

HESAA BOARD BYLAWS

ARTICLE 1

NAME, OFFICES, PURPOSES, AND POWERS

- 1.1 Name.** The name of the Corporation is Higher Education Student Assistance Authority ("Authority").
- 1.2 Principal Office.** The principal office of the Authority shall be 4 Quakerbridge Plaza, P.O. Box 545, Trenton, New Jersey 08625-0545.
- 1.3 Other Offices.** The Authority may have such other offices in such places as the members of the Authority may from time to time designate.
- 1.4 Purposes.** The Authority, which is created pursuant to N.J.S.A. 18A:71A-1 et seq., shall be a body corporate and politic, with corporate succession. The Authority shall be established in the Executive Branch of the State Government and for the purposes of complying with the provisions of Article V, Section IV, paragraph 1 of the New Jersey Constitution, the Authority is allocated in but not of the Department of State. The Authority shall constitute an instrumentality of the State exercising public and essential governmental functions, and the exercise by the Authority of the powers conferred under N.J.S.A. 18A:71A-1 et seq. in the furthering of access to postsecondary education, whether by loans, grants, scholarships or other means, shall be deemed and held to be an essential governmental function of the State.
- 1.5 Powers.** As further set forth under N.J.S.A. 18A:71A-1 et seq., the Authority shall have general powers, including, but not limited to, the powers to contract, to issue bonds, to receive public and private funds, to acquire, lease, renovate, and dispose of real and personal property, to sue and be sued, to retain legal counsel of its choosing, and to issue rules and regulations. As further set forth under N.J.S.A. 18A:71A-1 et seq., the Authority shall have additional powers, including, but not limited to, the power to further access to postsecondary education, whether by loans, grants, scholarships, savings programs or other means as approved by the Legislature to meet the expenses of postsecondary education. More specifically, these powers encompass making and servicing loans through a state student loan program (e.g., New Jersey College Loans to Assist State Students (NJCLASS) Program), and administering the Tuition Aid Grant Program, the Student Tuition Assistance Reward Scholarship (NJ STARS) program, a college savings program such as the New Jersey Better Educational Savings Trust (NJBEST) Program, loan redemption programs such as the Primary Care Practitioner Loan Redemption Program and the New Jersey STEM Loan Redemption Program, and other student assistance programs as approved by the Legislature.

ARTICLE II

ADMINISTRATION OF THE AUTHORITY'S PROGRAMS

- 2.1 Integral Part of the State.** The Authority, a State agency which is in but not of the Department of the State, whose Board is a majority of public members appointed by the Governor and State officials and whose revenues derive in part from State appropriations, is an integral part of the State.
- 2.2 Administration of the Authority's Programs.** The Board of the Authority, under the direction of its Chairperson, shall provide public oversight, rulemaking authority as well as policy and planning guidance to enable the Authority to best administer its programs. The Board shall create a Student Advisory Committee and may create other committees, such as a Nominating Committee and an Executive Committee, to assist in its governance role. The Chairperson of the Board shall represent the Authority on the governing boards of State higher education organizations such as the Board of the Educational Opportunity Fund (EOF). The daily administration of the Authority's programs shall be carried on under the direction of the Executive Director of the Authority, who shall be the appointing authority of the Authority, the budget request and approval officer of the Authority, an officer and an ex-officio, non-voting member of the Board, who can employ, compensate, promote, and discharge Authority agents and employees, and who has authority over all matters concerning the employment and compensation of staff not classified under Title 11A of the New Jersey Statutes.

ARTICLE III

MEMBERS

- 3.1 Number and Qualifications.** The membership of the Board of Authority shall consist of eighteen members as follows. There are four ex-officio members: the State Treasurer, or designee; the Secretary of Higher Education, or designee; the Chairperson of the Board of Directors of the EOF, or designee from among the public members of the EOF Board; and the Executive Director of the Authority, or designee. There are five members representing higher education institutional sectors: one from Rutgers, the State University; one from the State's four other public research universities, Kean University, Montclair State University, the New Jersey Institute of Technology, Rowan University, or Kean University; one from the county colleges; one from the State colleges and universities; and one from the independent institutions of higher education in the State. There are two members who shall be students representing different collegiate institutional sectors, who are the chair and vice-chair of the Student Advisory Committee. There are seven public members, including one lender party to a participation agreement with the Authority, all of whom must be New Jersey residents. No more than four of the seven public members shall be of the same political party. Except for the Executive Director of the Authority, all of the members of the Board of the Authority are voting members.

3.2 Appointment and Term of Office. The seven public members are appointed by the Governor with the advice and consent of the Senate. The four ex-officio members serve a term by virtue of their office. The five members representing higher education institutional sectors are appointed by the Governor with the advice and consent of the Senate, giving consideration to the recommendations of the institutions (in the case of Rutgers and the four other public research universities) or the sector associations (in the case of State colleges and universities, county colleges, and independent institutions) The two student members are elected as chairperson and vice-chairperson of the Student Advisory Committee, which itself is created by the Authority, to serve a term of up to two years. Except for the ex-officio and student members, the members shall be appointed for terms of four years, except in the case of the first members so appointed, who shall be appointed two for a term of one year, two for a term of two years, four for a term of three years, and four for a term of four years.

3.3 Vacancies. Any vacancy in the membership of the Board of the Authority, occurring otherwise than by expiration of term, shall be filled in the same manner as the original appointment or election was made, but for the unexpired term only.

3.4 Limitation of Liability. The personal liability of members of the Board of the Authority, which shall be public entity under the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq., shall be limited to the extent permitted by N.J.S.A. 59:1-1 et seq., N.J.S.A. 18A:71A-1 et seq., and other applicable New Jersey law.

3.5 Indemnification. The Authority may choose representation by the Attorney General; however, as to claims of tortious nature, the Authority shall elect within 75 days of the effective date of N.J.S.A.71A-1 et seq. whether it, and its employees (including special employees, such as members of the Authority Board), shall be represented in all such matters by the Attorney General. If the Authority elects not to be represented by the Attorney General, it shall be considered and its employees considered employees of a sue and be sued entity for the purposes of the “New Jersey Tort Claims Act” only. The Authority shall be required in that circumstance to provide its employees with defense and indemnification consistent with the terms and conditions of the Tort Claims Act in lieu of the defense and indemnification that such employees would otherwise seek and be entitled to from the Attorney General pursuant to N.J.S.A. 59:10-1 et seq. and P.L.1972, c.48 (C.59:10A-1 et seq.).

ARTICLE IV

MEETINGS OF THE MEMBERSHIP

4.1 Regular Meetings. Regular meetings of the Board of the Authority shall be held four times in each calendar year, except for the initial year of the Authority, at such time and place as the members shall determine.

4.2 Special Meetings. Special meetings of the Board of the Authority may be called by the Chairperson of the Board of the Authority, the Executive Director of the Authority, or by the request of the majority of members then in office.

4.3 Participation by Telephone or Similar Technology. Members may participate in meetings of the Board of the Authority by conference telephone or similar communications equipment by means of which all persons participating in the meetings can hear each other. Members so participating shall be deemed present at any such meeting.

4.4 Quorum; Effect of Abstentions. A majority of the members in office at a meeting at which at least two public members of the Board are present shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the members present at a meeting at which a quorum is present shall be the acts of the Authority. A member has a right to withhold his or her vote. However, a member who is counted in reaching a quorum cannot defeat the quorum, once established, by not voting or by leaving the meeting. An abstention is not a negative vote; it is assumed that the abstaining member acquiesces with the majority's decision.

4.5 Open Public Meetings Act. The Authority shall hold all meetings attended by, or open to, all members of the Board of the Authority in accordance with the Open Public Meetings Act, P.L. 1975, c.231 (C.10:4-6 et seq.) of the State of New Jersey. Should it be necessary for the Board to meet in closed session for a purpose permitted under the Open Public Meetings Act, then prior to meeting in closed session, the Board shall adopt a resolution at an open meeting stating the nature of the matter to be considered in closed session and stating when the discussion occurring in the closed session can be revealed to the public.

4.6 Attendance at Meetings. Members shall make best efforts to attend all meetings of the Board of the Authority. Members unable to attend a meeting of the Board of the Authority shall notify the Executive Director of the Authority not later than the day immediately before the day of such meeting.

4.7 Parliamentary Procedure. Except as otherwise provided herein, the meetings of the Board of the Authority shall be governed by parliamentary rules and usage as set forth in Robert's Rules of Order, Revised, 1996 edition.

4.8 Minutes of Meetings.

- a. As further set forth under N.J.S.A.18A:71A-1 et seq., a true copy of the minutes of every meeting of the Board of the Authority shall be delivered by and under the certification of the Secretary of the Authority to the Governor. No action taken at such meeting by the Board of the Authority shall have force or effect until 10 days after such copy of the minutes shall have been so delivered. If, in said 10-day period, the Governor returns such copy of the minutes with veto of any action taken by the Board of the Authority or any members thereof at such meeting, such action shall be null and void. At any time prior to the expiration of the said 10-day period, the Governor may sign a statement of approval of any such action of the Board of the Authority, in which case the action so approved shall not thereafter be disapproved.
- b. Notwithstanding the provisions of 4.8(a) of these Bylaws, with regard to the authorization or sale or bonds of the Authority, the Authority shall furnish to the

Governor a certified copy of the minutes of the meeting of the Board of the Authority at which the bonds are authorized or sold after the taking of the action, and the Governor shall indicate approval or disapproval of the action prior to the end of the business day upon which the certified copy of the minutes was furnished to the Governor.

4.9 Public Comments at Authority Board Meetings.

- a. The Authority shall provide an opportunity at each Board meeting for public comment.
- b. The Authority shall require individuals wishing to offer comments to register with the Authority 48 hours prior to Authority Board meetings and to limit comments to a maximum of five minutes. Prior to a meeting an exception in this procedure may be authorized by the Chairperson.
- c. At any Authority Board meeting, the Chairperson with majority consent of the members of the Board of the Authority, may temporarily modify or waive any portions of this section when such action is necessary to provide for the orderly functioning of the Authority or for other reasons which the majority of the members deems justifiable.

ARTICLE V

COMMITTEES

5.1 Appointment of Committees.

- a. Nominating Committee for the initial officers, executive committee. At the regular meeting before the meeting during which initial officers of the Board of the Authority are elected, the members of the Board of the Authority may appoint a nominating committee, consisting of three members of the Board of the Authority, at least one of whom shall be a public member, which shall report a recommended slate of candidates for Chairperson, Vice Chairperson of the Board, and two members of the Executive Committee of the Board, at least one of whom shall be a public member, for consideration by the Board at its next regular meeting;
- b. Standing Committees. The members of the Board of the Authority may, by resolution adopted by a majority of the members then in office, appoint one or more committees, consisting in each case of not less than two members of the Board of the Authority, and may designate one or more non-members of the Board of the Authority as members of such committees. The term of members on standing committees, with the exception of the Executive Director and the Treasurer or designee, shall not exceed twelve months or until their successors take office on the standing committees, whichever shall occur later. Any committee so appointed shall have power to the extent provided in the resolution by which it is established except that all such committees shall be advisory in nature and no such committee shall have the power or authority to fill vacancies

of the officers of the Board of the Authority; to adopt, amend or repeal the Bylaws; to amend or repeal any resolution of the Board of the Authority; to take action or make a recommendation on behalf of the Board unless the Board subsequently approves of that action or recommendation, or to take action on any matter committed by resolution of the Authority Board to another committee of the Authority Board. Standing committees shall include, but not be limited, to the following:

1. Executive Committee. The Executive Committee shall consist of six members, inclusive of the Chairperson and Vice-Chairperson of the Board of the Authority, the Executive Director, and the Treasurer or designee. Two members, one of whom shall be a public member and the other of whom shall be an institutional member, shall be elected by the Board of the Authority annually, at the next regular meeting of the Board of the Authority during the initial year of the Authority, and thereafter, at the first regular meeting of the Authority's fiscal year, from among its members. The purpose of the Executive Committee is to provide leadership in the governance of the Authority, to advise and consult with staff of the Authority by meeting as may be necessary during intervals between Board meetings, to serve as the Authority's budget policy advisory committee, to recommend special meetings of the Board when warranted, and to have its public members serve as the voting members of the Audit Committee.
2. Student Advisory Committee. The Student Advisory Committee shall be created by the Board of the Authority to include students from all collegiate institutional sectors. The purpose of the Student Advisory Committee is to advise the Authority on financial aid policy and processes from the perspective of the student constituents and represent this constituency on the Authority, thereby ensuring effective communication between the administrator of student assistance programs and their primary beneficiary. The student members on the Board of the Authority shall be the individuals that the Student Advisory Committee annually elects as its Chairperson and Vice-Chairperson prior to the Authority's first regular meeting of the Authority's fiscal year.
3. Audit Committee. The Audit Committee shall fulfill the functions, duties and responsibilities specified in Executive Order No. 122 (2004). The Audit Committee shall consist of the Chairperson, Vice Chairperson, and a third public member of the Executive Committee of the Authority provided that the members meet the qualifications set forth in Executive Order 122. At least one member of the Audit Committee shall have accounting or related financial expertise. Should any of the Executive Committee members be unable to serve, a public member of the Board may serve on the Audit Committee provided that such public member meets the qualifications set forth in Executive Order 122. The purpose of the Audit Committee shall be to perform the functions, duties and responsibilities specified for the same in Executive Order 122.

4. Program Review and Quality Control Committee. The Program Review and Quality Control Committee shall review plans for programs audits and reviews, review program audits and reviews, review program audit results, and oversee the Authority's system of internal control of program audits. The Authority's Director of Audits and Quality Control shall report program audit results and reviews directly to the Program Review and Quality Control Committee.
- c. Ad hoc Committees. The Chairperson may appoint one or more ad hoc committees, consisting of not less than one member of the Board of the Authority, and may designate one or more non-members of the Authority as members of the committee. Ad hoc committees shall include, but not be limited to, the following:
 1. Nominating Committee. Except for the initial year of the Board of the Authority, the Chairperson shall appoint a Nominating Committee composed of three members, at least one of whom shall be a public member, to recommend candidates for the Chairperson, the Vice-Chairperson, and two members of the Executive Committee, at least one of whom shall be a public member and the other of whom shall be an institutional member, for approval by the Board of the Authority at the first regular meeting of the Authority's fiscal year.

5.2 Meetings. A Committee shall hold all meetings attended by, or open to, an effective majority of the members of the Board of the Authority in accordance with the Open Public Meetings Act, P.L. 1975, c. 231 (C.10:4-6 et seq.) of the State of New Jersey.

5.3 Reports to the Authority. Committees shall provide reports of their meetings to the Board of the Authority no later than the next succeeding regular meeting of the Board of the Authority.

ARTICLE VI

OFFICERS OF THE AUTHORITY

6.1 Number. The officers of the Board of the Authority shall be a Chairperson, a Vice-Chairperson, and a Secretary/Treasurer.

6.2 Election or Appointment. The Chairperson and Vice-Chairperson shall be elected from among the public members of the Board by the Board of the Authority annually at the first one of the Authority Board's regular meetings of the Authority's fiscal year and shall hold office until their successors are elected or until their earlier death, disability, resignation, or removal, except in the case of the first year these bylaws are adopted, in which the Chairperson and Vice-Chairperson shall be elected at a regular meeting of the Board of the Authority and shall hold office until the first one of the Authority Board's regular meetings of the Authority's succeeding fiscal year. The Secretary/Treasurer shall be the Executive Director, ex-officio, or designee. Officers may serve for consecutive terms of office.

- 6.3 Vacancies.** Any vacancy caused by the death, disability, resignation, or removal of any officer or assistant officer, or by the creation of a new office, may be filled by the members of the Board of the Authority.
- 6.4 Removal.** Any officer may be removed for cause by the affirmative vote of the majority of the members then in office. Cause for removal shall include unexplained absence from two consecutive regular meetings of the Board of the Authority.
- 6.5 Resignation.** Any officer may resign by written notice to the Authority. The resignation shall be effective upon receipt thereof by the Authority or at a subsequent time as shall be specified in the notice of resignation.
- 6.6 Chairperson.** The Chairperson shall preside at all meetings of the Board of the Authority and; shall, in general, perform all duties incident to the office of Chairperson and such duties as may be assigned by the Authority. The Chairperson of the Authority shall serve on the Executive Committee and the Audit Committee. The Chairperson of the Authority, or designee from among its public members, shall also serve on the Board of the EOF.
- 6.7 Vice-Chairperson.** The Vice-Chairperson shall, in the absence or disability of the Chairperson, perform the duties and exercise the powers of the Chairperson; and shall perform such other duties and have such other powers as the Authority may from time to time prescribe. The Vice-Chairperson shall serve on the Executive Committee and the Audit Committee.
- 6.8 The Secretary/Treasurer.** As provided in N.J.S.A.18A:71A-6, the Executive Director or designee shall serve as secretary and treasurer of the Authority. The Secretary/Treasurer duties shall include serving as custodian of the books and records of the Authority; recording the minutes of all meetings of the Board of the Authority, giving of all notices of such meetings in accordance with these Bylaws, and rendering to the Chairperson and the Membership, upon reasonable request, information on the general financial condition of the Authority; and, in general, performing such other duties as are incident to the office of Secretary/Treasurer.

ARTICLE VII

CONFLICT OF INTEREST, FINANCIAL DISCLOSURE, COMPENSATION, AND TRAINING

- 7.1 Conflict of interest.** Each member of the Board of the Authority shall comply with the New Jersey Conflicts of Interest Law, N.J.S.A. 52:13D-12 et seq. by not having any interest or engaging in any business or professional activity which is in substantial conflict with the proper discharge of his or her duties and by not violating any of the other restrictions set forth in the New Jersey Conflicts of Interest Law. New Jersey Conflict of Interest Law covers such areas as contracts with the State, appearances before the State, political activity, misuse of official position or property, and the acceptance of gifts or other items of value. In any instance in which a member is not certain what the standard of conduct should be, he or she should seek the advice of the Authority's Ethics Liaison Officer. Any member, officer, or

committee member having an interest in a contract or other transaction shall give prompt, full and frank disclosure of his or her interest to the Ethics Liaison Officer of the Authority prior to the Board or a committee of the Board acting on such contract or transaction. If a conflict is deemed to exist, such person shall not vote on, nor use his or her personal influence on, nor participate (other than to present factual information or to respond to questions) in the discussions or deliberations with respect to such contract or transaction. Such person may not be counted in determining the existence of a quorum with respect to the consideration of such contract or transaction at any meeting where the contract or transaction is under discussion or is being voted upon. The minutes of the meeting shall reflect the disclosure made, the vote thereon, and, where applicable, the recusal from voting and participation, and whether a quorum was present.

7.2 Financial Disclosure. Pursuant to Executive Order No. 2 (2018), as Public Officers, members of the Board of the Authority shall file a financial disclosure statement with the State Ethics Commission within 120 days of taking office, and by May 15th of each succeeding year.

7.3 Compensation. The members of the Board of the Authority shall receive no compensation for their services, but shall be reimbursed for their actual expenses necessarily incurred in the performance of their duties.

7.4 Training. Pursuant to Executive Order No. 41 (2005) members of the Board of the Authority shall annually complete training on government ethics as provided by the Governor's Authorities Unit in conjunction with the State Ethics Commission.

ARTICLE VIII

FISCAL YEAR

8.1 Fiscal year. The fiscal year of the Authority shall begin on July 1 and end on June 30.

ARTICLE IX

FINANCIAL REPORTS

9.1 After the end of each fiscal year, the Authority shall present financial reports of its programs, prepared in accordance with generally accepted accounting principles, covering the activities of the Authority for the past year.

ARTICLE X

AMENDMENTS

10. These Bylaws may be amended or repealed and new Bylaws may be adopted by the affirmative vote of a majority of all the members then in office at a regular meeting of the Board of the Authority.