

MINUTES

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

October 22, 2025

The Higher Education Student Assistance Authority (HESAA) Board held a remote teleconference meeting on October 22, 2025 at 10:00 am via Zoom. 46 people logged into the meeting.

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

ABSENT: Mr. Gary Williams.

CALL TO ORDER

Christy Van Horn called the meeting to order at 10:03. Margo Chaly stated that the meeting had been noticed in compliance with the requirements of the Open Public Meetings Act.

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

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

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

CONSIDERATION OF THE MINUTES OF THE JULY 23, 2025 MEETING

A motion to approve the minutes of the July 23, 2025 meeting was made by Brian Bridges and seconded by Bea Daggett. The minutes were approved unanimously with two abstentions, Mr. Scott Salmon and Mr. Robert Tighue, who were not present at this meeting.

REPORT OF THE AUDIT COMMITTEE AND RESOLUTION 15:25 ACCEPTING AND ADOPTING THE FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS FOR FISCAL YEAR 2025

Christy Van Horn reported that on October 17, 2025 the members of the Board Audit Committee met with HESAA's Independent Auditors to review and discuss the audited financial statements. Andrew Lee from CliftonLarsonAllen (CLA) presented their findings to the Board.

Mr. Lee advised that CLA was engaged to conduct three separate audits of: the NJCLASS Loan Programs; Other HESAA Programs and Funds; and the World Trade Center Scholarship Fund for the year ending June 30, 2025. Mr. Lee explained that CLA was also tasked with providing a

governance communications letter, as well as to review internal controls to determine if there are any material weaknesses.

The audits were completed in accordance with generally accepted audit procedures and Mr. Lee advised that all three audits resulted in an unmodified opinion, which is the highest opinion an auditor can issue. Mr. Lee praised Jerry Traino, Art Quaranta and their team for providing statements that needed no corrections, and stated that there were no management letters for any deficiencies.

A motion to approve Resolution 15:25 was made by Mr. Scott Salmon and seconded by Mr. Robert Tighue.

Chairwoman Van Horn commented that the audit was completed expeditiously because it was a smooth process working with the CLA staff.

The motion passed unanimously.

RESOLUTION 16:25 APPOINTING A FINANCIAL ADVISOR FOR AUTHORITY BOND ISSUES

Jerry Traino presented Resolution 16:25 to the Board.

Good morning and thank you all for your attention to Resolution 16:25 addressing the appointment of a Financial Advisor for the Authority for calendar years 2026, 2027 and 2028.

The Financial Advisor, which serves as the Independent Registered Municipal Advisor, represents the Authority's interests in the development of a bond issue. Its services include the review of proposed financing structures, the cash flow analysis and providing fiduciary advice during the calendar year. The Financial Advisor and Senior Manager work jointly to answer any issues raised by rating agencies, liquidity providers, bond counsel, or the bond trustee.

On August 28, 2025, the Higher Education Student Assistance Authority (HESAA) issued a Request for Proposals (RFP) to 13 financial advisory firms to serve as its Financial Advisor.

Two proposals were submitted: Hilltop Securities and NW Financial Group.

As part of the selection process, an evaluation committee made up of HESAA's Chief Financial Officer, Controller, and Director of Legal & Governmental Affairs reviewed and scored the proposals based on criteria detailed in the Board Memo before you today.

After a thorough review of the two proposals, the evaluation committee recommends re-appointing HESAA's current financial advisor, Hilltop Securities.

While the proposal from NW Financial Group LLC demonstrated general financial advisory experience and commendable experience in the municipal bond market, the firm has no prior student loan experience.

Hilltop Securities possesses the relevant experience with student loan programs comparable to our NJCLASS program and illustrates strong analytical capabilities. Hilltop Securities is also a broker-dealer, which allows its underwriting desk to provide additional, real time, valuable insight to HESAA on market conditions when our bonds are going to market.

The maximum proposed fee by Hilltop Securities for financial advisory services is \$150,000 per transaction, plus expenses. As detailed in the Board memo, Hilltop also provided quotes for related services that were requested through RFP, including but not limited to: performing cash flows, bid management for guaranteed investment contracts (GICs), as well as other financial instrument related services.

Hilltop continues to demonstrate a depth of expertise and relevant experience to meet all of HESAA's needs. They provide all services required by HESAA, including any possible derivative deals. Additionally, as they are also a broker/dealer they are subject to additional oversight by such bodies as the Securities Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB).

It is recommended that the Board approve the attached Resolution 16:25 approving the appointment of Hilltop Securities as the Authority's Financial Advisor for the years 2026, 2027 and 2028.

A motion to approve Resolution 16:25 was made by Dr. Brian Bridges and seconded by Ms. Beatrice Daggett.

The motion passed unanimously.

REPORT OF THE BUDGET COMMITTEE AND RESOLUTION 18:25 ADOPTING A BOARD BUDGET POLICY STATEMENT FOR FISCAL YEAR 2027

Scott Salmon presented the Board Budget Policy Statement to the Board.

Thank you for this opportunity to present Resolution 18:25 Adopting a Board Budget Policy Statement for Fiscal Year 2027.

On October 8, the Board Budget Committee met with HESAA staff to review the robust portfolio of programs administered by the experts at HESAA, the efficacy of these programs, and the State fiscal appropriations that fund the programs. Additionally, the Board Budget Committee was informed by recent studies, including the TAG Study Commission Report of October 2022 and the October 2024 report of the HESAA Board Ad Hoc Committee to Review Financial Aid Policy & Programming, when drafting the FY 2027 Budget Policy Statement.

The Budget Committee endeavored to balance the HESAA Board's role in the budget process, which is to advocate policies that advance higher education access, choice, and affordability, for New Jersey residents, with the fiscal realities of the State. We believe the statement included in the materials achieves that goal, by suggesting funding for the life-changing programs HESAA administers on behalf of New Jersey students.

A motion to approve Resolution 18:25 was made by Mr. Robert Tighue and seconded by Ms. Favour Oyelade.

The motion passed unanimously.

RESOLUTION 19:25 APPROVING THE HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY ANNUAL REPORT FOR FISCAL YEAR 2024 AND FISCAL YEAR 2025 PURSUANT TO EXECUTIVE ORDER 37 (2006)

Christi Peace presented Resolution 19:25 to the Board.

Thank you Chair Van Horn,

In accordance with Executive Order 37 (2006), all independent state authorities, including HESAA, are required to produce an annual report to reflect a comprehensive overview of the work of the Authority and explain how that work promotes the State's overall economic growth strategies.

Included in your materials is a copy of our proposed double-issue of the HESAA Annual Report for Fiscal Years 2024 and 2025. Starting with this double-issue containing information from the academic and fiscal years ending on June 30, 2024 and June 30, 2025, the HESAA Annual Report will now be published in October instead of April each year to ensure a more timely release of the academic year data upon the conclusion of each fiscal year. This comprehensive report describes the ways in which HESAA continues to deliver on our core mission of offering financial and informational resources to help students pursue education beyond high school.

With the full support of this Board, HESAA staff worked to introduce new initiatives and expand existing programs to support New Jersey students and meet our state's workforce needs over the past two years.

Despite a turbulent Academic Year 2024-2025 financial aid cycle, the HESAA team was able to guide families through the process and provide robust financial aid to New Jersey students. We then grew our outreach efforts to support the implementation of a new financial aid application completion requirement for high school seniors that began with the 2025-2026 financial aid cycle. At the same time, we also worked with our partners in the Office of the Secretary of Higher Education and Office of Innovation to implement a statewide campaign to raise awareness about the affordability and benefits of obtaining a degree in the Garden State.

Beyond financial aid, we continued to promote and administer NJBEST 529 savings accounts, to encourage families to save early and often for their child's future education.

HESAA also advanced the Murphy Administration's comprehensive efforts to incentivize experts to enter and remain in key career fields by offering several workforce development programs. Through student loan redemption programs, the student teacher scholarship, and the New Jersey Pay It Forward program, we are bolstering healthcare, education, STEM, and other high-need workforces that are providing crucial services to community members throughout our state. With the help of the Governor and Legislature, we also expanded the existing Nursing Faculty Loan

Redemption Program and the New Jersey Teacher Loan Redemption Program to accept more participants than ever before.

HESAA's efforts to improve affordability and increase access to higher education remain a hallmark of our work every year, and Fiscal Years 2024 and 2025 were no exception.

While these are only a few highlights of HESAA's accomplishments over the past two fiscal years, none of them would have been possible without the dedication of the HESAA team and the support of this Board.

With your approval today of Resolution 19:25, this final report will be posted to our website and submitted to the Governor's Office, as required by the Executive Order.

A motion to approve Resolution 19:25 was made by Mr. Scott Salmon and seconded by Dr. Brian Bridges.

Chair Van Horn commented that while this is a beautiful report visually, more importantly the content is presented so clearly people are going to want to read it. Chair Van Horn thanked the staff for their hard work in putting the Annual report together and acknowledged that presenting the report in October instead of waiting until the following April makes a lot of sense.

The motion passed unanimously.

STUDENT ADVISORY COMMITTEE REPORT

The Student Advisory Committee (SAC) Chair, Favour Oyelade, and Vice-Chair, Ellie Dowek, reported on the SAC activities to date.

Good morning, and thank you for the opportunity to present to you today. The 2025-2026 Student Advisory Committee met for the first time in June. I am happy to report that this year's SAC is very engaged and committed to assisting New Jersey's students in understanding all of the financial aid opportunities in the State. Since our initial meeting, we met twice more. Primarily, we brainstormed our social media strategy to determine how to best reach the most students.

Between these meetings, we remained in communication with each other to share ideas and draft upcoming posts for our new SAC Instagram page. Our account is already following the New Jersey colleges and universities and, if an account exists, their respective financial aid and EOF offices. We invite everyone in this meeting to please follow us on Instagram at: hesaa_studentadvisorycommittee.

For our first post we shared an introduction to the SAC, and in the coming days and weeks we will be posting introductions of all nine members of the Committee to acquaint the public with who we are, where we attend school, our hobbies, and what we are involved with on our campus. Our plan is for this Instagram page to be an additional avenue for New Jersey students who have questions about financial aid. We also hope that through this engagement, we will better understand the questions students have regarding financial aid. The engagement through Instagram will add to the information we plan to collect via the student survey we plan to distribute later next month. My colleague, Ellie Dowek, will now explain more about this

Thank you, Favour, and thank you to everyone here for the opportunity to present to you today. As you may recall, last year's Student Advisory Committee created an online survey to distribute to their peers on their individual campuses. The purpose of the survey was to gauge the level of understanding students have regarding the FAFSA, NJFAMS, and financial aid in general. While the survey garnered responses that provided valuable insight, the sample size was not very big. Therefore, using the very solid foundation that the first survey provides, this year's SAC is reissuing the survey with a few tweaks. We are using the questions originally asked, rewording some and adding new ones, to create the SAC survey 2.0. In this second rendition, we are adding more answer choices for the multiple choice questions and providing more open-ended questions affording the respondents the opportunity to answer in their own words. Like the original survey, the new survey will be made available through a QR code, which all SAC members will distribute to their peers. After discussion, SAC members agreed that each member will recruit a minimum of thirty students to complete the survey, bringing the new sample size to a minimum of 270 students. We will also make the financial aid survey available on our Instagram account and ask the HESAA staff to distribute it to the financial aid offices at all of the New Jersey TAG eligible schools.

The SAC plans to distribute this survey in mid-November and will continue collecting the data through the New Year. Then, at our January 2026 SAC meeting, we will discuss the results and how best to utilize the data. We look forward to the April HESAA Board meeting when we will report on the results of the survey we did with the information we learned. Thank you.

EXECUTIVE DIRECTOR'S REPORT

Thank you, Chair Van Horn, and all of the Board members for your actions today.

Special thank you to the Student Advisory Committee, led by Favour Oyelade and Ellie Dowek. Your presentation underscores the incredible commitment from you and your committee colleagues to enhance the experience for your student peers at colleges throughout New Jersey, so they can better understand, and benefit from, the financial aid resources administered at HESAA. We recognize that you are volunteering to serve on this committee while you juggle your studies, extracurricular activities, and family obligations. We thank you for your service, and we look forward to hearing more about the student survey, 2.0, findings and the initiatives they inform.

I also must thank the HESAA leadership team for the tremendous effort required to publish the Annual Report. Under regular circumstances, creating this report is a substantial undertaking; so compiling two years of data and program results makes it even more impressive. Producing the report involves extensive collaboration to design, edit, and finalize both the narrative and financial sections. But the real story lies within the more than 30 pages of accomplishments, which reflect the ongoing commitment of the HESAA team to serve students pursuing a college degree in New Jersey, and professionals serving in high-need fields throughout the Garden State.

During the past two fiscal and academic years featured in the report, HESAA navigated leadership changes at both the Authority and federal levels, which might have caused confusion or disruption anywhere else. However, our resilient team of experts seamlessly continued operations with professionalism, implementing and expanding programs; awarding financial aid to more students than ever before; maintaining consistent communication with constituents; and welcoming new

talent to the team...as we said goodbye to 14 employees with a combined 384 years of service with HESAA who embarked on well-deserved retirements. The report is substantively informative and impactful, not to mention visually stunning. Well done!

Now turning to the ongoing work of the Authority, our team continues to support students and families on their academic journeys beyond high school. Our Grants & Scholarship team is processing an unprecedented number of financial aid applications and documents received for the current academic year. The take away here is that our *work is working*. Our work includes the statewide outreach campaign amplifying the affordability of a world-class education in New Jersey. Our work includes supporting the requirement for high school students to complete a financial aid application in order to graduate. And, our work includes recognizing how our processes can be more user-friendly, such as updating the HESAA email address used to correspond with applicants. Our residents are receiving and responding to this outreach, which underscores what data consistently confirms: the value of obtaining a college degree will increase earnings over the course of a lifetime, compared to individuals who earn only a high school diploma.

Looking ahead, we are already engaged with students and returning learners who plan to enroll in our financial aid-eligible institutions of higher education in the Fall of 2026. At the beginning of this semester, the Outreach & Communications team published the latest issue of Going to College in New Jersey, our signature publication filled with financial aid resources. Copies were delivered to every New Jersey high school as well as state legislators to share with their constituents. Beyond sharing this magazine, we collaborate with these champions of student success in multiple ways. The Outreach team facilitates workshops for more than a thousand high school counselors each fall to update them on the financial aid cycle process and the various tools we offer to bolster their efforts in supporting their students. Meanwhile, legislators in districts throughout the State team up with HESAA to host financial aid workshops within their communities. Now is the time for this engagement as both the Free Application for Federal Student Aid (FAFSA) and the New Jersey Alternative Financial Aid Application are open for the Academic Year 2026-2027.

Since we last met, our team focused on expanding outreach during College Savings Month in September to highlight the extraordinary benefits of the NJBEST 529 College Savings Program. Both a press release and direct communication with local and federal representatives proudly featured the Scholarship, Matching Grant and tax incentives available for eligible savers. I am thrilled to report that once again in 2025, the Saving for College organization recognized NJBEST with the Top of Class designation, which is the highest award earned by only eight (8) of the 55 direct-sold programs in the nation. As always, our partnership with First Lady Tammy Murphy continues as she and her team regularly highlight the NJBEST 529 College Savings Program and invite HESAA to participate in the New Jersey Family Festivals so these critical resources are available for residents attending these events.

Almost two years ago to the day, we deployed the first migration of NJCLASS loans from the back-office mainframe system to the modern cloud-based CLASS system. With less than 5% of loans serviced in-house left to migrate into CLASS, it is imperative to recognize and thank the Finance, HTECH, Customer Care, and Compliance teams for their relentless work to move this colossal project ever closer to the finish line.

Beyond our financial aid, college savings and supplemental student loan programs, we continue to support retention and recruitment efforts within high-demand sectors such as education and healthcare. Just over one week remains for eligible professionals to apply for our Behavioral Healthcare Provider Loan Redemption Program, which offers up to \$150,000 in student loan debt relief in exchange for up to six (6) years of service at an approved site. Participants who work predominantly with youth are eligible for a \$5,000 annual grant in addition to student loan redemption. Our other programs will open later in the fiscal year.

Turning our attention back to our team, we continue to celebrate culture and inclusivity of our staff and the residents we serve with programming hosted by our DEI Committee. Most recently, we welcomed as our keynote speaker for the Hispanic Heritage Month event Javier Robles, a faculty member at Rutgers University and staunch advocate for affordability and accessibility in the Garden State. Javier, a proud Puerto Rican from Elizabeth, obtained his JD from Seton Hall Law School and his bachelor's degree from Rutgers University where he was a TAG recipient. It was incredibly moving to hear his story of resilience and the role HESAA played in shaping that journey. Both Javier, and our special guest Rob Matos-Moran, Director of Legislative Affairs for Governor Murphy, did not mince words in their recognition and appreciation of the HESAA team. Rob and Javier reminded us, again, that our work is working.

To support this work, in the last quarter we welcomed two new team members, Ashleigh Matthews-Marks and Tyler Ross, and promoted Julie Downs in Student Loan Originations, Heather Hillman in Grants & Scholarships, and Jessica Sanchez in Communications & Outreach, to continue their contributions in expanded capacities.

We also wished farewell to Valerie Bednarski, who dedicated over a decade of service to HESAA, with unwavering commitment and exceptional performance. Val recently assumed the role of Senior Investigator, and quickly distinguished herself, not only by excelling in her responsibilities, but also by uplifting her own team and others throughout the Authority. Her proactive engagement with leadership on process enhancements, valuable input during CLASS system testing and training, and her consistently positive attitude and strong work ethic made her an asset to the organization that will be missed.

On that inspiring note, thank you again, to the entire HESAA team and the Board for your commitment to the tens of thousands of program beneficiaries in the State of New Jersey who receive life-changing financial aid or student loan relief. The mission-critical work of every single HESAA team member is to be applauded, and it is an absolute honor to represent this team. Thank you.

NEW BUSINESS

Christy Van Horn reminded Board members that they are required to complete their ethics training by November 10, 2025. She further noted that the training has been updated to include a section on cannabis.

ADJOURNMENT

Ms. Van Horn advised that the next regularly scheduled Board meeting is Wednesday, February 4, 2026 at 10:00 am.

A motion to adjourn was made by Mr. Bob Tighue and seconded by Dr. Brian Bridges. The motion passed unanimously.

The meeting adjourned at 10:41 am.



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 Board

FROM: HESAA Board Audit Committee

SUBJECT: Report of the Audit Committee and Resolution 15:25 Accepting and Adopting the Financial Statements and Independent Auditors' Reports for Fiscal Year 2025

DATE: October 22, 2025

Summary

Attached for review, comment and approval is Resolution 15:25 Accepting and Adopting the Financial Statements and Independent Auditor Reports for Fiscal Year 2025.

Background

The Higher Education Student Assistance Authority (HESAA) Audit Committee is comprised of Christy Van Horn, Chair; Shernelle Pringle, Vice-Chair; Scott Salmon, Public Member; and Treasurer's Designee, Robert Tighue as the member of the Board having accounting or related financial experience.

The Committee met with representatives of CliftonLarsonAllen LLP, HESAA's independent auditor, on October 17, 2025 to review and discuss the 2025 Financial Statements and CliftonLarsonAllen's unmodified reports.

Recommendation

The Audit Committee recommends that the HESAA Board accept and adopt the Financial Statements and Independent Auditors' Reports for Fiscal Year 2025.

Attachment

RESOLUTION 15:25

**ACCEPTING AND ADOPTING THE FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR REPORTS FOR FISCAL YEAR 2025**

Moved by: Mr. Scott Salmon
Seconded by: Mr. Robert Tighue

WHEREAS: The Higher Education Student Assistance Authority (HESAA) prepared three separate financial statements for Fiscal Year 2025 (“2025 Financial Statements”) that were audited by the independent auditor CliftonLarsonAllen LLP; and

WHEREAS: The members of the Board Audit Committee met with CliftonLarsonAllen LLP on August 7, 2025 prior to the commencement of the audit; and

WHEREAS: The members of the Board Audit Committee received and reviewed the Financial Statements and the unmodified reports of CliftonLarsonAllen LLP dated for the year ending June 30, 2025; and

WHEREAS: The members of the Board Audit Committee met with representatives of CliftonLarsonAllen LLP on October 17, 2025 to discuss the 2025 Financial Statements and CliftonLarsonAllen’s unmodified reports; and

WHEREAS: The members of the Board Audit Committee recommend that the HESAA Board accept and adopt the Financial Statements and Independent Auditor Reports for Fiscal Year 2025.

NOW THEREFORE, BE IT:

RESOLVED: That the HESAA Board accepts and adopts the Fiscal Year 2025 Financial Statements and Independent Auditor Reports as attached hereto; and be it further

RESOLVED: That the attached Fiscal Year 2025 Financial Statements and Independent Auditor Reports shall be posted on the HESAA website at www.HESAA.org, and submitted to the State Treasurer and the Governor’s Authorities Unit.

October 22, 2025



PHILIP D. MURPHY
Governor

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MARGO CHALY, ESQ.
Executive Director

MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

THROUGH: Margo Chaly, Esq. ^{MC}
Executive Director

FROM: Jerry Traino ^{jt}
Chief Financial Officer

SUBJECT: Resolution 16:25 Appointing a Financial Advisor for Authority Bond Issues

DATE: October 22, 2025

Background

On August 28, 2025 the Higher Education Student Assistance Authority (HESAA) issued a Request for Proposals (RFP), seeking proposals from firms interested to serve as Financial Advisor to HESAA for bonds issued through negotiated sale. The Financial Advisor serves as the Independent Registered Municipal Advisor and has primary responsibilities, including representing the Authority's interests in the development of bond issues and providing fiduciary advice throughout the year. Its services also include the review of proposed financing structures and the cash flow analysis. The Financial Advisor and Senior Manager work jointly to answer any issues raised by rating agencies, liquidity providers, bond counsel, or the bond trustee. The Financial Advisor selected through this RFP will serve for calendar years 2026, 2027, and 2028.

HESAA issued the RFP by sending it to thirteen (13) financial advisory firms, posting it on the HESAA website, and advertising it in NJ Advance Media and Gannett newspapers.

HESAA received two proposals. One from the current Financial Advisor, Hilltop Securities, and one from NW Financial Group, LLC.

Selection Process

An evaluation committee made up of HESAA's Chief Financial Officer, Controller, and Director of Legal & Governmental Affairs reviewed and scored the proposals based on the following selection criteria:

1. The experience of the firm in advising on tax-exempt student loan revenue bond offerings;
2. The relevant experience of the staff assigned to the Authority;
3. The quality of the response to the RFP, including but not limited to the level of detail of the response;
4. The ability to meet the needs of the Authority as detailed in the RFP; and
5. The fee proposed.

Based on their review of the proposals, the evaluation committee recommends re-appointing HESAA's current financial advisor, Hilltop Securities.

Both Hilltop Securities and NW Financial Group demonstrated relevant experience in public finance. However, the firms differ in that Hilltop Securities has relevant experience with postsecondary education loans, while NW Financial Group does not. Because postsecondary education loans is a very niche sector within the realm of public financing, NW Financial Group does not demonstrate the ability to handle the unique needs of HESAA.

HESAA's previous experience with Hilltop Securities is exemplary as Hilltop Securities continues to demonstrate a depth of expertise and relevant experience to meet all of HESAA's needs and requests. The firm provides all services required by HESAA, including any possible derivative deals.

The maximum proposed fee by Hilltop Securities for financial advisory services is \$150,000 per transaction, plus expenses, which may include but are not limited to: (a) a fee of \$12,000 per Series of bonds for cash flows, regardless of the number of scenarios run for each series (if new replines are required the fee will be adjusted by mutual agreement); (b) a maximum fee of \$50,000, for guaranteed investment contract bid management; and (c) a fee of one basis point, with a maximum fee of \$141,000, for financial instrument related services.

Recommendation

It is recommended that the Board approve the attached Resolution 16:25 approving the appointment of Hilltop Securities as the Authority's Financial Advisor for the years 2026, 2027 and 2028.

Attachments

RESOLUTION 16:25

APPOINTING A FINANCIAL ADVISOR FOR AUTHORITY BOND ISSUES

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

WHEREAS: The Higher Education Student Assistance Authority (HESAA) appoints a Financial Advisor to serve as the Independent Registered Municipal Advisor for all of its bond transactions; and

WHEREAS: On August 28, 2025 HESAA issued a Request for Proposals (RFP) seeking proposals from firms interested to serve as Financial Advisor to HESAA for bonds issued through negotiated sale for 2026, 2027 and 2028; and

WHEREAS: HESAA sent the RFP to thirteen (13) financial advisory firms, posted it on HESAA's website, and advertised it in NJ Advance Media and Gannett newspapers; and

WHEREAS: HESAA received two proposals in response to the RFP; and

WHEREAS: An Evaluation Committee comprised of the Authority's Chief Financial Officer, Controller, and Director of Legal Affairs reviewed all of the proposals; and

WHEREAS: Hilltop Securities received the highest score as a result of such evaluation.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves the appointment of Hilltop Securities, as Financial Advisor for 2026, 2027, and 2028 at a cost of \$150,000 per transaction, plus expenses; a fee of \$12,000 per Series of bonds for cash flows, regardless of the number of scenarios run for each series (if new rep-lines are required the fee will be adjusted by mutual agreement); a maximum fee of \$50,000, for guaranteed investment contract bid management; and a fee of one basis point, with a maximum fee of \$141,000, for financial instrument related services.

October 22, 2025

EVALUATION SCORE SHEET	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY Financial Advisor		
BIDDER Hilltop	DATE	10/9/2025	
<p>Hilltop, and the individuals assigned to the Authority, demonstrate an extensive knowledge of the student loan finance sector. The proposal illustrates Hilltop's understanding of the nuances of the student loan market, including providing financial advisor services to sister state agencies on their student loan deals, participating in 49 student loan program transactions over the last five years alone.</p>			

Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response				
CRITERIA				
	Score 1	Score 2	Score 3	TOTAL
The experience of the firm in advising on tax-exempt student loan revenue bond offerings	10	10	10	30
The relevant experience of the staff assigned to the Authority	10	10	10	30
The quality of the response to the RFP, including but not limited to the level of detail of the response	10	9	9	28
The ability to meet the needs of the Authority as detailed in this RFP	10	10	10	30
The fee proposed	6	5	6	17
Total	46	44	45	135

EVALUATION SCORE SHEET	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY Financial Advisor		
BIDDER NW Financial Group	DATE	10/9/2025	
This firm has no experience with student loan revenue bonds. The individuals have extensive experience in municipal advising and public finance but no student loan experience.			

Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response				
CRITERIA	Score 1	Score 2	Score 3	TOTAL
The experience of the firm in advising on tax-exempt student loan revenue bond offerings	1	1	1	3
The relevant experience of the staff assigned to the Authority	5	4	3	12
The quality of the response to the RFP, including but not limited to the level of detail of the response	4	5	6	15
The ability to meet the needs of the Authority as detailed in this RFP	2	2	2	6
The fee proposed	4	5	5	14
Total	16	17	17	50

Summary

Bidder	Score	Rank
Hilltop	135	1
NW Financial	50	2



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MARGO CHALY, ESQ.
Executive Director

MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

FROM: Margo Chaly, Esq. ^{MCW}
Executive Director

SUBJECT: Report of the Budget Committee and Resolution 18:25 Adopting a Board Budget Policy Statement for Fiscal Year 2027

DATE: October 22, 2025

Summary

Attached for review, comment, and approval is Resolution 18:25 Adopting a Board Budget Policy Statement for Fiscal Year 2027.

Background

The members of the Budget Committee of the Authority are Christy Van Horn, Chair, Shernelle Pringle, Vice-Chair, Scott Salmon, Public Member and Margo Chaly, Executive Director.

The Committee met with HESAA staff on October 8, 2025 to develop the attached Board Budget Policy Statement for Fiscal Year 2027. The Budget Committee endeavored to balance the HESAA Board's role in the budget process, which is to advocate policies that advance higher education access, choice, and affordability, for New Jersey residents, with the fiscal realities of the State. We believe the statement included in the materials achieves that goal.

Recommendations

The Budget Committee recommends approving Resolution 18:25 adopting the attached Budget Policy Statement.

Attachments

RESOLUTION 18:25
ADOPTING A BOARD BUDGET POLICY STATEMENT FOR
STATE FISCAL YEAR 2027

Moved by: Mr. Robert Tighue
Seconded by: Ms. Favour Oyelade

WHEREAS: The Higher Education Student Assistance Authority (HESAA) Board is responsible for recommending budget policies in support of New Jersey's student financial aid programs; and

WHEREAS: On October 8, 2025 the Board's Budget Committee met with staff to review background information and to draft a FY 2027 budget policy statement for consideration by the full Board; and

NOW THEREFORE, LET IT BE:

RESOLVED: That the HESAA Board strongly affirms the importance of preserving education access and affordability for all residents of the State of New Jersey and recognizing academic achievement; and be it further

RESOLVED: That the Board hereby adopts the budget policy statement for FY 2027 as advanced by the budget committee and described in the attachment to this resolution; and be it further

RESOLVED: That HESAA shall endeavor to maximize FY 2027 resources available for State-funded student assistance programs in keeping with the attached budget policy statement, subject to refinement of underlying projections.

October 22, 2025

Fiscal Year 2027 Budget Policy Statement of The Higher Education Student Assistance Authority Board

Pursuant to N.J.S.A. 18A:71A-9f., the Higher Education Student Assistance Authority (HESAA) is the lead State agency in determining policy on student financial assistance issues. Consequently, the HESAA Board is charged with developing budget recommendations for all postsecondary financial aid programs administered by the Authority. These recommendations are submitted to the Executive Director for review and submission to the Office of Management and Budget.

The Board, on behalf of the students and families served, thanks Governor Murphy and the Legislature for the unprecedented investment in higher education. This includes launching innovative last-dollar college promise programs, which provide a clear and transparent net cost of higher education for eligible students at public colleges and universities throughout the State. Described below are both last-dollar programs, the Community College Opportunity Grant (CCOG), which launched in FY 2019, and the Garden State Guarantee (GSG), which launched during the COVID-19 pandemic.

The Board encourages the next Governor of the State of New Jersey to maintain support for the State grant and scholarship programs, as well as for the programs that support recruitment and retention efforts in high-need occupations, including teachers, nurses, behavioral healthcare providers, primary care physicians, and STEM professionals, especially during challenging fiscal years.

This Fiscal Year 2027 (FY 2027) Budget Policy Statement reflects the Board's fundamental principles of (1) promoting access to, and affordability of, postsecondary education for New Jersey residents and (2), offering student loan redemption incentives to skilled professionals who serve in critically needed occupations. The Board is mindful of its role as an advocate for students, while also recognizing the fiscal challenges facing the State of New Jersey.

Policy Recommendations for Fiscal Year 2027

Tuition Aid Grants (TAG)

This need-based financial aid program supports approximately 90,000 full-time and part-time students annually (roughly one-third of undergraduates). Despite being one of the most generous need-based financial aid programs in the nation in terms of per-student award amounts, TAG does not fully fund tuition, as initially intended. Therefore, the Board recommends the following policies for TAG:

- Support and continue FY 2026 funding levels (\$491.9 million) for this priority, need-based, financial aid program, ensuring protection of the State's historic commitment to all eligible full-time students under the TAG Program.
- The Board further recognizes the ongoing impact to students of increased tuition rates. Therefore, the Board further recommends, increasing award amounts by 2% (approximately \$10 million) across all sectors and cells of the TAG Tables.

- Ensure the protection of the Summer TAG Program at award amounts equivalent to Full-time TAG, which helps students maintain momentum and/or accelerate the time to degree completion, while mitigating the need for student debt to cover summer course work.
- Continue Fiscal Year 2026 funding of the Part-Time TAG Program for County College Students, \$8,737,000, and Part-Time TAG for Educational Opportunity Fund (EOF) students, \$842,000, with modest growth of 2% (approximately \$200,000) in FY 2027 for these programs.
- Support modification of the HESAA proprietary need-analysis formula by increasing the Income Protection Allowance used to calculate independent students' financial need. This directly increases the value of TAG awards for working adult students.
- Increase students' maximum lifetime number of TAG awards from nine (9) to ten (10) semesters. This policy reflects the current reality. Of the students who complete a bachelor's degree within six years of matriculation, 48 percent complete in four years, 34 percent complete in five years, and the remaining 18 percent complete in six years.¹ An additional semester of TAG eligibility would provide students with the incentive and opportunity to remain in school and complete their degree.

Last-dollar Programs

Community College Opportunity Grant (CCOG) and Garden State Guarantee (GSG) provide last-dollar support after all other federal, state, and institutional aid is applied.

CCOG, which was codified into law in February 2021, covers the full cost of tuition and approved educational fees for students with family adjusted gross incomes (AGIs) between \$0 and \$65,000. The annual Fiscal Year Appropriations Act extends CCOG to guarantee reduced net prices of tuition and approved educational fees for students with AGIs between \$65,001 and \$100,000.

The annual Fiscal Year Appropriations Act also authorizes GSG, which guarantees a net price for tuition and fees of \$0 for students with family AGIs between \$0 and \$65,000. GSG also guarantees reduced net prices of tuition and fees for students with AGIs between \$65,001 and \$100,000.

The Board recommends the following policies for CCOG and GSG:

- Codify GSG, which is currently authorized only by the annual Fiscal Year Appropriations Act.
- Fund the CCOG and GSG in Academic Year 2026-2027 at funding levels sufficient to maintain the Academic Year 2024-2025 eligibility criteria.

¹ Drew M. Anderson and Melanie A. Zaber. "Cutting the College Price TAG: The Effects of New Jersey's Tuition Aid Grant on College Persistence and Completion." RAND Corporation, Santa Monica, CA: 2021. https://www.rand.org/pubs/research_reports/RRA101-1.html. Preliminary analysis based on National Student Clearinghouse data tracking degree completion at any institution for students who received TAG in their first year of college during school year 2012-13 or 2013-14 and completed a bachelor's degree by 2017-18 or 2018-19, respectively.

- Increase the AGI eligibility cap to extend CCOG and GSG financial support to more students who do not otherwise qualify for other financial aid programs and therefore may forego pursuing a degree after high school.

Other Grants & Scholarships

Continue funding through a direct appropriation to HESAA at sufficient levels to support the following need-based and merit programs:

- NJ Student Tuition Assistance Reward Scholarship (NJSTARS/II)
- Governor’s Urban Scholarship (GUS)
- Tuition Assistance for Thomas Edison State University Students
- World Trade Center Scholarship Program

Continue funding the following programs, which are administered by HESAA:

- Law Enforcement Officers Memorial (LEOM) Scholarship. Funding source: sales of commemorative license plates
- New Jersey Governor’s Industry Vocations Scholarship for Women and Minorities (NJGIVS). Funding source: Schools Development Authority

Student Loan Redemption Programs

The Authority administers the following five (5) student loan redemption programs (LRP) funded by State appropriations to pay down outstanding student loan debt of eligible practitioners in exchange for service in high-need fields within the Garden State. The Board, on behalf of the program participants, thanks the Governor and Legislature for ongoing support of these workforce pipeline programs:

- Primary Care Practitioner Loan Redemption Program
- Nursing Faculty Loan Redemption Program
- New Jersey STEM Loan Redemption Program
- Behavioral Healthcare Provider Loan Redemption Program
- New Jersey Teacher Loan Redemption Program

The Board recommends funding the New Jersey Teacher LRP with the appropriation previously earmarked for Student Teacher Scholarships². This reallocation of funding augments the New Jersey Teacher LRP, allowing for greater fiscal accountability by requiring teachers to complete a minimum of one-year of service in a high-need field at a low-performing school in New Jersey.

² The Student-Teacher Scholarship launched in FY 2024 as a pilot program to support students participating in the clinical practice (“student-teaching”) segment of an approved Educator Preparation Program (EPP) at a New Jersey institution of higher education. Students receive a one-time award that helps cover the costs associated with student-teaching, beyond tuition and fees. In FY 2024, 2,046 students received scholarships in the amount of \$3,000.

- In FY25, 1,890 students received scholarships in the amount of \$4,500.
- In FY26, approximately 2,000 are students expected to receive scholarships in the amount of \$1,400.

This program does not require means testing or full-time teaching in a New Jersey public school upon graduating from an EPP.

Pay It Forward

In collaboration with the New Jersey Economic Development Authority (EDA), the Office of the Secretary of Higher Education (OSHE), and the Department of Labor and Workforce Development (DOL), the Authority administers the first-in-the-nation Pay It Forward program, which currently is available in five high-demand career fields including nursing, radiography, HVAC and welding. Several institutions of higher education in the Garden State offer programs eligible for Pay It Forward, which consists of student loans with zero-interest, zero-fees, and income-based repayment plans as well as wrap around services, including hardship grants, to eligible students. The Board recommends funding consistent with program demand.

NJBEST 529 College Savings Program

The New Jersey Better Educational Savings Trust (NJBEST) 529 Colleges Savings Plan encourages young learners to save early and often for future education expenses. The College Affordability Act, P.L. 2021, c.128, established (1) a tax deduction for up to \$10,000 in contributions to an NJBEST account for New Jersey income tax filers with household incomes up to \$200,000 and (2) a one-time dollar-for-dollar matching grant of up to \$750 on the initial deposit into an NJBEST account for new beneficiaries. NJBEST beneficiaries may also be eligible for a scholarship if they attend college in New Jersey, depending on how long the account has been open and how much was deposited into it over the life of the plan. For a student beneficiary to be eligible for this one-time scholarship, the plan must have been open for at least 4 years and received at least \$1,200 in total aggregate contributions before the first withdrawal.

The Board recommends that the Authority continue to work with the Administration, both current and incoming, and Legislature to implement enhanced benefits of opening and maintaining NJBEST 529 accounts, including but not limited to, extending the period of time eligible new account holders can receive matching grant funds on deposits made beyond the initial deposit to open and fund an account.

Conclusion

The foregoing recommendations are made on behalf of, and in the best interest of, New Jersey students pursuing a degree beyond high school at an institution of higher education in the Garden State. These recommendations were informed by recent studies, including the TAG Study Commission Report of October 2022³ and the October 2024 report of the HESAA Board Ad Hoc Committee to Review Financial Aid Policy & Programming⁴. Together these recommendations, along with the prudent stewardship and implementation by the HESAA staff, will ensure New Jersey residents continue to have access to an affordable education.

It is recommended that the Board approve the Fiscal Year 2027 Budget Policy Recommendations presented here.

³ https://www.hesaa.org/Documents/TAG_Study_Commission_Final_Report.pdf

⁴ <https://www.hesaa.org/Documents/HESAABoardAdHocCommitteeReportonFinancialAidPolicy.pdf>



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 Board

THROUGH: Margo Chaly, Esq. 
Executive Director

FROM: Christi Peace 
Associate Director of Communications

SUBJECT: Resolution 19:25 Approving the Higher Education Student Assistance Authority Annual Report for FY 2024 and FY 2025 Pursuant to Executive Order 37 (2006).

DATE: October 22, 2025

Background

Paragraph 2 of Executive Order 37 (2006) requires each State authority to prepare a comprehensive report concerning the authority's operations on an annual basis.

Executive Order 37 requires that the annual report set forth the significant actions of the authority from the previous year, including a discussion of the degree of success the authority had in promoting the State's economic growth strategies and other policies. The report is also required to include the authority's financial statements and to identify internal financial controls at the authority that govern expenditures, financial reporting, procurement, and other financial matters and transactions. Pursuant to Executive Order 37, the report shall also contain a certification by the appropriate senior staff member(s) that during the preceding year the authority has, to the best of their knowledge, followed all of the authority's standards, procedures, and internal controls, or, where such certification is not warranted, shall set forth the manner in which such controls were not followed and a description of the corrective action to be taken by the authority.

At its April 24, 2024 meeting the Higher Education Student Assistance Authority (HESAA) Board approved the HESAA Annual Report for Fiscal Year (FY) 2023, which ended June 30, 2023. Instead of presenting the Annual Report for FY 2024 in April of 2025, HESAA recalibrated the timeline to reduce the 10-month delay in releasing academic year data. Going forward, the HESAA Annual Report will be published in October, with data from the academic and fiscal year that ends on June 30 immediately preceding publication of the report. To allow for the recalibration, HESAA prepared the attached Annual Report including the data for both FY 2024 and FY 2025, in compliance with Executive Order 37. Next year, in October 2026, the report will include data from the academic and fiscal year that ends on June 30, 2026.

Recommendation

It is recommended that the Board approve Resolution 19:25 approving the Higher Education Student Assistance Authority Annual Report for FY 2024 and FY 2025 pursuant to Executive Order 37 (2006) and that the Board authorize staff to submit the Annual Report to the Governor's Authorities Unit and post it on the HESAA website.

Attachments

<https://www.hesaa.org/Documents/Financial/AnnualReports/Fiscal%20Years%202024%20&%202025%20Annual%20Report.pdf>

RESOLUTION 19:25

**APPROVING THE HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY
ANNUAL REPORT FOR FY 2024 AND FY 2025 PURSUANT TO
EXECUTIVE ORDER 37 (2006)**

Moved by: Mr. Scott Salmon

Seconded by: Dr. Brian Bridges

WHEREAS: Paragraph 2 of Executive Order 37 (2006) requires each State authority to prepare a comprehensive report concerning the authority's operations on an annual basis; and

WHEREAS: Executive Order 37 requires that the annual report set forth the significant actions of the authority from the previous year, including a discussion of the degree of success the authority had in promoting the State's economic growth strategies and other policies; and

WHEREAS: The report is also required to include the authority's financial statements and to identify internal financial controls at the authority that govern expenditures, financial reporting, procurement, and other financial matters and transactions; and

WHEREAS: Pursuant to Executive Order 37 the report shall also contain a certification by the appropriate senior staff member(s) that during the preceding year the authority has, to the best of their knowledge, followed all of the authority's standards, procedures, and internal controls, or, where such certification is not warranted, shall set forth the manner in which such controls were not followed and a description of the corrective action to be taken by the authority; and

WHEREAS: The Higher Education Student Assistance Authority (HESAA) prepared the attached FY 2024 and FY 2025 Annual Report in compliance with Executive Order 37.

NOW THEREFORE, BE IT:

RESOLVED: That the Higher Education Student Assistance Authority Board approves the attached Higher Education Student Assistance Authority Annual Report; and be it further

RESOLVED: That the attached Higher Education Student Assistance Authority Annual Report shall be submitted to the Governor's Authorities Unit and posted on the HESAA website.

October 22, 2025