

MINUTES

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

January 18, 2023

The Higher Education Student Assistance Authority (HESAA) Board held a remote teleconference meeting on January 18, 2023 at 10:00 am via GoTo Meeting.

PRESENT: HESAA Board Members: Ms. Isabella Berdugo-Hernandez; Dr. Brian Bridges, Secretary of Higher Education; Ms. Nicolette Carpenter; Ms. Beatrice Daggett; Mr. Byron Ward; Dr. Jon Larson; Mr. Robert Tighue, Treasurer's Designee; Ms. Jean McDonald Rash; Mr. Scott Salmon; Mr. David Socolow; Dr. Nelson Turcios; and Ms. Christy Van Horn, Chair. Note: Board Member Shernelle Pringle was logged into the virtual meeting, but was not included in the quorum as technical difficulties prevented her from communicating with the other Board members.

CALL TO ORDER

Christy Van Horn called the meeting to order at 10:02 am. David Socolow 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 Janice Venables, Associate Counsel from the Governor's Authorities Unit; and Erin Herlihy, Deputy Attorney General from the New Jersey Division of Law.

Ms. Van Horn introduced new Board members Robert Tighue, Treasurer's Designee and Nelson Turcios and Shernelle Pringle, Public Members.

Deputy Attorney General Erin Herlihy administered the Oath of Office to Public Member Nelson Turcios. Due to technical communications issues, Shernelle Pringle's swearing-in was rescheduled.

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

CONSIDERATION OF THE MINUTES OF THE OCTOBER 26, 2022 MEETING

A motion to approve the minutes of the October 26, 2022 meeting was made by Jon Larson and seconded by Brian Bridges. The minutes were approved unanimously with two abstentions, Mr. Robert Tighue and Dr. Nelson Turcios, who did not attend the October 26, 2022 meeting.

RESOLUTION 01:23 APPROVING THE READOPTION WITH AMENDMENTS OF N.J.A.C. 9A:16 REGULATIONS GOVERNING THE PRIMARY CARE PRACTITIONER LOAN REDEMPTION PROGRAM

Marnie Grodman presented Resolution 01:23 to the Board.

At its July 20, 2022 meeting the Board approved the proposed readoption with amendments of the regulations governing the Primary Care Practitioner Loan Redemption Program (the “Program”). The proposed readoption was published in the September 6, 2022 *New Jersey Register* and publicized throughout the State. During the comment period HESAA received one comment from the Executive Director of the New Jersey Society of Optometric Physicians. As summarized in detail in the materials provided to the Board in advance of this meeting, the Society of Optometric Physicians requests that optometrists be included in the definition of “Primary care” by the Commissioner of Health. While the Authority is adopting the regulations as proposed at this time, HESAA shared this suggestion with the Commissioner of Health and is amenable to proposing a subsequent amendment to the regulations if the Commissioner deems it appropriate to add optometrists to the definition of “Primary care” pursuant to N.J.A.C. 9A:16-1.2.

A copy of the proposal, as published in the *New Jersey Register*, is included in the materials. Upon the Board’s approval, the adoption notice will be published in the March 6, 2023 *New Jersey Register*. The readoption will be effective upon submission of the rules to the New Jersey Office of Administrative Law (OAL) and the amendments will become effective on March 6, 2023.

A motion to approve Resolution 01:23 was made by Ms. Jean McDonald Rash and seconded by Ms. Beatrice Daggett.

Chairwoman Van Horn noted her opinion that optometry is primary care as vision is a key part of overall health.

The motion passed unanimously.

RESOLUTION 02:23 APPROVING AMENDMENTS TO THE HESAA BOARD BYLAWS

Marnie Grodman presented Resolution 02:23 to the Board.

As stated in the materials, since the Board last amended the HESAA Board Bylaws in January 2021, Governor Murphy signed a new law establishing Kean University as a public research university.

The new law added Kean University as one of the four schools from which the Board’s Public Research University sector representative can be selected. Therefore, it is necessary to amend the HESAA Board Bylaws to reflect this change.

The materials include a redlined version of the amended sections and attached to the Resolution is the final version of the Bylaws, incorporating these amendments. Upon your approval of Resolution 02:23, the attached 2023 updated HESAA Board Bylaws will replace the 2021 version of the Bylaws.

A motion to approve Resolution 02:23 was made by Dr. Jon Larson and seconded by Ms. Beatrice Daggett.

The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Executive Director David Socolow gave the following report:

Thank you Chairwoman Van Horn and members of the Board, and happy New Year. I am delighted once again to welcome our three new Board members, Shernelle Pringle, Bob Tighue, and Dr. Nelson Turcios. On behalf of the entire HESAA team, I want to thank all of the members of the Board for your dedication to improving college access and affordability for our state's students. It is now my honor to provide a few updates on HESAA's initiatives and activities.

New Jersey College Promise

I am pleased to report that New Jersey's College Promise is now up and running, offering tens of thousands of students a tuition-free, affordable pathway to a degree. Combined, the Community College Opportunity Grant (CCOG) and the brand-new Garden State Guarantee (GSG) made college more affordable for more than 24,000 students in fall 2022. That overall total includes more than 20,000 students receiving a tuition-free net price due to their family adjusted gross incomes (AGIs) of between \$0 and \$65,000, and another nearly 4,000 additional students whose AGIs from \$65,001 up to \$80,000 this placed them in this year's new eligibility tier that provides a reduced net price for tuition and fees. We invite you to help raise awareness of this vital investment in New Jersey's students, as HESAA continues our outreach to community organizations, employers, and high school administrators, while strengthening our partnerships with two-year and four-year colleges and universities.

Financial Aid Offer Transparency

On December 12, 2022, Governor Murphy signed a new law requiring institutions of higher education to clearly communicate with students about the net price of attendance, by aligning their financial aid offers with the shopping sheet that New Jersey has required institutions to give each student since 2019. The new law will prevent misleading communications of student loans or work-study earnings that may confuse New Jersey students about the net price they will actually pay.

New Jersey is getting out in front of a national problem, as shown in a recent report to Congress by the Government Accountability Office (GAO), which found that 41 percent of college financial aid offers entirely failed to calculate the student's net price, and another 50 percent understated the net price in ways that made the college appear less expensive than it actually is, such as by excluding costs and/or misrepresenting student loans that must be repaid or misrepresenting students' earnings from work-study. To implement New Jersey's nation-leading law, HESAA staff, in partnership with our colleagues at the Office of the Secretary of Higher Education (OSHE), will provide guidance in the next few months to assist institutions in complying with the new law as it takes effect for academic year 2023-24.

Access to SNAP: Reducing Food Insecurity Among College Students

Under the permanent rules for the federally-funded, state-administered Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps), individuals who are enrolled in college face significant eligibility barriers to access SNAP. However, the federal pandemic law enacted in 2020 temporarily waived these rules, providing automatic access to SNAP's hunger assistance for students who can demonstrate significant financial need, either through a \$0 Expected Family Contribution (EFC) as calculated by their Free Application for Federal Student Aid (FAFSA), or by being eligible for certain means-tested types of work-study employment.

HESAA immediately seized the opportunity to help students benefit from this vital eligibility expansion by drawing upon our team's expertise and that of our colleagues in higher education institutions' financial aid offices. Since this waiver took effect almost three years ago, we have worked to increase awareness about expanded SNAP eligibility for low-income college students. HESAA directly contacted nearly 200,000 potentially eligible students, trained institutions' financial aid staff, and coordinated with our state partners at OSHE and the Department of Human Services. On January 11, 2023, just last week, the federal government announced another three-month extension of the public health emergency. The waiver will be in effect until 30 days after the federal emergency period ends, which will allow college students to continue receiving SNAP under the wider eligibility rules up to at least mid-April, through the end of most students' current spring term.

Governor's Urban Scholarships and New Jersey Student Tuition Assistance Reward Scholarships

The budget for the current fiscal year authorized HESAA to expand the Governor's Urban Scholarship (GUS) to students residing in additional municipalities beyond the 14 that were originally designated as eligible when the program began in 2012. Starting with today's 12th grade students who are graduating high school in 2023, residents of an expanded list of 33 municipalities are eligible for annual \$1,000 GUS merit scholarships if their class rank is in the top five (5) percent of their high school class with a grade point average of at least 3.0, their financial need qualifies them for a Tuition Aid Grant, and they choose to enroll at a New Jersey higher education institution. Our team has conducted extensive outreach over the past several months to encourage high school administrators to upload lists of their top-ranking 12th grade students. Within the next few weeks HESAA will use the resulting data to notify students of their potential eligibility for both GUS and the New Jersey Student Tuition Assistance Reward Scholarships (NJSTARS), as applicable. We also expanded our contacts to elected officials and community groups to boost communication about the availability of GUS and NJSTARS as valuable resources for eligible students to pay for college.

Refinancing Private Student Loans at Historically Low Interest Rates

Last spring, the Board approved the 2022 NJCLASS bond transaction, getting out in front of the steadily rising interest rates at the time to secure advantageous bond terms and offer low interest rates on NJCLASS loans in 2022-2023. This includes favorable rates for HESAA's ReFi+ loans, which offer refinancing terms that can save borrowers hundreds of dollars per month when repaying their school-certified private student loans. Given the uncertain interest rate environment that we will face when financing HESAA's 2023 bonds this coming spring, we are working to maximize the remaining funds in order to give New Jersey borrowers every opportunity to refinance their student loans at the low rates that are still available from 2022 bond proceeds. In a new initiative to communicate with more borrowers about this year's ReFi+ benefits, we partnered

with the New Jersey Housing and Mortgage Finance Agency (HMFA) to reach their customer base of first-time homebuyers. Mortgage counselors working with HFMA have direct contact with thousands of borrowers each year, many of whom can improve their ability to buy a home by reducing the monthly carrying costs of their other household debts, including by refinancing their student loans. In addition, HMFA is sending electronic notifications about ReFi+ to thousands more of their recent customers who bought their first home over the past few years, as HMFA estimates that half of those borrowers also struggle to pay their student loans debts.

Statewide Update on Completion of AY 2023-24 Financial Aid Applications

When students complete financial aid applications, they obtain the key to unlocking valuable resources and supports to make college more accessible and affordable. It is a pleasure to report that New Jersey continues to have one of the highest FAFSA completion rates in the nation: to date, 39% of our state's nearly 100,000 high school seniors have already filed their FAFSAs for Academic Year 2023-2024, which is just a few percentage points below the completion rates in Illinois, Washington, DC; Connecticut; and Tennessee. In addition to the FAFSA, several hundred New Jersey Dreamers have already completed an Academic Year 2023-2024 application for State student aid. We are also ahead of last year's pace for renewal applications from current college students who intend to continue their education in the fall of 2023. Because every student who accomplishes these necessary tasks represents one more person who could benefit from HESAA's support, we are expanding our Outreach and Communications team's capacity to team up with high school counselors and community leaders and to present more financial aid workshops.

HESAA's Loan Redemption Programs

Governor Murphy and the Legislature added investments for HESAA's programs offering repayment of a portion of a New Jersey resident's student loan debt in exchange for that individual's agreement to serve in a designated occupation for a specific number of years. The Authority now administers six (6) different State- and federally-funded loan redemption programs, including two for which we are now taking applications for the first time.

In December 2018, Governor Murphy signed the law creating the New Jersey Science, Technology, Engineering, and Math (STEM) Loan Redemption Program for individuals who have worked for at least four years in a high-growth STEM occupation at a New Jersey employer after graduating with a STEM degree from a New Jersey college or university. As the first potential applicants reached their four-year employment anniversary in mid-December 2022, we opened up applications for this program and published related materials. We encourage all STEM employers and employees to explore this opportunity on the loan redemption section of the HESAA website.

To attract and retain talented attorneys in public defender and state prosecutor positions in the service-oriented public sector, HESAA administers the John R. Justice Federal Student Loan Redemption Program with funding from an annual grant by the U.S. Department of Justice. Qualified individuals had until the end of 2022 to apply for loan repayment benefits funded with this year's federal grant of more than \$102,000. We recently announced awards to nine (9) public defenders and nine (9) State prosecutors, paying off more than \$5,600 of each of their student loan balances in exchange for their continued service.

HESAA's newest loan redemption program is designed to address the shortage of behavioral healthcare providers. The program offers State funding to pay off up to \$150,000 of eligible student

loan balances in exchange for up to six years of a New Jersey resident's service at a community behavioral and mental health services provider in such occupations as psychiatrists, licensed psychologists, licensed clinical social workers, licensed clinical alcohol and drug counselors, and related positions. Eligible employment sites in New Jersey include non-profit organizations, higher education institutions, schools, municipalities, county governments, State agencies, and the federal government. The webpage for this new program just launched this week, and we look forward to working with stakeholders to encourage qualified professionals to apply.

Staff Updates

Since the Board's last meeting, Nancy Lucci retired at the end of December after a 35-year career at HESAA. Nancy was an important part of the Finance Unit's FFELP payment processing team. After the Authority ended its role as a guaranty agency for the federal student loan program, Nancy stepped in to assist with NJCLASS account credits and refunds. We will miss Nancy's long-time presence at HESAA and we wish her well in her retirement.

Throughout the fall of 2022 we welcomed 13 newly hired employees, adding vital capacity to the following units at HESAA: Finance, Loan Originations, Compliance, Loan Redemption, the Customer Contact Center, Outreach & Communications, Human Resources, and Facilities. Together with more than a dozen HESAA employees who recently were promoted, these new team members are bringing valuable skills from a variety of prior experiences that will enable them to make key contributions as they join our existing teams to provide exceptional resources, programs, and products to students pursuing postsecondary education in the Garden State.

Conclusion

As I conclude my report, I want to thank the Board again for your support of HESAA's mission and our staff in our daily endeavors to implement key initiatives, administer valuable funding, and counsel students and families on opportunities to achieve their postsecondary education goals.

ADJOURNMENT

Ms. Van Horn advised that the next regularly scheduled Board meeting is Wednesday, April 26, 2023.

A motion to adjourn was made by Ms. Isabelle Berdugo-Hernandez and seconded by Ms. Beatrice Daggett. The motion passed unanimously.

The meeting adjourned at 10:49 am.



State of New Jersey

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PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

DAVID J. SOCOLOW
Executive Director

MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow DJS
Executive Director

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

SUBJECT: Resolution 01:23 Approving the Readoption with Amendments of N.J.A.C. 9A:16
Regulations Governing the Primary Care Practitioner Loan Redemption Program

DATE: January 18, 2023

Background

Pursuant to N.J.S.A. 18A:71C-48 the Higher Education Student Assistance Authority (“HESAA” or the “Authority”) is statutorily responsible for adopting rules and regulations to implement the Primary Care Practitioner Loan Redemption Program (the “Program”). Pursuant to N.J.S.A. 52:14B-5.1.b, the rules governing the Program were scheduled to expire August 4, 2022. At its July 20, 2022 meeting the Board approved the proposed Readoption with Amendments, thereby extending the expiration date to January 31, 2023.

The proposed Readoption with Amendments, PRN 2022-109, was published in the September 6, 2022 *New Jersey Register* at 54 N.J.R. 1677, posted on the HESAA website at HESAA.org, and sent to the Statehouse news media, and secondary notice was emailed to interested parties and a press release was distributed to the news media. The 60-day legislative review period for this rule expired on October 3, 2022, with no comments received. The public comment period expired on November 5, 2022, and the Authority received public comments from Kiera Boertzel-Smith, JD, Executive Director of the New Jersey Society of Optometric Physicians (NJSOP). This comment does not require any amendments to the proposal. The comment, along with HESAA’s response, are summarized below:

1. COMMENT: On behalf of the NJSOP Kiera Boertzel-Smith requests that optometrists be included in the definition of "Primary care" by the Commissioner of Health. Ms. Boertzel-Smith states that "Optometrists are independent, primary care doctors who provide a wide range of eye, health, and vision services to diverse patient populations. Optometrists independently diagnose and treat potentially blinding disease of the eye, and they have an important role in managing the general health of the population."

RESPONSE: HESAA appreciates this comment and is taking it under advisement. While the Authority is adopting the regulations as proposed at this time, HESAA is sharing NJSOP's suggestion with the Commissioner of Health and is amenable to proposing a subsequent amendment to the regulations if the Commissioner deems it appropriate to add optometrists to the definition of "Primary care" pursuant to N.J.A.C. 9A:16-1.2.

Recommendation

It is recommended that the Board approve Resolution 01:23 the Readoption with Amendments of N.J.A.C. 9A:16, Regulations Governing the Primary Care Practitioner Loan Redemption Program.

Attachments

RESOLUTION 01:23

**APPROVING THE READOPTION WITH AMENDMENTS OF N.J.A.C. 9A:16,
REGULATIONS GOVERNING THE PRIMARY CARE PRACTITIONER LOAN
REDEMPTION PROGRAM**

Moved By: Ms. Jean McDonald Rash
Seconded By: Ms. Beatrice Daggett

WHEREAS: Pursuant to N.J.S.A. 18A:71C-48 the Higher Education Student Assistance Authority (“HESAA” or the “Authority”) is statutorily responsible for adopting rules and regulations to implement the Primary Care Practitioner Loan Redemption Program (the “Program”); and

WHEREAS: The rules governing the grant and scholarship programs were scheduled to expire August 4, 2022; and

WHEREAS: At its July 20, 2022 meeting the HESAA Board approved the proposed Readoption with Amendments, thereby extending the expiration date to January 31, 2023; and

WHEREAS: The proposed new rules, PRN 20221-109, were published in the September 6, 2022 *New Jersey Register* at 54 N.J.R. 1677, posted on the HESAA website at HESAA.org. and sent to the Statehouse news media, and secondary notice was emailed to interested parties and a press release was distributed to the news media; and

WHEREAS: The 60-day legislative review period for this rule expired on October 3, 2022, with no comments received; and

WHEREAS: The public comment period for this rule expired on November 5, 2022 with one comment received, which did not require any changes.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves the Readoption with Amendments of N.J.A.C. 9A:16, the Regulations Governing the Primary Care Practitioner Loan Redemption Program.

January 18, 2023

(1) The applicant shall submit an analysis of potential drawdown impacts using the Thiem method in accordance with the New Jersey Geological & Water Survey Technical Memorandum 12-2, Hydrogeologic Testing and Reporting Procedures in Support of New Jersey Water Allocation Permit in effect at the time of application (hereafter referred to as "TM 12-2").

(2) Upon completion of the Thiem analysis, the applicant shall submit a proposed hydrogeologic test procedure, developed in accordance with TM 12-2, which shall include, at a minimum, the installation of:

(A) A single pumping well;

(B) Observation wells to sufficiently monitor water levels while the test well is pumped at a constant rate;

(C) Observation wells to collect time-drawdown data for aquifer characterization; and

(D) At least one piezometer to measure surface water and water table decline at: the nearest boundaries of the Preservation Area District, Forest Area, or Special Agricultural Production Area in the affected HUC-11 watershed found in any direction from the proposed well location; and the wetlands nearest to the estimated zone of influence in the affected HUC-11 watershed.

I. If the applicant cannot gain access to the parcels at the locations listed at (d)7i(2)(D) above for placement of piezometer(s), the applicant may propose to install piezometers at comparable locations if the alternate placement will adequately measure surface water and water table decline at the locations listed at (d)7i(2)(D) above.

II. Piezometers shall be tested to ensure hydraulic responsiveness and the results of such testing shall be included in the report submitted pursuant to (d)7i(3) below;

(3) Following the Commission's review of the hydrogeologic test procedure, the applicant shall complete the test and submit a final hydrogeologic report prepared in accordance with the "Hydrogeological Report" section of TM 12-2, which shall describe the field procedures used, all data gathered, analysis of the data, and evaluation of the effect of the proposed diversion on the Kirkwood-Cohansey aquifer.

(4) Using the results of the hydrogeologic testing performed in accordance with (d)7i(3) above, the applicant shall calculate an estimated zone of influence created by the proposed diversion and submit a groundwater flow model using the modular hydrologic model of the United States Geological Survey, (MODFLOW) in use at the time of the application. The MODFLOW model shall calculate the zone of influence of the water table at: the nearest boundaries of the Preservation Area District, Forest Area, or Special Agricultural Production Area in the affected HUC-11 watershed; and the boundary of the wetland nearest to the proposed diversion in the same HUC-11 watershed.

8. An applicant for a proposed diversion shall provide written documentation of water conservation measures that have been implemented, or that are planned for implementation, for all areas to be served by the proposed diversion. Water conservation measures are measurable efforts by public and private water system operators and local agencies to reduce water demand by users and reduce losses in the water distribution system.

9. The following notice requirements shall apply to the proposed diversions:

i. For applications submitted pursuant to N.J.A.C. 7:50-4.31 through 4.50, the applicant shall provide notice of the application to the municipality and county in which the proposed diversion will be located, as well as all other municipalities and counties in the affected HUC-11 watershed. The notice shall state:

(1) The nature of the application submitted to the Pinelands Commission and a detailed description of the proposed diversion, including the source, location, quantity, and/or allocation of water to be diverted;

(2) The potential impact of the proposed diversion on the volume of water in the affected HUC-11 watershed that will be available for future diversions;

(3) That written comments on the application may be submitted to the Pinelands Commission;

(4) That the application is available for inspection at the office of the Pinelands Commission; and

(5) The address and phone number of the Pinelands Commission.

ii. For applications submitted pursuant to N.J.A.C. 7:50-4.51 through 4.60, the applicant shall provide notice of the application for public development pursuant to N.J.A.C. 7:50-4.53. In addition, the applicant shall provide notice of the application to all municipalities and counties in the affected HUC-11 watershed. The notice shall include the information required at N.J.A.C. 7:50-4.53(c), as well as the following:

(1) A detailed description of the proposed diversion, including the source, location, quantity and/or allocation of water to be diverted; and

(2) A statement of the potential impact of the proposed diversion on the volume of water in the affected HUC-11 watershed that will be available for future diversions.

iii. No application for which notice pursuant to (d)9i or ii above is required shall be deemed complete until proof that the requisite notice that has been given is received.

HIGHER EDUCATION

(a)

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

Primary Care Practitioner Loan Redemption Program

Proposed Readoption with Amendments: N.J.A.C. 9A:16

Authorized By: Higher Education Student Assistance Authority, Christy Van Horn, Chairperson.

Authority: N.J.S.A. 18A:71C-32 et seq.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2022-109.

Submit written comments by November 5, 2022, to:

Marnie B. Grodman, Esquire
 Administrative Practice Officer
 Higher Education Student Assistance Authority
 PO Box 545
 Trenton, NJ 08625-0545
 Email: Regulations@hesaa.org

The agency proposal follows:

Summary

The Higher Education Student Assistance Authority (Authority) proposes to readopt N.J.A.C. 9A:16 governing the Primary Care Practitioner Loan Redemption Program ("PCPLRP" or "Program"). Pursuant to N.J.S.A. 52:14B-5.1, this chapter was scheduled to expire on August 4, 2022. In accordance with N.J.S.A. 52:14B-5.1.c(2), the filing of this notice of proposal with the Office of Administrative Law prior to August 4, 2022, extended that date 180 days to January 31, 2023.

The Authority has reviewed the rules and determined that they continue to be necessary, reasonable, and proper for the purpose for which they were originally promulgated. The rules proposed for readoption with amendments will continue to provide the Authority with the ability to administer the Primary Care Practitioner Loan Redemption Program in an efficient and economic matter. Pursuant to N.J.S.A. 18A:71C-48, the Authority is statutorily responsible for the administration of the PCPLRP and for the promulgation of all rules to that effect. To ensure the continued efficient administration and operation of this program, the Authority is proposing the readoption of this chapter with amendments, all of which are summarized below.

Subchapter 1 sets forth the general provisions of the Program, explaining that the Program provides for the redemption of eligible

student loan expenses of its participants in exchange for a specified period of service in medically underserved areas and defining words and terms used in the chapter. The proposed amendment at N.J.A.C. 9A:16-1.2 clarifies that a site that does not accept Medicare, Medicaid, or Medicaid Managed Care plans can meet the definition of "approved site," if that site provides its services free of charge. Additionally, the Commissioner of the Department of Health has defined psychiatry as an area of medicine that meets the definition of primary care. Therefore, the proposed amendment at N.J.A.C. 9A:16-1.2 also adds psychiatry to the regulatory definition of "primary care."

Subchapter 2 sets forth the Program requirements. This subchapter includes the eligibility provisions, application, and selection requirements for participants, terms, and procedures for loan redemption, and conditions and allocation of funds in the event of cancellation of the contract and termination of an individual's participation in the Program.

N.J.A.C. 9A:16-2.1(a)3 requires participants to agree to practice primary care at an approved site. The proposed amendment at N.J.A.C. 9A:16-2.1(a)3 explains that the terms of the agreement are specified at N.J.A.C. 9A:16-2.3. Proposed new N.J.A.C. 9A:16-2.1(a)5 clarifies that participants who have already received the maximum amount of qualifying loan payments through the Program are not eligible to reapply for additional loan redemptions. Together, the proposed amendments at N.J.A.C. 9A:16-2.2(d) and new (f)3 provide an avenue for applicants who are owners of a medical practice to be eligible participants, while also protecting the integrity of the Program. To ensure an applicant's suitability for the Program, the rules generally require that an authorized official from the approved site submit a letter to the Authority recommending continuation of the participant's placement. As it is not a best practice for a participant to self-certify as to their own suitability, proposed new N.J.A.C. 9A:16-2.2(f)3 requires that participants who are owners of their placement site must submit supporting documentation demonstrating both their suitability for the program and that of the placement site. The Executive Director will specify the necessary documentation, based on the type of primary healthcare the applicant provides. To ensure the practice is sustainable, the proposed amendment at N.J.A.C. 9A:16-2.2(d) specifies that the site must have operated for a minimum of two years prior to the applicant's application for the Program, if the applicant is an owner of the approved site at which the applicant requests to be placed.

Proposed new N.J.A.C. 9A:16-2.3(f) explains how the loan redemption amount accounts for accrual of interest if the outstanding balance on qualifying loans are less than the maximum loan redemption amount that the Program provides. To ensure loan redemption payments are efficiently paid, the proposed amendment at N.J.A.C. 9A:16-2.4(c) provides that the payments are made directly to the lending institution, not jointly to the participant and the lending institution. The proposed amendment further specifies that if a program participant is entitled to prorated interest amounts pursuant to N.J.A.C. 9A:16-2.3(f) and submits documentation to substantiate that all qualifying loans have been paid in full, then the prorated amount will be paid directly to the participant.

Proposed new N.J.A.C. 9A:16-2.6(d) requires participants to submit their documentation to receive the annual redemption within 60 days of written request for the documents by the Authority. If participants do not submit the documentation within the required timeframe, they will be deemed to have terminated their program participation. Terminating participation of practitioners who do not follow through on completing the required paperwork within a reasonable timeframe will enable the Authority to unencumber the funds allotted to that practitioner and make those funds available to other applicants.

As the Authority has provided a 60-day comment period on this notice of proposal, this notice is exempted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The rules proposed for re adoption with amendments govern the administration of the PCPLRP, the purpose of which is to increase and improve the provision of primary health service in those areas of the State that are currently medically underserved. To encourage service in these areas and improve primary care services offered to many New Jersey residents, on an annual basis the State redeems a portion of the educational

loans of primary care practitioners. The rules proposed for re adoption with amendments establish the criteria for eligibility and the procedures to redeem participants' student loans. In addition to providing technical updates, the proposed amendments provide clarity on the application and certification process. The rules proposed for re adoption with amendments positively impact participants by providing guidance on how to redeem a portion of their student loans. The rules proposed for re adoption with amendments also positively impact State residents who live in medically underserved areas by helping to ensure that they have access to primary health care.

Economic Impact

The rules proposed for re adoption with amendments do not represent any new cost factors for the State. The current appropriation for this program is \$1.5 million, of which 25 percent is allocated to the separate Nursing Faculty Loan Redemption Program, pursuant to N.J.S.A. 18A:71C-58.

Federal Standards Statement

A Federal standards analysis is not required since the rules proposed for re adoption with amendments are not subject to any Federal requirements or standards, with the exception of those governing health care practitioners' student loan redemptions using Federal funds provided to the State through a matching grant, pursuant to the Public Health Services Act, 42 U.S.C. § 254q-1. The rules governing the Program are consistent with, and do not exceed, the terms and conditions of contracts under the Public Health Services Act; therefore, a Federal standards analysis is not required.

Jobs Impact

The rules proposed for re adoption with amendments will not result in the loss or generation of jobs. The rules proposed for re adoption with amendments, which establish criteria for eligibility and application, as well as the procedures for loan redemption, provide information and incentives for participation in the Program that may facilitate employment opportunities in the health care field.

Agriculture Industry Impact

The rules proposed for re adoption with amendments will have no impact on the agriculture industry.

Regulatory Flexibility Analysis

Approximately 50 percent of the placement sites in the Program are small businesses, as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Therefore, a regulatory flexibility analysis is required.

The purpose of the Program is to promote the availability of primary medical and dental services for New Jersey residents who live in medically underserved areas by providing primary health care practitioners with a student loan redemption benefit as an incentive to practice in designated areas of the State. This benefit is available only to eligible applicants at an approved medical or dental practice, which has the effect of assisting such practices in recruiting and hiring qualified primary care practitioners. The number of medical and dental practices that apply to participate in the Program while meeting the definition of a small business has remained relatively stable each year. The participation of smaller practices benefits both the practice and the New Jersey residents who live near the practice, and the proposed amendments will increase Program accessibility for practices where the participant is an owner. Thus, the proposed amendments will offer new benefits to small businesses, as many practices where the Program participant is an owner are anticipated to meet the definition of small businesses.

The requirements imposed pursuant to the rules proposed for re adoption with amendments are described in the Summary above. The reporting requirements contained in the rules are fair and equitable, regardless of the size of the medical or dental practice. To minimize any adverse economic impact on small businesses, the reporting requirements are limited to data that practices are required to maintain, pursuant to State, Federal, and industry best practices.

Housing Affordability Impact Analysis

The rules proposed for re adoption with amendments will have an insignificant impact on the affordability of housing in New Jersey. There is an extreme unlikelihood that the rules proposed for re adoption with

amendments would evoke a change in the average costs associated with housing because the rules proposed for readoption with amendments concern redemption of student loans in exchange for service by primary care practitioners in underserved areas, which has no impact on housing.

Smart Growth Development Impact Analysis

The rules proposed for readoption with amendments will have an insignificant impact on smart growth and there is an extreme unlikelihood that the rules would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey. The rules proposed for readoption with amendments concern redemption of student loans in exchange for service by primary care practitioners in underserved areas, which has no impact on housing production.

Racial and Ethnic Community Criminal Justice and Public Safety Impact

The Authority has evaluated this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

Full text of the rules proposed for readoption may be found in the New Jersey Administrative Code at N.J.A.C. 9A:16.

Full text of the proposed amendments follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

SUBCHAPTER 1. GENERAL PROVISIONS

9A:16-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meaning unless the context clearly indicates otherwise.

“Approved site” means a site located within a [State designated] State-designated underserved area or a health professional shortage area, or a clinic which is part of the extramural network of dental clinics established by the Rutgers School of Dental Medicine of the Rutgers Biomedical and Health Sciences, or a site that has been determined by the Higher Education Student Assistance Authority, in consultation with the Department of Health, to serve medically underserved populations according to criteria determined by the Authority, including:

- 1.-2 (No change.)
- 3. Sites must accept Medicare, Medicaid, Medicaid Managed Care plans, unless they provide services free of charge;
- 4.-6 (No change.)

“Primary care” means the practice of family medicine, general internal medicine, general pediatrics, general obstetrics, gynecology, pediatric dentistry, general dentistry, public health dentistry, psychiatry, and any other areas of medicine or dentistry defined as such by the Commissioner of Health. Primary care also includes the practice of a nurse-practitioner, certified nurse-midwife, and physician assistant as defined by the U.S. Department of Health and Human Services regulations at 42 CFR Part 62.

SUBCHAPTER 2. PROGRAM REQUIREMENTS

9A:16-2.1 Eligibility

- (a) To be eligible for participation in the program, an applicant must:
 - 1.-2. (No change.)
 - 3. Agree to practice primary care at an approved site, pursuant to the terms specified at N.J.A.C. 9A:16-2.3;
 - 4. Not be in default on any eligible qualifying loan; [and]
 - 5. Not previously have been selected for participation in the program and received the maximum amount of qualifying loan repayment through the program; and
 - [5.] 6. (No change in text.)

9A:16-2.2 Application and selection procedures

- (a)-(c) (No change.)
- (d) The Executive Director, in consultation with the Commissioner, shall match eligible applicants to [State designated] State-designated underserved areas. **If an applicant is the owner of the approved site at**

which the applicant requests to be placed, the site must have operated for a minimum of two years prior to the program participant’s application for the program.

- (c) (No change.)
- (f) At the completion of each program participant’s probationary period, a primary care staff member at his or her approved site, or in the case of a clinic which is part of the extramural network of dental clinics established by the Rutgers School of Dental Medicine of the Rutgers Biomedical and Health Sciences, the director of the clinics and the vice-dean of the dental school, or whomever is serving in that capacity, shall submit to the Executive Director a recommendation of either the continuation of the program participant’s placement, a change of placement, or the program participant’s unsuitability for the program.

- 1.-2. (No change.)
- 3. **In the event the participant is an owner of the approved site, in lieu of a letter of recommendation, the participant must submit supporting documentation, as requested by the Executive Director, demonstrating their suitability for the program and the placement site. The Executive Director shall take such documentation into consideration in determining the participant’s final acceptance into the program.**

- (g)-(h) (No change)

9A:16-2.3 Terms of contract and loan redemption

- (a)-(e) (No change.)
- (f) **If the program participant’s total loan amounts equal less than \$120,000, or the maximum amount authorized by the Federal government, whichever is greater, a prorated amount of interest costs for the loan will be added to each annual payment. Other than the prorated interest costs, loan repayments cannot exceed the outstanding balance on qualifying educational loans at the time of payment.**

9A:16-2.4 Procedure for loan redemption

- (a)-(b) (No change.)
- (c) **The Executive Director shall authorize payment to a program participant for that portion of his or her indebtedness to be forgiven as specified in his or her contract. Checks shall be made payable [jointly] to [the program participant and] the lending institution designated by the participant to [insure] ensure proper application of the payment to eligible indebtedness as defined [in] at N.J.S.A. 18A:71C-32 et seq. If a program participant is entitled to pro-rated interest amounts, pursuant to N.J.A.C. 9A:16-2.3(f), and submits documentation to substantiate that all qualifying loans have been paid in full, then the prorated amount will be paid directly to the participant.**

9A:16-2.6 Termination by participant prior to completion of contractual service requirements

- (a)-(c) (No change.)
- (d) **A program participant’s failure to complete the procedures required at N.J.A.C. 9A:16-2.4 to receive the loan redemption within 60 days of written request for the required documents by the Authority will be deemed to have terminated program participation.**

CORRECTIONS

(a)

THE COMMISSIONER

Close Custody

Proposed Readoption with Amendments: N.J.A.C.

10A:5

Authorized By: Victoria L. Kuhn Esq., Commissioner, Department of Corrections.

Authority: N.J.S.A. 30:1B-6 and 30:1B-10.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2022-115.



State of New Jersey

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

4 QUAKERBRIDGE PLAZA

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www.hesaa.org

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

DAVID J. SOCOLOW
Executive Director

MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow
Executive Director *DJS*

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

SUBJECT: Resolution 02:23 Approving Amendments to HESAA Board Bylaws

DATE: January 18, 2023

Background

The Higher Education Student Assistance Authority (HESAA) Board last updated the HESAA Board Bylaws at its January 27, 2021 meeting. On November 8, 2021 Governor Murphy signed P.L. 2021, c. 282 establishing Kean University as a public urban research university (the "Act").

Section 58 of the Act amends N.J.S.A. 18A:71A-4, which describes several categories from which individuals shall be appointed to serve as members of the HESAA Board, including a provision that one member of the HESAA Board shall be a representative of the state's Public Research University sector. The new law adds Kean University as one of the four institutions from which the Board's Public Research University sector representative can be selected. Therefore, it is necessary to amend Sections 3.1 and 3.2 of the Bylaws to reflect this statutory amendment.

Full text of the amendments follow: (additions indicated in boldface **thus**; deletions indicated in brackets [**thus**]):

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

~~three~~ **four** other public research universities, **Kean University**, Montclair State University, the New Jersey Institute of Technology, or Rowan 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 ~~three~~ **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.

Recommendation

It is recommended that the Board approve Resolution 02:23 Approving Amendments to the HESAA Board Bylaws.

Attachments

RESOLUTION 02:23

APPROVING AMENDMENTS TO THE HESAA BOARD BYLAWS

Moved by: Dr. Jon Larson

Seconded by: Ms. Beatrice Daggett

WHEREAS: The Higher Education Student Assistance Authority (HESAA) Board last updated the HESAA Board Bylaws at its January 27, 2021 meeting; and

WHEREAS: On November 8, 2021 Governor Murphy signed P.L. 2021, c. 282 establishing Kean University as a public urban research university (the "Act"); and

WHEREAS: N.J.S.A. 18A:71A-4 describes several categories from which individuals shall be appointed to serve as members of the HESAA Board, including a provision that one HESAA Board member shall be a representative of the state's Public Research University sector; and

WHEREAS: Section 58 of the Act amends N.J.S.A. 18A:71A-4 by adding Kean University as one of the four institutions from which the Board's Public Research University sector representative can be selected; and

WHEREAS: It is necessary to amend the HESAA Board Bylaws to reflect this statutory amendment.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves and accepts the attached HESAA Board Bylaws as amended.

January 18, 2023

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.