligibility limits” that exceed \$65,000. In FY23, CCOG was expanded to students in “eligibility Tier 2,” whose AGIs are between \$65,001 and \$80,000. CCOG awards in tier 2 are set at 50 percent of the maximum individual grant award for students in Tier 1. In FY24, the CCOG program further expanded to cover “Tier 3” students whose AGIs are between \$80,001 and \$100,000, with CCOG awards set at 33 1/3 percent of the maximum individual grant award for students in Tier 1.

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 2024-25 at each tier of eligibility. These amounts were determined by taking the per credit tuition rate for 36 credit-hours of enrollment at each community college in AY 2024-2025, plus \$3,000 for approved educational fees, not to exceed 3 percent more than the maximum award value for Academic Year 2023-2024.

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 term; and
- 75 percent of the full-time award value for students enrolled in 9 to 11 credits per term.

It is recommended that the Board approve Resolution 15:24 Adopting Attachment A as the Maximum Community College Opportunity Grant Awards for Academic Year 2024-2025.

A motion to approve Resolution 15:24 was made by Ms. Beatrice Daggett and seconded by Mr. Scott Salmon.

The motion passed unanimously.

**RESOLUTION 16:24 ADOPTING THE SCHEDULE OF MAXIMUM GARDEN STATE GUARANTEE GRANT AWARD AMOUNTS FOR ACADEMIC YEAR 2024-2025**

Jean Hathaway presented Resolution 16:24 to the Board.

The FY25 Appropriations Act funds \$94.352 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 16:24 will establish the Maximum Garden State Guarantee Awards for Academic Year (AY) 2024-2025.

Under GSG, students who are in their 3rd and 4th years of study and have an annual adjusted gross income (AGI) between \$0 and \$65,000 will pay a net price of \$0 for tuition and fees. Third- and fourth-year students who have AGIs between \$65,001 and \$80,000 will pay a net price of no more than \$7,500 for tuition and fees, and those who have AGIs between \$80,001 and \$100,000 will pay a net price of no more than \$10,000 for tuition and fees. GSG covers the cost of tuition and mandatory fees that are not already covered by federal, State, institutional or outside grants or scholarships. To be eligible for GSG, students must be enrolled full-time and must be working toward completing their first Bachelor's degree.

Attachment A calculates the maximum individual annual grant award amount for students at each of the 4-year public colleges and universities in AY 2024-2025, 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 as defined by the IPEDS survey of Institutional Characteristics.

It is recommended that the Board approve Resolution 16:24 Adopting Attachment A as the Maximum Garden State Guarantee Awards for Academic Year 2024-2025.

A motion to approve Resolution 16:24 was made by Mr. Robert Tighue and seconded by Ms. Shernelle Pringle.

The motion passed unanimously.

**RESOLUTION 17:24 APPROVING THE APPOINTMENT OF A VENDOR TO PRINT AND DISTRIBUTE GOING TO COLLEGE IN NEW JERSEY**

Jennifer Azzarano presented Resolution 17:24 to the Board.

The Higher Education Student Assistance Authority (HESAA) annually publishes a resource guide, *Going to College in New Jersey*. It is geared towards college-bound students of all ages throughout our State. *Going to College in New Jersey* promotes awareness of postsecondary opportunities here in New Jersey and also includes details on State and federal financial aid programs. This printed and virtual guide includes degree options, location, and tuition for each higher education institution in New Jersey. As a national leader in financial aid transparency, HESAA also includes in this publication also includes information on our student financial aid resources.

In preparing the 2024-25 edition, HESAA issued an RFQ to identify a print and distribution vendor. The selection process for the RFQ requires HESAA to select the qualified firm with the lowest overall quote. While HESAA received two bids, one of them did not meet all of the essential requirements of the RFQ and was disqualified. Nautilus Publishing Company met the essential requirements and submitted a reasonable bid for the work. Therefore, it is recommended that the Board approve Resolution 17:24 approving the contract with the Nautilus Publishing Company to Publish *Going to College in New Jersey* for the upcoming Academic Year.

A motion to approve Resolution 17:24 was made by Ms. Beatrice Daggett and seconded by Dr. Brian Bridges.

The motion passed unanimously.

### **RESOLUTION 18:24 APPROVING THE 3<sup>rd</sup> EXTENSION OF THE CONTRACT WITH BLX GROUP, ARBITRAGE CALCULATION CONSULTANT**

Arthur Quaranta presented Resolution 18:24 to the Board.

Thank you Chairwoman Van Horn and members of the Board. Today I will provide details about the proposed Third Extension of the Contract with BLX Group Arbitrage Calculation Consultant that we present today for your approval.

The federal tax code requires municipal bond issuers, which includes HESAA as an issuer of student loan revenue bonds, to produce two types of arbitrage reports on a periodic basis, and to remit any liability determined as a result of the calculations to the Internal Revenue Service (IRS).

Due to the complexity of the federal tax code as it relates to arbitrage calculations for the structures of HESAA asset-backed bonds that fund our NJCLASS supplemental loan program, the services of a specialist in this area of accounting are required to ensure compliance.

The specialist's responsibilities include, but are not necessarily limited to:

- Calculating the applicable bond yield and student loan-yield for each of the Authority's respective issues as requested by the Authority. Following this process, the specialist will calculate each issue's excess yield, if any, on student loans.
- Calculate each issue's excess earnings, if any, on non-purpose investments on deposits in a qualified reserve fund.
- Provide a legal opinion that the arbitrage calculations are completed 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 IRS in connection with making yield reduction or arbitrage payments.
- Consult with Authority staff and provide such other incidental advice and assistance as the Authority may deem necessary to ensure full compliance with the arbitrage restrictions imposed by the Arbitrage Requirements.

As a result of the RFP issued on March 4, 2019, HESAA engaged BLX Group (BLX) to provide arbitration calculation compliance services for an initial contract period of three years, with up to three one-year extensions.

At its July 20, 2022 meeting, the HESAA Board approved the first one-year extension to the contract with BLX Group, which expired on July 31, 2023.

At its July 26, 2023 meeting, the HESAA Board approved the second one-year extension to the contract with BLX Group, which is set to expire on July 31, 2024.

BLX is a wholly-owned subsidiary of Orrick Herrington & Sutcliffe, LLP, a leading national firm with recognized expertise in arbitration compliance. They provide HESAA access to unlimited tax expertise and resources at no additional charge. Additionally, BLX maintains an experienced professional staff with the requisite skills to perform the services HESAA requires. BLX has established a track record of quality service at reasonable rates, as well as prompt and helpful responses to questions at no additional cost.

It is recommended that the Board approve Resolution 18:24 thereby approving the third and final one-year Extension of the Agreement with BLX Group as Arbitration Calculation Consultant.

A motion to approve Resolution 18:24 was made by Ms. Jean McDonald Rash and seconded by Ms. Beatrice Daggett.

The motion passed unanimously.

**RESOLUTION 19:24 APPROVING THE 1<sup>ST</sup> EXTENSION OF THE CONTRACT WITH  
CLA INDEPENDENT AUDITOR**

Christy Van Horn presented Resolution 19:24 to the Board

At our April 21, 2021 meeting this Board appointed CliftonLarsonAllen LLP as HESAA's independent auditor pursuant to Executive Order 122. The contract with CliftonLarsonAllen is for an initial three-year term with two, one-year extensions at the option of HESAA. The contract is now subject to its first optional one-year renewal.

Over the past three years we have found that CLA maintains the experience and bandwidth to audit HESAA's complex financial statements. They have proven to be credible, efficient, and effective in their evaluations. Therefore, it would be in HESAA's best interest to exercise this option and extend the contract with CliftonLarsonAllen for one year and it is recommended that the Board approve Resolution 19:24.

A motion to approve Resolution 19:24 was made by Mr. Robert Tighue and seconded by Dr. Brian Bridges.

The motion passed unanimously.

## **RESOLUTION 20:24 APPROVAL OF HESAA's FY 2025 ADMINISTRATIVE AND CAPITAL BUDGETS**

Heidi Hunt presented Resolution 20:24 to the Board.

Thank you Chairwoman Van Horn and members of the Board for your attention to Resolution 20:24, addressing HESAA's proposed fiscal year 2025 administrative budget.

HESAA's proposed Fiscal Year 2025 Administrative Budget totals \$43.2 million and will be fully funded through HESAA annual revenues and appropriated reserves as detailed in the attachment of the memo provided.

Taking a look first at revenues, as detailed in Schedule I, HESAA administrative projected revenues for FY25 total \$28.2 million, an increase of \$2.5 million over FY24 budget levels.

These revenues include:

- \$22.1 million from the NJCLASS Program, which is an increase of \$2.5 million over the FY24 budget.

Included in the revenues from the NJCLASS program are:

- 1) \$12.5 million in Origination, Servicing, and Administrative fees from the Bond Trust Estate
  - 2) \$7.6 million in Cash Receipts or recoveries on defaulted collections of HESAA owned student loans on the non-trust assets.
  - 3) \$2.0 million in Interest Earnings on cash used to fund HESAA's administrative expenses.
- \$4.6 million from NJBEST Net Revenues – NJBEST revenue for FY25 is projected to total \$8.6 million from fees and interest earnings related to the NJBEST trust for administration of the program. This amount is reduced by \$4 million set aside for NJBEST scholarship obligations with increased award amounts effective spring of 2024.
  - \$1.5 million for the Administration of the Loan Redemption and Other Programs– In FY25 HESAA will be reimbursed for the costs of administering the State's loan redemption and other programs that have been expanded over the past four fiscal years. The expanded programs are noted in the board memo.

Turning now to the operating side of the budget, HESAA's proposed administrative expenditures for FY25 is \$43.2 million. This is net increase of \$4.9 million over the FY24 budget. It will support 178 HESAA positions and all non-salary costs associated with fulfilling HESAA mission of student assistance. In FY24, nine employees retired from the Authority.

Changes in the FY25 expenditures verses FY24 include:



- \$28.2 million in Salary and Benefits, which is an increase of \$3.2 million in employee salary compensation and benefit costs due to contractually obligated cost-of-living increases, State Health Benefits Program cost increases and an anticipated net increase of 4 employees;
- \$1.4 million in Maintenance and Fixed Charges, which is relatively flat to FY 24 costs and comprised mainly of building rent, maintenance of equipment and records storage; and
- \$2.5 million in anticipated bond-related transaction and trustee costs, which is slightly down to FY 24 costs.

Taking a look at HESAA’s capital budget, as detailed in schedule 2, the proposed Capital Budget of \$4.1 million is an increase of \$1.6 million over the FY24 capital budget.

The FY25 Capital spending plan will be funded through current cash reserves which includes almost \$800,000 of unspent FY24 capital resources. The major expenditures for FY25 include:

- \$421,000 for Technology Infrastructure, includes 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. Additional enhancements will provide procurement tracking software and boardroom technology advancements;
- \$405,000 for HVAC upgrades and fire suppression system maintenance for HESAA’s data center environment.
- \$610,000 for Data Storage and Back-Up, includes additional primary and backup/disaster recovery storage as HESAA's server implementation and data storage needs increase;
- \$2.0 million for HESAA’s continued implementation and conversion to the Oracle based platform, or CLASS (Collections, Loan Accounting, and Servicing System), which includes an upgrade to enhance operational functions, user experience and ensure core functions are supported by Oracle.

This, in summary form, is the proposed FY25 Administrative and Capital budgets for HESAA for your review and approval today.

A motion to approve Resolution 20:24 was made by Dr. Brian Bridges and seconded by Dr. Nelson Turcios.

The motion passed unanimously.

## **EXECUTIVE DIRECTOR’S REPORT**

Thank you Chairwoman Van Horn and members of the Board, which once again includes Ivona Szaro and now welcomes Favour Oyelade as the peer-elected representatives of the Student Advisory Committee. I am sure Ivona and Favour will agree that they and their colleagues on the committee are impressive, intelligent, motivated, diverse, engaged, and excited to represent the

nearly 100,000 students receiving financial aid in New Jersey. We can all be assured that the future is going to be okay as they become our leaders and advocates. Special thank you to Bea Daggett for taking on the role of mentor to these sharp students. And welcome Shernelle Pringle to a leadership position within the Board. I have some breaking news to share, this will also be Byron Ward's final meeting. They will be passing on EOF Board leadership, tomorrow, more to come. Thank you Byron.

Now I will present some program updates while we look forward to the upcoming fiscal year. When Governor Murphy signed the Fiscal Year 2025 Appropriations Act last month, the HESAA team launched into immediate action to implement the \$646 million investment in financial aid and post-secondary support programs.

You already heard from our Director of Grants & Scholarships, Jean Hathaway, about the \$614 million of funding for Tuition Aid Grants (TAG) and the New Jersey College Promise programs, Community College Opportunity Grant (CCOG) and Garden State Guarantee (GSG). Thank you Jean and your team for establishing the robust award tables as approved by the Board earlier this morning. I want to remind the Board of the tremendous amount of detailed work required to administer these awards. Jean, along with Kristina Fripps, Pat Johnson, and a dedicated team of experts, review applications for months without complaint. They often hear from students who share the life-changing positive impact of the awards. Thank you, Grants team!

The FY25 Appropriations Act includes a \$15 million investment in the Educator Workforce. During the upcoming fall semester HESAA will administer the second year of Student-Teacher Scholarships to students enrolled in an approved Educator Preparation Program at a New Jersey institution of higher education. During the pilot program last year, we disbursed awards to more than 2000 future educators during their student teaching clinical internship. The FY25 budget also includes \$4 million in new spending to expand eligibility criteria of our New Jersey Teacher Loan Redemption program to include educators hired since 2009 who provide stability within districts by continuing to serve in eligible schools teaching high-need fields. An allocated \$1 million of the appropriation for this Loan Redemption Program will continue to incentivize recently hired eligible teachers to work in the eligible schools in high-need fields. I'm proud to announce that the appropriation from FY 24 funded 54 educators in this program.

HESAA continues to build and strengthen the healthcare workforce pipeline. New Jersey's first in the nation model program, Pay It Forward, received a FY25 investment of more than \$4 million to add nursing programs beyond Hudson County to increase accessibility for future nurses to study in central and southern New Jersey. Earlier this month, HESAA entered into an agreement with the New Jersey Economic Development Authority to transfer \$5 million of Workforce Development Partnership Fund monies that EDA received from New Jersey Department of Labor & Workforce Development to be used to increase the number of Pay It Forward participants and/or training providers.

Our healthcare related loan redemption programs continue to grow as well. The Nursing Faculty program will expand eligibility criteria, most notably to include part-time faculty, which is expected to incentivize more qualified professionals to teach at nursing schools, which in turn will add capacity for additional students who will go on to enter the nursing field. Behavioral healthcare providers continue to show interest in serving in eligible professions in exchange for redemption of outstanding student loan debt. After two cycles of appropriations for the Behavioral Healthcare

Provider Loan Redemption Program, there are nearly 100 providers enrolled, and more than half of them are primarily serving the youth of New Jersey, which means they will receive a stipend in addition to the loan redemption.

While I plan to update the Board on staffing at HESAA towards the end of my report, I will take a moment now to introduce our new Chief of Staff, Alia Abbas, who joined the Authority on June 3, 2024, so that I can properly discuss the latest HESAA initiative supporting the direct-care health workforce. In only seven weeks, and barely familiar with the alphabet soup of our program portfolio, Alia launched a multi-agency program that involves multiple teams at HESAA. If “hit the ground running” was a person! On behalf of the New Jersey Department of Human Services (DHS) and the Department of Children and Families (DCF), HESAA is administering the Home- and Community-Based Services Provider Loan Redemption Program. When they received approximately \$17M in federal funding, DHS leadership asked HESAA, as student loan redemption program experts, to partner with them in this effort to retain eligible direct care workers for at least another year in exchange for reducing up to \$50,000 of their outstanding student loan debt. Under the leadership of Dennis Kim, members of our HTECH team built a user-friendly application portal. Richard Bates and Russ Archer are overseeing the loan redemption staff as they review hundreds of applications while Christi Peace from our Communications team continues to support both HESAA and our partner agencies with messaging and outreach efforts. Thank you to everyone involved in this massive project!

In May we launched our NJCLASS supplemental loan program rates for Academic Year 2024-25. The NJCLASS program is a borrower-friendly resource for students who still have college expenses after applying all available federal, state, institutional, private aid, and college savings to their total cost of attendance. We are happy to provide this program to students and families, along with the corresponding tools to help them borrow and navigate repayment responsibly. Prior to announcing our current rates, an incredible group of HESAA team members applied their expertise to facilitate a successful bond transaction allowing us to pass savings on to borrowers through interest rates significantly lower than federal Parent PLUS rates. While nearly every unit is involved in this process for more than six months, I must specifically recognize Art Quaranta, Raju Konduru and their representatives on the working group team. I also want to congratulate Lorraine Palmer for her 24th bond/rate implementation cycle! Thank you to her entire team, especially Dana Barrett. Now our Outreach team, under the leadership of André Maglione, will make sure students and families are aware of NJCLASS resources that can support their postsecondary academic journeys.

HESAA recently received federal funding from the U.S. Department of Education to help promote the completion of the Free Application for Federal Student Aid (FAFSA) for upcoming Academic Year 2024-25. The Outreach & Communications unit will use the grant to provide one-on-one, virtual consultations for fall 2024 college-bound students. Students who had trouble starting or completing their federal application for financial aid can now sign up for a free private meeting with a financial aid professional to ensure their application is completed ahead of the New Jersey state financial aid deadline of September 15.

These virtual consultations reflect only one aspect of HESAA financial aid awareness initiatives. Along with the publication of *Going to College in New Jersey*, additional outreach throughout the summer includes working closely with legislative leaders to promote financial literacy, assisting at campus-based EOF summer orientation sessions, and hosting a series of HESAA University

sessions to ensure our State's financial aid community is up to date on all eligibility and processes related to State aid.

Turning to staffing updates, since our last meeting, we welcomed seven new employees and announced two promotions. We wished all the best to our former Deputy Chief of Staff, Cayla Sekuler, who transferred to the New Jersey Department of Education, an agency with which we will collaborate often on the Student-Teacher Scholarship program and the inaugural year of the financial aid application completion requirement for Garden State high school students in the graduating class of 2025.

We must take a moment to recognize the retirement of four long-term employees, who cumulatively worked at HESAA for 113 years!

Recently, 31-year HESAA veteran David Gillespie, our Director of Student Loan Programs, retired. Dave oversaw both the NJCLASS Originations and the NJCLASS Servicing units. Dave began his career in 1993 initially responsible for servicing the defaulted Federal Family Education Loan Program portfolio held by the Authority, and later became responsible for the NJCLASS Loan portfolio servicing. During his time at HESAA, Dave was instrumental in implementing the borrower portal where students and families can view NJCLASS bills, notices, and make loan payments, and he modernized the credit bureau reporting system. Dave was a key participant creating the RFP to procure our new accounting and servicing system. Prior to joining HESAA, Dave retired as an officer from the US Marine Corps having served combat in Beirut. During his retirement Dave enjoys taking daily walks and spending time with his family.

Roger Johnson retired after 37 years as a Management Compliance Officer in the Audits and Quality Assurance unit. Roger actually started working on management reviews for the New Jersey Higher Education Assistance Authority (NJHEAA), the precursor to HESAA, then continued to perform management reviews of New Jersey's institutions of higher education, as well as single audit reports, for almost four decades. Roger's friendly face and historical stories about his days at the various iterations of HESAA will be greatly missed.

For 20 years as the Facility Manager, Michael Ladines supported all team members to ensure physical workspaces at the HESAA complex are safe and secure. Michael greeted nearly every new staff member on their first day to capture a smiling photo for our ID cards. Michael is now enjoying retirement with his wife and family down the shore, and we wish him the best.

After 25 years of service Adam Uretsky retired from his role as a Program Associate, in the NJCLASS Originations unit. Adam began his tenure at HESAA as an Investigator before moving to the NJCLASS originations unit in 2005. Adam completed credit reviews for all NJCLASS loan products and supervised Originations staff. Adam also worked closely with our schools, our Bond Trustee, third party vendors and presented trainings for HESAA University. For several years Adam also oversaw the Nursing Faculty and John R Justice student loan redemption programs. Adam was always professional, courteous and willing to lend a helping hand to our customers and his team members. Adam was instrumental in the success of the originations unit, and will be missed by all of his colleagues.

The dedication and longevity of these careers is impressive, and will surely inspire current HESAA staff to reflect on the importance of our collective commitment to the HESAA mission.

And this of course includes our Board. Thank you for your engagement and action today, which will support tens of thousands of students pursuing a degree beyond high school and help many residents pay down student loan debt while contributing to our economy and workforce in high-need fields.

Chair Van Horn thanked the HESAA staff for all of the hard work they do throughout the year.

### **NEW BUSINESS**

Chair Van Horn presented the attached Resolution of Appreciation for departing Board member, former Student Advisory Committee Vice Chair Alya Nassrallah.

Chair Van Horn announced immediately following today's meeting there will be Ethics Training for all Board members.

### **ADJOURNMENT**

Ms. Van Horn advised that the next regularly scheduled Board meeting is Wednesday, October 23, 2024 at 10:00 am and that the Audit Committee will be meeting on August 2, 2024 at 11:00 am.

A motion to adjourn was made by Mr. Robert Tighue and seconded by Mr. Byron Ward. The motion passed unanimously.

The meeting adjourned at 11:00 am.

**RESOLUTION 12:24**

**ELECTING THE EXECUTIVE COMMITTEE**

Moved by: Mr. Robert Tighue

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

**NOW THEREFORE, BE IT:**

**RESOLVED:** That the Higher Education Student Assistance Authority Board elects Christy Van Horn as Chairperson, Shernelle Pringle as Vice Chairperson, Scott Salmon as the third public member, and Jean McDonald Rash as the institutional 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 24, 2024



*PHILIP D. MURPHY*  
Governor

*TAHESHA L. WAY*  
Lt. Governor

**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
4 QUAKERBRIDGE PLAZA  
PO BOX 540  
TRENTON, NJ 08625-0545  
1-800-792-8670  
www.hesaa.org

*MARGO CHALY, ESQ.*  
Executive Director

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

**THROUGH:** Margo Chaly, Esq. <sup>Mil</sup>  
Executive Director

**FROM:** Jean M. Hathaway <sup>JM</sup>  
Director, Grants and Scholarships

**SUBJECT:** Resolution 13:24 Adopting a Full-Time Tuition Aid Grant Award Table for Academic Year 2024-2025

**DATE:** July 24, 2024

### Summary

Attached for your review and approval is Resolution 13:24, adopting a Full-Time Tuition Aid Grant Award Table for Academic Year (AY) 2024-2025. In accordance with the provisions of the Tuition Aid Grant (TAG) program statute and pursuant to the Fiscal Year (FY) 2025 Appropriations Act, P.L. 2024, c. 22, this action will establish a table of full-time Tuition Aid Grant award values for the upcoming academic year.

On June 28, 2024 Governor Murphy signed the FY25 Appropriations Act, which includes an appropriation of \$461,730,000 for two separate line-items that are presented together on the consolidated TAG table: \$460.887 million for TAG awards to full-time students and \$842,000 for Part-Time TAG for Educational Opportunity Fund (EOF) Students.

Language in the FY25 Appropriations Act outlines 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).
- Provide TAG awards for undocumented students as set forth in P.L.2018, c.12.
- Provide TAG awards to approved incarcerated individuals.

- Participation in 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.
- \$5,000,000 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 2024-2025 academic year is no less than the maximum TAG award amount for applicants at all other public research universities.

## **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 charges 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 have 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, projected demand, and available funds. The Board's action to officially adopt award amounts no later than July is essential to notifying students and institutions 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. In 2023-2024 60% of all TAG recipients were in this cell and therefore were eligible for the maximum TAG award amount. Students with NJEI levels in subsequent cells are eligible for proportionately lower awards that decrease as the family's calculated financial need increases.

## **FY 2025 Available Funds and Projected Award Volume**

The Board is tasked with approving a table of TAG award amounts based on the FY25 State appropriations for TAG, including both \$460,887,000 for 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.

Pursuant to budget language included in the FY25 Appropriations Act, unexpended balances from the FY24 TAG account are re-appropriated and available to fund increases in the number of applicants qualifying for TAG, to fund increases in award amounts, and to fund shifts in the



distribution of awards that result in an increase in program costs. The Appropriations Act also includes language appropriating such additional funds as are required as a result of changes in program participation patterns.

### **Proposed Full-Time TAG Award Table for AY 2024-25**

The recommended Full-Time TAG Award Table for AY 2024-25 in Attachment A provides award amounts equal to AY 2023-2024 in all cells, and provides Kean University with award values at the Research Institution level. This table deploys the funding in the FY25 Appropriations Act based on financial estimates derived from the proposed per-student award dollar values and HESAA's projections of the number of Tuition Aid Grants expected to be awarded to eligible students at participating institutions in AY 2024-25. The proposed schedule of Full-Time TAG award amounts is projected to fund 60,169 full-year equivalent awards in AY 2024-2025, with total expenditures projected to equal \$461.729 million. Of these projected grants, approximately 60% are projected to be maximum awards, with approximately \$279.5 million in expenditures for TAG awards to students with NJEI levels in the first cell.

### **Recommendation**

It is recommended that the Board approve Resolution 13:24 Adopting Attachment A as the Full-Time Tuition Aid Grant Award Table for Academic Year 2024-2025.

Attachments

**STATE OF NEW JERSEY  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
FULL-TIME TUITION AID GRANT (TAG) AWARD TABLE FOR 2024-25<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.

## RESOLUTION 13:24

### ADOPTING A FULL-TIME TUITION AID GRANT AWARD TABLE FOR ACADEMIC YEAR 2024-25

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

**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 2025 Appropriations Act, P.L. 2024, c.22, HESAA is directed to adopt TAG award tables for Academic Year 2024-2025 based on the amounts to be expended on TAG in Academic Year 2024-2025, which are as follows: \$460.887 million for full-time TAG and \$842,000 for Part-Time TAG for EOF Students; and

**WHEREAS:** Language in the Fiscal Year 2025 Appropriations Act outlines 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.
- TAG awards shall be provided for undocumented students as set forth in P.L.2018, c.12.
- TAG awards shall be provided for approved incarcerated individuals.
- Participation in 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.
- Unexpended balances are reappropriated to the TAG account to be held as a contingency for unanticipated increases in the number of applicants qualifying for full-time TAG awards, to fund increases in award amounts, and to fund shifts in the distribution of awards that result in an increase in program costs; and
- Such sums as are required to cover the costs of increases in the number of applicants qualifying for full-time TAG awards or to fund shifts in the distribution of awards that result in an

increase in total program costs, subject to the approval of the Director of the Division of Budget and Accounting.

**NOW THEREFORE BE IT:**

**RESOLVED:** That the Higher Education Student Assistance Authority hereby adopts the attached Full-Time TAG Award Table for Academic Year 2024-2025 (Attachment A); and be it further

**RESOLVED:** That the attached Full-Time TAG Award Table for Academic Year 2024-2025 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 24, 2024



*PHILIP D. MURPHY*  
Governor


*TAHESHA L. WAY*  
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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 14:24 Adopting a Part-Time Tuition Aid Grant for County College Students Award Table for Academic Year 2024-2025

**DATE:** July 24, 2024

### Summary

Attached for your review, comment, and approval is Resolution 14:24, Adopting a Part-Time Tuition Aid Grant for County College Students Award Table for Academic Year (AY) 2024-2025. In accordance with the provisions of the Tuition Aid Grant program statute and pursuant to the Fiscal Year (FY) 2025 Appropriations Act, P.L. 2024, c. 22, this action will establish a table of Part-Time Tuition Aid Grant award values for the upcoming academic year.

### Background

On June 28, 2024, Governor Murphy signed the FY 2025 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 FY 2025 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.

The Higher Education Student Assistance Authority (HESAA) establishes a table of part-time TAG award values each year in July, based on the available FY 2025 appropriation and the anticipated number of part-time awards.

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

As directed by P.L. 2024, c. 22, the HESAA Board is tasked with approving a table of award amounts for Part-Time TAG for County College Students prorated against full-time awards at the county college sector.

- The Part-Time TAG Award Table shown in Attachment A follows the same parameters used to construct the 2024-2025 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 14:24 Adopting Attachment A as the Part-Time Tuition Aid Grant (TAG) for County College Students Award Table for Academic Year 2024-2025.

Attachments

**STATE OF NEW JERSEY  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
PART-TIME TUITION AID GRANT (TAG) FOR COUNTY COLLEGES AWARD TABLE FOR  
2024-25\***

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 2024-25 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.

**RESOLUTION 14:24**

**ADOPTING A PART-TIME TUITION AID GRANT  
FOR COUNTY COLLEGE STUDENTS  
AWARD TABLE FOR ACADEMIC YEAR 2024-2025**

Moved by: Dr. Nelson Turcios  
Seconded by: Ms. Jean McDonald Rash

**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 the Fiscal Year (FY) 2025 Appropriations Act, P.L. 2024, c. 22, 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 FY25 appropriation of \$8.737 million.

**WHEREAS:** Pursuant to the FY25 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 2024-2025 Full-Time TAG Award Table with awards pro-rated by one-half and three-quarters; and

**WHEREAS:** Pursuant to FY25 budget language, unexpended balances from the account shall be available to fund unanticipated increases in the number of applicants qualifying for Part-Time TAG for County College Student awards, to fund increases in award amounts, and to fund shifts in the distribution of awards that result in an increase in program costs.

**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 2024-2025 (Attachment A); and be it further



**RESOLVED:** That the attached Part-Time TAG for County College Students Award Table for AY 2024-2025 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 24, 2024



*PHILIP D. MURPHY*  
Governor

*TAHESHA L. WAY*  
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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 15:24 Adopting Maximum Community College Opportunity Grant Awards for Academic Year 2024-2025

**DATE:** July 24, 2024

Attached for your review and approval is Resolution 15:24 Adopting Maximum Community College Opportunity Grant Awards for Academic Year 2024-2025. In accordance with the provisions of the Community College Opportunity Grant (CCOG) program statute and subject to the limits of the Fiscal Year (FY) 2025 Appropriations Act, this action will establish the maximum individual CCOG award amount for eligible students at each county college.

On June 28, 2024 Governor Murphy signed the FY 2025 Appropriations Act, which includes an appropriation of \$39,820,000 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 State, federal, 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.

### **Award Amounts**

The Table of Maximum CCOG Awards shown in Attachment A calculates the maximum individual annual grant award for students at each county college in Academic Year (AY) 2024-2025. These amounts, not to exceed 3 percent more than the prior year’s maximum award values, are determined by:

- The tuition for 36 credit-hours of enrollment at each college in AY 2024-2025, plus \$3,000 for approved educational fees. For students with AGIs between \$65,001 and \$80,000, the maximum award value is 50% of the maximum CCOG award value for students with AGIs up to \$65,000. For students with AGIs between \$80,001 and \$100,000, the maximum award value is 33% of the maximum CCOG award value for students with AGIs up to \$65,000.

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. The Table of Maximum CCOG Awards in Attachment A provides maximum individual grant awards for full-time students in academic year 2024-25 (fall 2024 and spring 2025 semesters combined). Maximum awards for part-time students will be calculated as follows:

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

### **Recommendation**

It is recommended that the Board approve Resolution 15:24 Adopting Attachment A as the Maximum Community College Opportunity Grant Awards for Academic Year 2024-2025.

Attachment

# COMMUNITY COLLEGE OPPORTUNITY GRANT 2024-2025

## MAXIMUM AWARDS

Institution Name	Tier 1 Max Award Value	Tier 2 Max Award Value	Tier 3 Max Award Value
	Students with AGIs from \$0-\$65,000	Students with AGIs from \$65,001-\$80,000	Students with AGIs from \$80,001-\$100,000
<b>ATLANTIC CAPE COMMUNITY COLLEGE</b>	\$8,762.00	\$4,381	\$2,920
<b>BERGEN COMMUNITY COLLEGE</b>	\$8,633.00	\$4,316	\$2,877
<b>BROOKDALE COMMUNITY COLLEGE</b>	\$8,949.00	\$4,344	\$2,896
<b>CAMDEN COUNTY COLLEGE</b>	\$7,354.00	\$3,677	\$2,451
<b>COUNTY COLLEGE OF MORRIS</b>	\$8,904.00	\$4,452	\$2,968
<b>ESSEX COUNTY COLLEGE</b>	\$7,896.00	\$3,948	\$2,632
<b>HUDSON COUNTY COMMUNITY COLLEGE</b>	\$8,796.00	\$4,398	\$2,932
<b>MERCER COUNTY COMMUNITY COLLEGE</b>	\$8,782.00	\$4,391	\$2,927
<b>MIDDLESEX COLLEGE</b>	\$7,464.00	\$3,732	\$2,488
<b>OCEAN COUNTY COLLEGE</b>	\$9,764.00	\$4,882	\$3,254
<b>PASSAIC COUNTY COMMUNITY COLLEGE</b>	\$9,768.00	\$4,884	\$3,256
<b>RARITAN VALLEY COMMUNITY COLLEGE</b>	\$9,696.00	\$4,848	\$3,232
<b>ROWAN COLLEGE AT BURLINGTON COUNTY</b>	\$8,454.00	\$4,227	\$2,818
<b>ROWAN COLLEGE SOUTH JERSEY</b>	\$7,536.00	\$3,768	\$2,512
<b>SALEM COMMUNITY COLLEGE</b>	\$10,632.00	\$5,316	\$3,544
<b>SUSSEX COUNTY COMMUNITY COLLEGE</b>	\$8,256.00	\$4,128	\$2,752
<b>UNION COLLEGE OF UNION COUNTY, NJ</b>	\$9,021.00	\$4,510	\$3,007
<b>WARREN COUNTY COMMUNITY COLLEGE</b>	\$9,084.00	\$4,542	\$3,028

## RESOLUTION 15:24

### ADOPTING MAXIMUM COMMUNITY COLLEGE OPPORTUNITY GRANT AWARDS FOR ACADEMIC YEAR 2024-2025

Moved by: Ms. Beatrice Daggett

Seconded by: Mr. Scott Salmon

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

**WHEREAS:** The Fiscal Year 2025 Appropriation Act includes an appropriation of \$39.820 million for CCOG; and

**WHEREAS:** The Table of Maximum CCOG Awards shown in Attachment A calculates the maximum individual annual grant award for students at each county college in Academic Year (AY) 2024-2025. These amounts are determined by:

- Calculating the tuition for 36 credit-hours of enrollment at each college in AY 2024-2025, not to exceed three percent above AY 2023-2024 maximum award value; plus
- \$3,000 towards approved educational fees; and
- Pursuant to P.L. 2024 c. 22 for eligible county college students whose AGIs are between \$65,001-\$80,000 the maximum award value is 50 percent of the maximum CCOG award value for students with AGIs between \$0 and \$65,000 and for eligible county college students whose AGIs are between \$80,001 and \$100,000 the maximum award value is 33 1/3 percent of the maximum CCOG award value for students with AGI’s 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, CCOG awards shall be pro-rated from the full-time approved tuition and approved educational fees based on the number of credits for which that student is enrolled, calculated as follows

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

**WHEREAS:** Current projections indicate that the Fiscal Year 25 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 24, 2024



**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. <sup>MC</sup>  
Executive Director

**FROM:** Jean M. Hathaway <sup>JMH</sup>  
Director, Grants and Scholarships

**SUBJECT:** Resolution 16:24 Adopting Maximum Garden State Guarantee Maximum Awards for Academic Year 2024-2025

**DATE:** July 24, 2024

Attached for your review and approval is Resolution 16:24 Maximum Garden State Guarantee Maximum Awards for Academic Year 2024-2025. In accordance with the provisions of the Garden State Guarantee (GSG) program statute and subject to the limits of the Fiscal Year (FY) 2025 Appropriations Act, this action will establish the maximum individual GSG award amount for eligible students at each 4-year public institution.

On June 28, 2024, Governor Murphy signed the FY 2025 Appropriations Act, which includes an appropriation of \$94,352,000 for GSG.

### **Background**

The GSG Program Act requires HESAA annually to establish maximum individual grant amounts to be awarded under the program at each 4-year public institution. Students who attend an in-state, public, four-year institution and have an annual adjusted gross income (AGI) between \$0 and \$65,000 will pay a net price of \$0 for tuition and fees during their third and fourth years of study. Students who have AGIs between \$65,001 and \$80,000 will pay a net price of no more than \$7,500 for tuition and fees (\$3,750 per semester), and students who have AGIs between \$80,001 and \$100,000, will pay a net price of no more than \$10,000 for tuition and fees (\$5,000 per semester).

GSG covers the cost of tuition and fees that are not already covered by federal and State financial aid or other scholarships. Students must be enrolled full time (at least 12 credits per semester) and must be working toward completing their first Bachelor's degree.

### **Award Amounts**

The Table of Maximum GSG Awards shown in Attachment A calculates the maximum individual annual grant award for students at each county college in Academic Year (AY) 2024-2025. These amounts are determined by:

- The tuition for full time (at least 12 credits of enrollment, plus 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 AGI's 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 16:24 Adopting Attachment A as the Maximum Garden State Guarantee Grant Awards for Academic Year 2024-2025.

Attachment



## Garden State Guarantee 2024-25

Institution Name	Tier 1 Max Value Award	Tier 2 Max Value Award	Tier 3 Max Value Award
	Students with AGI \$0-65,000: guaranteed a net price of \$0 for Tuition and Required Fees	Students with AGI \$65,001-\$80,000: guaranteed a net price of no more than \$7,500 for Tuition and Required Fees	Students with AGI \$80,001-\$100,000: guaranteed a net price of no more than \$10,000 for Tuition and Required Fees
NEW JERSEY CITY UNIVERSITY	\$14,459.00	\$6,959.00	\$4,459.00
STOCKTON UNIVERSITY	\$16,266.00	\$8,766.00	\$6,266.00
RAMAPO COLLEGE OF NEW JERSEY	\$16,776.00	\$9,276.00	\$6,776.00
THE COLLEGE OF NEW JERSEY	\$19,639.00	\$12,139.00	\$9,639.00
THOMAS EDISON STATE UNIVERSITY	\$6,838.00	\$0.00	\$0.00
WILLIAM PATERSON UNIVERSITY	\$13,298.00	\$5,798.00	\$3,298.00
RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY	\$17,929.00	\$10,429.00	\$7,929.00
KEAN UNIVERSITY	\$14,298.00	\$6,798.00	\$4,298.00
*NEW JERSEY INSTITUTE OF TECHNOLOGY	\$19,974.00	\$12,474.00	\$9,974.00
*MONTCLAIR STATE UNIVERSITY	\$14,764.00	\$7,264.00	\$4,764.00
ROWAN UNIVERSITY	\$16,574.00	\$9,074.00	\$6,574.00

\*Pending final 24-25 tuition and fees resolution

7/17/2024

**RESOLUTION 16:24**

**ADOPTING MAXIMUM GARDEN STATE GUARANTEE AWARDS FOR ACADEMIC YEAR 2024-2025**

Moved by: Mr. Robert Tighue  
Seconded by: Ms. Shernelle Pringle

**WHEREAS:** The Fiscal Year (FY) 2025 Appropriations Act, P.L. 2024, c. 22, appropriates \$94.352 million for Higher Education Student Assistance Authority (HESAA) to provide Garden State Guarantee (GSG) awards to New Jersey resident undergraduate students in each student's third or fourth year of full-time enrollment at a New Jersey senior public college or university; and

**WHEREAS:** The Table of Maximum GSG Awards shown in Attachment A calculates the maximum individual annual grant award for students enrolled full-time at each of New Jersey's senior public colleges and universities in Academic Year (AY) 2024-2025; and

**WHEREAS:** These amounts are determined using the tuition amounts, as provided by each institution to HESAA for students who are enrolled in a minimum of 12 credits, as well as the 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% of tuition and fees. For students with an AGI between \$65,001 and \$80,000, 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, 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 25 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 24, 2024



**PHILIP D. MURPHY**  
Governor

**TAHESHA L. WAY**  
Lt. Governor


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

**MARGO CHALY, ESQ.**  
Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority (HESAA) Board

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

**FROM:** Jennifer Azzarano   
Director, Outreach & Communications

**SUBJECT:** Resolution 17:24 Approving the Appointment of a Vendor to Print and Distribute  
*Going to College in New Jersey*

**DATE:** July 24, 2024

### **Background**

On June 11, 2024 the Higher Education Student Assistance Authority (HESAA) issued a Request for Quotations (RFQ) seeking quotations for a vendor to print and distribute its publication, *Going to College in New Jersey*. This magazine provides information on the higher education institutions in New Jersey, the programs they offer and financial aid programs offered by the State. The magazine is distributed to all high schools in New Jersey at the beginning of the academic year and copies are distributed at college fairs, career fairs, community events and in response to direct requests from the public throughout the year. The term for the vendor selected as a result of this RFQ is for the publication, with corresponding distribution, of three academic year issues of *Going to College in New Jersey*. The contract may be extended for up to two (2) additional academic year issues if it appears to be in the best interest of HESAA and is agreeable to the contractor.

HESAA issued the RFQ by sending it to six vendors and the New Jersey State Veterans Chamber of Commerce, posting it on HESAA's website, and advertising it in the State's NJ Advance Media and Gannett newspapers.

HESAA received two quotations. However, one of the quotes did not include the cost for additional copies of *Going to College in New Jersey* or the required breakdown of the price the vendor pays to the paper supplier, the mark-up the vendor is adding to the price paid to the paper supplier, and the total amount of paper costs being charged to HESAA.

**Selection Process**

The selection process for this RFQ requires HESAA to review all responses to determine if the bidders met all of the requirements of the RFQ and select the qualified firm with the lowest overall quote.

Since one quote did not meet essential requirements of the RFQ, that bidder was disqualified. Therefore, HESAA recommends selecting the second bidder, The Nautilus Publishing Company, to print and distribute *Going to College in New Jersey*.

**Recommendation**

It is recommended that the Board approve the attached Resolution 17:24 approving the appointment of The Nautilus Publishing Company to print and distribute *Going to College in New Jersey* for a term of three academic years with two optional one-year extensions.

Attachment

**RESOLUTION 17:24**

**APPROVING THE APPOINTMENT OF A VENDOR TO PRINT AND DISTRIBUTE GOING TO COLLEGE IN NEW JERSEY**

Moved by: Ms. Beatrice Daggett

Seconded by: Dr. Brian Bridges

**WHEREAS:** The Higher Education Student Assistance Authority (HESAA) annually publishes a magazine called *Going to College in New Jersey*; and

**WHEREAS:** On June 11, 2024 HESAA issued a Request for Quotations (RFQ) seeking quotations for a vendor to print and distribute *Going to College in New Jersey* for three academic years, with up to two optional one-year extensions; and

**WHEREAS:** HESAA sent the RFQ to six vendors and the New Jersey State Veterans Chamber of Commerce, posted it on HESAA's website, and advertised it in the State's NJ Advance Media and Gannett newspapers; and

**WHEREAS:** HESAA received two proposals in response to the RFQ, one of which did not meet the essential requirements of the RFQ; and

**WHEREAS:** The selection process for this RFQ requires HESAA to review all responses to determine if the bidders met all of the requirements of the RFQ and select the qualified firm with the lowest overall quote; and

**WHEREAS:** The Nautilus Publishing Company met the essential requirements of the RFQ.

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

**RESOLVED:** That the Board approves the appointment of The Nautilus Publishing Company to print and distribute *Going to College in New Jersey* for a term of three academic years with two optional one-year extensions.

July 24, 2024




**PHILIP D. MURPHY**  
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:** Arthur Quaranta   
Controller

**SUBJECT:** Resolution 18:24 Approving the Third Extension of the Contract with BLX Group, Arbitrage Calculation Consultant

**DATE:** July 24, 2024

### **Background**

Under the federal tax code, municipal bond issuers, including the issuers of student loan revenue bonds, are required to produce two types of arbitrage reports on a periodic basis, and remit any liability determined as a result of the calculations to the Internal Revenue Service (IRS). These reports are required at specific intervals during the life of a bond issue, including as of the date of final retirement. In the case of HESAA, these arbitrage compliance computation services are required for its student loan bond issues used to establish and maintain the New Jersey College Loans to Assist State Students (NJCLASS) Program and the Federal Family Education Loan Program (FFELP) Portfolio of Loans owned by the NJCLASS/FFELP Trust Estate. Due to the complexity of the federal tax code as it relates to arbitrage calculations for the structures of HESAA asset-backed bonds, which include variable rate bonds and interest rate exchange agreements, the services of a specialist in this area of accounting are required to ensure compliance. The responsibilities of the provider of these services include, but may not necessarily be limited to, those on the following list:

- Calculate applicable bond yield and student loan-yield for each of the Authority's respective issues as requested by the Authority. Identify, and separately account for, all "Gross Proceeds" (as that term is defined in the Arbitrage Requirements) and "Acquired Program Investments" (i.e., the loans) allocable to each bond issue, including those

requiring allocation analyses due to circumstances such as refunding, “transferred proceeds” and/or “commingled funds.”

- Calculate each issue’s excess yield, if any, on student loans.
- Calculate each 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. Such opinion or certificate is to include a statement that the calculation results are consistent with the Arbitrage Requirements.
- Provide a legal opinion that the arbitrage calculations are completed 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 IRS in connection with making yield reduction or arbitrage payments.
- Consult with Authority staff and provide such other incidental advice and assistance as the Authority may deem necessary to ensure full compliance with the arbitrage restrictions imposed by the Arbitrage Requirements.

As a result of the RFP issued on March 4, 2019, HESAA engaged BLX Group (BLX) to provide arbitrage calculation compliance services for an initial contract period of three years, with up to three one-year extensions. At its July 20, 2022 meeting, the HESAA Board approved the first one-year extension to the contract with BLX Group, which expired on July 31, 2023. At its July 26, 2023 meeting, the HESAA Board approved the second one-year extension to the contract with BLX Group, which is set to expire on July 31, 2024.

BLX is a wholly-owned subsidiary of Orrick Herrington & Sutcliffe, LLP, a leading national firm with recognized expertise in arbitrage compliance. This provides HESAA access to unlimited tax expertise and resources at no additional charge. Additionally, BLX maintains an experienced professional staff with the requisite skills to perform the services HESAA requires. BLX has established a track record of quality service at reasonable rates, as well as prompt and helpful responses to questions at no additional cost.

### **Recommendation**

It is recommended that the Board approve Resolution 18:24 Approving the Third and final one-year Extension of the Agreement with BLX Group as Arbitrage Calculation Consultant.

Attachments

**RESOLUTION 18:24**

**APPROVING THE THIRD EXTENSION OF THE AGREEMENT WITH BLX GROUP  
AS ARBITRAGE CALCULATION CONSULTANT**

Moved By: Ms. Jean McDonald Rash

Seconded By: Ms. Beatrice Daggett

**WHEREAS:** Under the federal tax code, issuers of tax-exempt municipal bonds, which include the student loan revenue bonds issued by the Higher Education Student Assistance Authority (“HESAA”), are required to produce two types of arbitrage reports on a periodic basis, and remit any liability determined as a result of the calculations to the Internal Revenue Service (IRS); and

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

**WHEREAS:** Pursuant to the responses to a Request for Proposals, at its April 17, 2019 meeting the HESAA Board appointed BLX Group as arbitrage calculation consultant for a term of three years with three possible one-year extensions; and

**WHEREAS:** HESAA is satisfied with the service provided by BLX Group.

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

**RESOLVED:** That the Board approves the third one-year extension of the agreement with BLX Group as its arbitrage calculation consultant.

July 24, 2024





*PHILIP D. MURPHY*  
Governor

*TAHESHA L. WAY*  
Lt. Governor

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*MARGO CHALY, ESQ.*  
Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority (HESAA) Board

**FROM:** Christy Van Horn *CVH*  
Audit Committee

**SUBJECT:** Resolution 19:24 – Approving the First Extension of the Contract with CliftonLarsonAllen LLP, Independent Auditor

**DATE:** July 24, 2024

### Background

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

At its April 21, 2021 meeting the Board appointed CliftonLarsonAllen LLP (CLA) as the auditing firm for HESAA for the initial term of three years, beginning with the 2021 fiscal year, and subject to two one-year extensions at the option of HESAA. The Board appointed CliftonLarsonAllen because CLA maintains the experience and bandwidth to audit HESAA's complex financial statements by assigning senior CLA staff members to HESAA's audit. The Board also noted that as a large nationwide firm, CliftonLarsonAllen has depth in personnel as well as experts in a variety of areas that can be called upon if necessary. Additionally, CliftonLarsonAllen's attention to cybersecurity was noteworthy due to the sensitivity of the information audited for HESAA.

During the first three years of the agreement, the Audit Committee found CliftonLarsonAllen LLP to be professional and effective, providing clear explanations of the firm's processes and findings.

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

### **Recommendation**

It is recommended that the Board approve the attached Resolution 19:24 providing a one-year extension to the appointment of CliftonLarsonAllen LLP as Independent Auditor, at a cost of \$82,400 for auditing services for the year and an additional \$24,500 for the year if an Agreed Upon Procedures review is requested.

Attachment

**RESOLUTION 19:24**

**APPROVING THE 1<sup>st</sup> EXTENSION OF THE CONTRACT WITH  
CLIFTONLARSONALLEN LLP, INDEPENDENT AUDITOR**

Moved By: Mr. Robert Tighue  
Seconded By: Dr. Brian Bridges

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

**WHEREAS:** At its April 21, 2021 meeting the Board appointed CliftonLarsonAllen LLP as the auditing firm for HESAA for the initial term of three years, beginning with the 2021 fiscal year, subject to two one-year extensions at the option of HESAA; and

**WHEREAS:** The contract with CliftonLarsonAllen LLP is subject to its first optional renewal; and

**WHEREAS:** It was determined that it would be in HESAA's best interest to exercise the first of its options to extend the contract with CliftonLarsonAllen LLP for one year.

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

**RESOLVED:** That the Higher Education Student Assistance Authority hereby approves a one-year extension to the appointment of CliftonLarsonAllen as independent auditor at a cost of \$82,400 for auditing services for the year and an additional \$24,500 for the year if an Agreed Upon Procedures review is requested.

July 24, 2024



*PHILIP D. MURPHY*  
Governor

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

## MEMORANDUM

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

**THROUGH:** Board Budget Committee

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

**SUBJECT:** Resolution 20:24 Approval of HESAA's FY 2025 Administrative and Capital Budgets

**DATE:** July 24, 2024

As part of the Higher Education Student Assistance Authority's ("HESAA" or the "Authority") annual budget process, and to ensure the Board's continued oversight of the programmatic and administrative activities of the Authority, on July 10, 2024 staff presented the Fiscal Year 2025 (FY 25) administrative and capital budgets to the Board Budget Committee for its review and approval. The Budget Committee approved the budgets and is now recommending that the full Board approve these budgets through the attached resolution.

### **Background**

HESAA structures its administrative and capital budgets in a summary presentation to reflect HESAA's shared staffing and integrated services.

### **Revenue Budgets**

In FY 25, HESAA revenues and appropriated 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 and certain other State loan redemption and other programs, proceeds from the equity distribution from refinanced prior year bond issues, as well as funding from unallocated cash reserves.

HESAA administrative revenues projected for FY 25 total \$28.2 million, which is a \$2.5 million increase over the FY 24 budgeted levels, as detailed in attached Schedule I. The revenues are broken down as follows:

\$22.1 million from NJCLASS Program Revenues – It is anticipated that HESAA will receive \$22.1 million for the origination and servicing of NJCLASS loans in FY 25, a net increase of \$2.5 million from the FY 24 budget.

Under the NJCLASS loan program HESAA retains a 1% origination fee charged to Consolidation loan borrowers. 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. In addition, HESAA retains revenue from a portion of the recovery of NJCLASS loans.

Included in NJCLASS program revenues for FY 25 are:

- \$12.5 million in Origination, Servicing, and Administrative Fees;
- \$7.6 million in Cash Receipts on HESAA-owned NJCLASS loans: HESAA anticipates an increase in recoveries from defaulted NJCLASS loans that are not assets of any of the Bond Trusts in FY 25, compared with the level of such budgeted revenues in FY 24; and
- \$2.0 million in Interest Earnings on cash used to fund HESAA’s administrative expenses.

\$4.6 million from NJBEST Net Revenues – NJBEST revenue for FY 25 is projected to total \$8.6 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 \$4.6 million.

- Note: In the Spring of 2024 HESAA implemented a one-time NJBEST scholarship award amount increase from \$1,000 to \$3,000 per student beneficiary to new amounts ranging from \$2,000 to \$6,000 per student beneficiary (depending on the number of years in which the account holder made contributions).

\$1.5 million for the Administration of Loan Redemption and Other Programs – In FY 25, HESAA will be reimbursed for the costs of administering several loan redemption and other programs that were expanded over the past three fiscal years, including the State-funded Behavioral Healthcare Providers Loan Redemption Program; the State-funded Student Teacher Scholarships; the State-funded Nursing Faculty Loan Redemption Program; the Governor’s Industry Vocations Scholarship Program funded by the Schools Development Authority; the State- and federally-funded Primary Care Practitioner Loan Redemption Program; and the federally-funded John R. Justice Loan Redemption Program for prosecutors and public defenders.

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

Operating Expenditures – HESAA’s administrative expenditure budget for FY 25 totals \$43.2 million, which is a net increase of \$4.9 million over the FY 24 budget as detailed in attached Schedule I.

This proposed budget funds 178 HESAA positions and all non-salary costs associated with delivering State student assistance funds and services to nearly one million New Jersey residents each year. Nine (9) employees retired from the Authority during FY 24.

The Authority utilizes its resources across all programs to increase efficiency and create flexibility to meet program peak demands. A review of operating expenditures for FY 25 compared with FY 24 shows:

- \$28.2 million in Salary and Benefits, which is an increase of \$3.2 million in employee salary compensation and benefit costs due to contractually obligated cost-of-living increases, State Health Benefits Program cost increases and an anticipated net increase of 4 employees;
- \$10.2 million in Services Other than Personnel, which is an increase of \$1.4 million, attributable to temporary agency service contractors, software & software maintenance costs, legal and audit costs;
- \$1.4 million in Maintenance and Fixed Charges, which is relatively flat to FY 24 costs and comprised mainly of building rent, maintenance of equipment and records storage; and
- \$2.5 million in anticipated bond-related transaction and trustee costs, which is slightly down from FY 24 costs.

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 department staff. In FY 25 HESAA will continue to fill only mission-critical 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 invests capital towards the improvement of HESAA's technological infrastructure, Federal Information Security Modernization Act (FISMA) compliance, and physical improvements. The major expenditures for FY 25 include technology infrastructure and facilities upgrades as well as project implementation funding.

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. In addition, it enables the Authority staff to safely and efficiently fulfill their responsibilities onsite or from a remote setting with minimal impact to the quality of service. This proposed capital spending plan reaffirms the Board's commitment to funding the Authority's long-term capital investment strategy.

The FY 25 Capital Budget is \$4.1 million, an increase of \$1.6 million over the FY 24 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 24 capital resources.

The major capital expenditures for FY 25 include:

- \$0.421 million for Technology Infrastructure, includes 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.

Additional enhancements will provide procurement tracking software and boardroom technology advancements;

- \$0.181 million for Desktop Replacement, which includes additional hardware related to new hires as well as obsolescence and failure of equipment;
- \$0.230 million for Technology Equipment Environment upgrades to the HVAC system dedicated to maintaining safe operating temperatures within HESAA's data center;
- \$0.610 million for Data Storage and Back-Up, includes additional primary and backup/disaster recovery storage as HESAA's server implementation and data storage needs increase;
- \$0.130 million for Grant Systems Development, to update the NJFAMS system which supports the New Jersey Grants & Scholarships programs, including any additional required modifications as a result of the Federal FAFSA simplification initiative;
- \$0.175 million for Data Center Facilities as conditional monies to replace the halon system should it ever discharge and to cover any needed computer room floor repairs; and
- \$2.0 million for HESAA Loan Servicing Platform Replacement Project, HESAA is currently contracted with DecisivEdge to implement its Collections, Loan Accounting and Servicing System (CLASS). This new servicing platform is being 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 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 will need the coordination and expertise of DecisivEdge to maintain the integrity and functionality of our new CLASS platform as the necessary Oracle upgrades are implemented.

### **Summary**

FY 25 administrative current year revenues of \$28.2 million and cash reserves of \$15.0 million will fund budgeted expenditures of \$43.2 million. The \$4.1 million FY 25 Capital Budget will be funded through current cash reserves (including nearly \$0.8 million in unspent capital funds carried over from FY 24). HESAA continues to contain administrative costs 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 25 Administrative and Capital Budgets are recommended for your approval.

Attachments

**NEW JERSEY HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY**  
**Appropriated Administrative Revenues, Expenses & Funding FY 2023 - 2025**  
(\$ in 000's)

	FY 2023 Actual	FY 2024 Budget	FY 2024 Forecast	FY 2025 Budget	Inc/(Dec) FY 2025 Budget vs FY 2024 Budget	
					\$	%
<b><u>NJCLASS:</u></b>						
Application Fees	\$1,670	\$180	\$345	\$180	\$0	0.0%
Servicing Fees	4,369	4,825	4,517	4,617	(208)	-4.3%
Administrative Fees	5,163	5,326	5,977	6,235	910	17.1%
Net Collection Revenue	1,342	1,546	1,461	1,468	(78)	-5.0%
2010-1 FFELP Admin Fee from Servicer	40	48	42	36	(12)	-25.0%
Cash Receipts on HESAA Loans	9,378	5,870	7,775	7,584	1,714	29.2%
Interest Earnings	1,546	1,817	2,459	1,955	138	7.6%
Equity Distribution from Bond Refunding	12,138	0	10,726	0	0	N/M
<b>Total NJCLASS Program</b>	<b>\$35,645</b>	<b>\$19,611</b>	<b>\$33,302</b>	<b>\$22,075</b>	<b>\$2,463</b>	<b>12.6%</b>
<b><u>NJBEST:</u></b>						
Fee Income From Provider	\$4,768	\$5,192	\$4,977	\$5,379	\$187	3.6%
Interest Earnings	1,993	2,643	3,117	3,243	600	22.7%
Scholarship Awards	(1,427)	(3,000)	(1,425)	(4,000)	(1,000)	33.3%
<b>Total NJBEST Program</b>	<b>\$5,334</b>	<b>\$4,835</b>	<b>\$6,669</b>	<b>\$4,621</b>	<b>(\$213)</b>	<b>-4.4%</b>
<b><u>Administration of Loan Redemption &amp; Other Programs:</u></b>						
Loan Redemption & Other Program Revenue	\$575	\$1,284	\$618	\$1,494	\$210	16.4%
<b>Total Loan Redemption &amp; Other Programs</b>	<b>\$575</b>	<b>\$1,284</b>	<b>\$618</b>	<b>\$1,494</b>	<b>\$210</b>	<b>16.4%</b>
<b>Total All Funds</b>	<b>\$41,555</b>	<b>\$25,730</b>	<b>\$40,589</b>	<b>\$28,190</b>	<b>\$2,460</b>	<b>9.6%</b>
<b><u>HESAA Program Administrative Expenditures:</u></b>						
Salary and Wages	\$11,866	\$14,785	\$13,340	\$15,893	\$1,108	7.5%
Employee Benefits	8,025	10,120	10,292	12,261	2,141	21.2%
Materials/Supplies	234	507	411	621	115	22.6%
Services Other Than Personnel	6,996	8,830	8,761	10,227	1,397	15.8%
Maintenance and Fixed Charges	1,229	1,373	1,265	1,403	30	2.2%
Special Purpose/Indirect Cost	44	125	125	325	200	160.0%
Bond Transaction & Trustee Costs	2,127	2,570	2,570	2,458	(112)	-4.4%
<b>Total Program Expenditures</b>	<b>\$30,521</b>	<b>\$38,309</b>	<b>\$36,764</b>	<b>\$43,188</b>	<b>\$4,878</b>	<b>12.7%</b>
<b>Net Earnings (Loss)</b>	<b>\$11,034</b>	<b>(\$12,580)</b>	<b>\$3,825</b>	<b>(\$14,998)</b>	<b>(\$2,418)</b>	<b>19.2%</b>
<b>Funding from (to) Unallocated Cash Reserves <sup>(1)</sup></b>	<b>(\$11,034)</b>	<b>\$12,580</b>	<b>(\$3,825)</b>	<b>\$14,998</b>	<b>\$2,418</b>	<b>19.2%</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 2024 and FY 2025**  
**(\$ in 000's)**

	<b>FY 2024 Budget</b>	<b>FY 2024 Forecast</b>	<b>FY 2025 Budget</b>
Telephone Systems	173	143	70
Technology Infrastructure	374	316	421
Transportation	70	-	100
Desktop Replacement	68	40	181
Security Compliance	120	62	20
Technology Equipment Replacement <sup>(1)</sup>	25	11	230
Data Storage and Back-up	10	-	610
Grant System Development <sup>(1)</sup>	300	300	130
E-Mail and Text	20	-	20
Network Infrastructure	30	30	61
Physical Security	-	2	-
Data Center Flooring/Generator	175	-	175
Customer Database Management Tools	10	-	-
Construction	110	25	100
HESAA Loan Servicing Platform Replacement Project	1,000	1,000	2,000
<b>Total Capital Spend <sup>(2)</sup></b>	<b>\$2,485</b>	<b>\$1,929</b>	<b>\$4,118</b>

(1) Per HESAA Board approval on 4/24/24, \$0.220 million in FY24 Budget funds have been transferred from Technology Equipment Replacement to Grant System Development.

(2) Total FY25 capital spend of \$4.118 million will be funded through current cash reserves. The capital carryover from FY24 is estimated to be \$0.796 million.

**RESOLUTION 20:24**

**APPROVING HESAA's FY 2025 ADMINISTRATIVE AND CAPITAL BUDGETS**

Moved by: Dr. Brian Bridges  
Seconded by: Dr. Nelson Turcios

**WHEREAS:** As part of the Higher Education Student Assistance Authority's (HESAA) annual budget process, to ensure the Board's oversight of the programmatic and administrative activities of the Authority, staff presents the Fiscal Year 2025 administrative and capital budgets to the Board for its review and approval; and

**WHEREAS:** On July 10, 2024 the Board's Budget Committee met with staff to review and approve the Fiscal Year 2025 administrative and capital budgets for consideration by the full Board.

**NOW THEREFORE, LET IT BE:**

**RESOLVED:** That the Board hereby approves the FY 2025 administrative and capital budgets as advanced by the Board's Budget Committee and described in the attachment to this resolution.

July 24, 2024



**PHILIP D. MURPHY**  
Governor

**TAHESHA L. WAY**  
Lt. Governor

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

**MARGO CHALY, ESQ.**  
Executive Director

## ***A Resolution Expressing Appreciation to Ms. Alya Nassrallah***

- WHEREAS:** Ms. Alya Nassrallah has served with distinction on the Student Advisory Committee (SAC) and was elected chairperson for 2023-2024; and
- WHEREAS:** In her role as an officer of the SAC, Ms. Nassrallah served as a member of the Board of the Higher Education Student Assistance Authority (HESAA), effectively representing New Jersey students; and
- WHEREAS:** Ms. Nassrallah has proven herself a devoted advocate for students of New Jersey, providing valuable input on policy matters affecting students and their access to education; and
- WHEREAS:** Her contributions as a Board member of HESAA have helped advance postsecondary education and enhanced delivery of student aid in New Jersey; and
- WHEREAS:** The members of the Board of the Higher Education Student Assistance Authority wish to acknowledge Ms. Nassrallah's fine service and contributions in providing an effective program of student financial assistance; now therefore be it
- RESOLVED:** That the Higher Education Student Assistance Authority hereby adopts this resolution as an acknowledgement of Ms. Nassrallah's service and dedication; and be it further
- RESOLVED:** That the Board of the Higher Education Student Assistance Authority expresses its appreciation to Ms. Nassrallah for her outstanding leadership and dedication on behalf of New Jersey students; and be it further
- RESOLVED:** That the Board of the Higher Education Student Assistance Authority expresses its best wishes to Ms. Nassrallah for success in all of her future endeavors; and be it further
- RESOLVED:** That a copy of this resolution be noted in the official records of the Authority and the original be presented to Ms. Nassrallah.

July 24, 2024

# Report to the Board July 24, 2024

Presented by Margo Chaly, Esq. Executive Director



## 2024-2025 Student Advisory Committee



Jeremy Albuja  
Union



Adrian Ampadu  
Rutgers



Gianni Enzo DeJesus  
Berkeley



Barbee Edwards  
William Patterson



Favour Oyelade  
Kean



James Pascal  
Ramapo



Matthew Rezek  
Princeton



Ivona Szaro  
Seton Hall



Marolla Youakim  
Hudson

FY25 Grants &  
Scholarship  
Funding:  
\$614M

- **\$470M - Tuition Aid Grants (TAG)**
  - Includes Part-Time TAG for Community Colleges
  - Includes Part-Time TAG for EOF Students
  - Includes Kean University in Research University Sector
- **\$134.2M - New Jersey College Promise**
  - Community College Opportunity Grant (CCOG)
  - Garden State Guarantee (GSG)
- **\$7.8M - STARS & STARS II**
- **\$1M - Tuition Assistance Thomas Edison State University Students**
- **\$595K - Governor's Urban Scholarship**
- **\$202K - World Trade Center Scholarship**

FY25 Educator  
Workforce  
Investment:  
\$15M

- **\$10M - Student-Teacher Scholarships**
  - *FY24 Update: pilot program issued awards to 2,000+ students*
- **\$5M - New Jersey Teacher Loan Redemption**
  - \$4M for eligible educators teaching since 2009
  - \$1M for eligible educators hired in 2024-25 academic year
  - *FY24 Update: funded student loan redemption for 54 educators*

## FY25 Healthcare Workforce Investment: \$16.8M

- **\$4.3M - Pay It Forward**
  - Additional nursing programs beyond Hudson County
- **\$1.6M - Nurse Faculty Loan Redemption Program**
  - Expand eligibility for professors of nursing
  - Expand capacity to matriculate and graduate future nurses
- **\$3.9M - Primary Care Physician Loan Redemption Program**
  - Includes eligible nurse practitioners and nurse midwives
- **\$7M - Behavior Healthcare Provider Loan Redemption Program**
  - *FY24 Update: funded student loan redemption for 47 providers*

## Personnel & Program Update

- **Alia Abbas, Chief of Staff**
  - 20+ years of significant leadership and project management experience
  - Leverages data-driven decision making into successful cross-functional collaboration, program implementation, and relationship building with stakeholders
- **Home- and Community-Based Services Provider LRP**
  - Application period now open July 1 to July 31, 2024
  - \$17M federal funds
  - Collaboration with NJ Departments of Human of Human Services (DHS) and Children & Families (DCF)
  - HESAA teams: HTECH, Loan Redemption, Outreach & Communications

2024-25  
NJCLASS

Compare NJCLASS and Federal Parent PLUS rates for Academic Year 2024-25			
Terms	NJCLASS <small>No Administrative Fee</small>	VS Federal Parent PLUS <small>Rate/APR - Origination Fee 4.228%</small>	Repayment
10 - Year <small>Option 1</small>	5.99% APR	9.08% / 10.102% APR	Immediate repayment of principal and interest while in school
15 - Year <small>Option 2</small>	6.99% APR	9.08% / 10.009% APR	Interest only payments while in school
20 - Year <small>Option 3</small>	7.99% APR	9.08% / 9.785% APR	Full deferment while enrolled in school at least half time
Party to the loan	The student or parent is the borrower. A parent, relative, or other US Citizen or eligible Non-Citizen may co-sign the loan.		Parent Only

Refi<sup>+</sup>

Loan Term:

10-Year Fixed Rate	15-Year Fixed Rate
5.99%	6.75%

Outreach

IT'S FAFSA<sup>®</sup>  
O'CLOCK

It's **TIME** to see just how affordable college can be in New Jersey!

Find out by signing up for a **FREE** online session with a financial aid pro who can help you complete your **FAFSA**®.

Click here to learn more

Mark Your Calendars

📅

UNIVERSITY

The New Jersey Higher Education Student Assistance Authority is pleased to announce the following HESAA University training sessions!

- Thursday, June 27 - NJFAMS Verification Screen and Making Updates for 24-25
- Thursday, July 11 (morning) - Best Practices for Acceptable Documentation
- Thursday, July 11 (afternoon) - Institutional Responsibilities for Special Circumstances
- Thursday, July 18 - Independent/Dependent for State Aid, That is the Question
- Thursday, July 25 - Community College Opportunity Grant (CCOG)
- Thursday, August 1 - Garden State Guarantee (GSG)

🌐 Visit [hesaa.org/Pages/HESAAUHome.aspx](https://hesaa.org/Pages/HESAAUHome.aspx) for more information.

## Staff Updates

- **New employees:** 7 (COS; Customer Care Solutions; HTECH)
- **Promotions:** Valerie Bednarski (7 years) & Karen Chamberlain (10 years)
- **Farewell:** Cayla Sekuler now with NJ Department of Education
- **Retirement:**
  - Dave Gillespie - 31 years
  - Roger Johnson - 37 years
  - Michael Ladines - 21 years
  - Adam Uretsky - 25 years

Thank you

