

NJ Higher Education Student Assistance Authority

2020 Annual Report



A Year of Remote Support for New Jersey Students and Families





Message from NJ Governor Philip D. Murphy

I am pleased to recognize the great work of the New Jersey Higher Education Student Assistance Authority (HESAA) in 2020.

Supporting New Jersey's students is a core element of my administration's initiatives to make our economy stronger and fairer. Investing in the people of our state will put us in a better position as we recover from the pandemic. By helping more of our residents earn a high-quality postsecondary degree, we are not only advancing individual aspirations, but also building the knowledge-based workforce that is the engine for New Jersey's economy. HESAA's work is essential to achieving our Higher Education State Plan's "65x25" goal of having 65% of the state's adult, working-age population attain a postsecondary degree or credential by 2025.

The Tuition Aid Grant (TAG) program is the foundation for our efforts to bring college education within reach for all students, regardless of their life circumstances. More than 83,000 students received need-based TAG awards totaling more than \$440 million last year – helping more than 36% of full-time undergraduates pay tuition at New Jersey colleges and universities. In January 2020, I signed a law creating a TAG Study Commission tasked with recommending reforms to maximize the impact of this vital program in supporting students with the greatest financial need, and I look forward to receiving the Commission's recommendations later this year.

HESAA also successfully continued the Community College Opportunity Grant program in 2020, paying the balance of county college tuition for thousands of low- and moderate-income New Jersey students. In its first two years of operation, this tuition-free "college promise" has proven to be a game-changer. By making more students aware that they can afford to attend county college, New Jersey is both attracting adult learners back to college to complete their degrees while also inspiring recent high school graduates to begin their academic journey. And, earlier this year and working alongside my partners in the Legislature, I was honored to sign into law the Community College Opportunity Grant's permanent statutory authorization.

In response to the pandemic, last May I signed emergency legislation to establish relaxed rules for State financial aid in the spring semester of 2020. I commend all of HESAA's staff for their efforts to assist students in coping with the public health crisis, and for their outstanding service in helping to build a stronger future for all of New Jersey's residents.

During an unprecedented year of challenges, HESAA remained committed to providing New Jersey's students and families crucial resources and advice to make postsecondary education more accessible and affordable.

Sincerely,

A handwritten signature in black ink that reads "Phil Murphy". The signature is fluid and cursive, with the first name "Phil" and the last name "Murphy" clearly distinguishable.

Philip D. Murphy
Governor



Message from Executive Director David J. Socolow

This 2020 Annual Report, *A Year of Remote Support for New Jersey Students and Families*, not only records the details of the financial aid HESAA awarded to the state's postsecondary students, but also demonstrates how our dedicated team maintained vital services to the public during the pandemic crisis. I am proud to report that, while coping with the challenges of working remotely, HESAA's workforce solved problems and mitigated the pandemic's financial impact on students and borrowers, by maintaining customer service, delivering training online, and helping borrowers manage their debt.

I am deeply grateful to the HESAA staff for adjusting how we work without losing sight of our mission of serving the students and families of New Jersey. HESAA began working remotely in mid-March 2020, while staying in touch with thousands of students in need of financial aid. In response to the pandemic, we immediately used administrative discretion to extend deadlines and implement flexible policies in light of the interruptions to the spring semester. We also worked rapidly with the Legislature to put an emergency bill on Governor Murphy's desk that provided temporary relief by discounting spring 2020 academic results when determining students' continuing eligibility to receive merit-based scholarships, and calculating State financial aid refund requirements and lifetime award caps without counting this semester for students whose college progress was disrupted due to the pandemic.

In May 2020, despite turbulent municipal bond markets, HESAA successfully issued student loan revenue bonds enabling NJCLASS family loans to offer historically low interest rates for students in Academic Year 2020-21, and to reduce the monthly payments for post-college borrowers through low-cost NJCLASS refinancing and consolidation loans.

Since the implementation of Governor Murphy's vision with the 2019 Community College Opportunity Grant pilot, an increasing number of students with annual family incomes from \$0 to \$65,000 have had their tuition and general educational fees at a New Jersey county college fully covered by these grants. Last year, thousands more students enrolled in county college tuition-free. The State Senate and General Assembly have now endorsed this initiative through legislation to make it a permanent State program. The HESAA team worked tirelessly to make this concept a reality and continuously improve it – through updated policies, procedures, and automated systems; dialogue with county college financial aid officers, legislators, and other stakeholders; effective financial and process controls; and ongoing assistance to students and families navigating their options.

Finally, thank you to the financial aid community throughout New Jersey. In the face of the challenges that this year presented, you creatively and consistently supported our state's students. While we all used remote office technology to stay safe in 2020, HESAA's staff and our partners at the colleges and universities maintained a human touch to keep students engaged, help them overcome obstacles, and enable them to achieve their postsecondary education goals.

Sincerely,

A handwritten signature in black ink that reads "David J. Socolow". The signature is fluid and cursive, with a long horizontal stroke at the end.

David J. Socolow
Executive Director

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Meeting the Needs of New Jersey Students While Working Remotely

Since the onset of the pandemic in March 2020, HESAA's dedicated employees immediately shifted to remote work environments to deliver without interruption the services that enable New Jersey's students and families to achieve their dreams of college and career success. Throughout the year, HESAA's work proved essential, as New Jersey students faced disruption to not only their spring semester of college, but also to the future of their educational plans.

HESAA remained on course while navigating these rough waters. To comply with the urgent requirements of social distancing to slow the spread of the virus, the HESAA team went above and beyond, not only performing many daily tasks using unfamiliar methods but also solving new problems as they arose.

Thanks to the exceptional efforts of the Authority's Information Services team, HESAA enabled remote telework by providing laptops and expanding secure system access to every HESAA employee. Even while working remotely, HESAA's contact center employees handled inquiries both through e-mail and by answering telephone calls through Voice over Internet Protocol (VoIP) "soft phones." Everyone on HESAA's staff continued to work diligently to remain up to date on all processing tasks and to eliminate workload backlogs while seamlessly serving students and institutions.

Providing Flexibility for Students Receiving State-Funded Grants and Scholarships

At the start of the pandemic, HESAA took swift action to adjust State financial aid policies to address the financial aid challenges of students during the initial stages of the emergency, and worked closely with the Governor and the Legislature to have several

eligibility changes codified in statute.

Governor Murphy supported students and families when he announced that HESAA extended the deadline for students to renew State financial aid for Academic Year 2020-21. This deadline, which was originally set for April 15, was extended to June 1, 2020 to meet the needs of students and families whose ability to complete financial aid forms was impacted by the COVID-19 pandemic. As a result, renewal students who received State aid while enrolled in a New Jersey college in Academic Year 2019-20 and planned to re-enroll in the upcoming 2020-21 academic year received six extra weeks to complete the Free Application for Federal Student Aid (FAFSA) or HESAA's Alternative Financial Aid Application for New Jersey Dreamers.



HESAA also implemented other policies in response to the unprecedented circumstances in the spring 2020 semester. During the state of emergency, HESAA suspended the 10-week waiting period for students to have their income re-evaluated due to unemployment, and extended document submission deadlines to give students more time to return information required for eligibility verification.

To support the dependents and spouses of law enforcement officers and other first responders who lost their lives to COVID-19 contracted while serving the public, HESAA took administrative action to modify

the definition of deaths “in the line of duty” to expand eligibility criteria for the Law Enforcement Memorial Scholarship and Survivors Tuition Benefits programs. HESAA also rapidly updated the policies for the Community College Opportunity Grant (CCOG) program to prevent unintentional reductions in the calculation of students’ last-dollar CCOG awards due to emergency aid the students received through federal COVID-19 Relief laws. In addition, HESAA added online learning fees to the list of approved educational fees covered by CCOG awards, since online learning became a clear necessity in the new context of remote learning.

To further assist students, HESAA worked closely with Senator Sandra B. Cunningham and Assemblywoman Mila Jasey, the chairs of the Senate and Assembly Higher Education Committees, to develop emergency state legislation. On May 15, 2020, Governor Murphy signed P.L. 2020, c. 31 into law. As a result, HESAA did not count the spring 2020 semester against students’ lifetime maximum State aid cap if they had to withdraw from school due to the emergency, waived refunds for students whose ability to stay enrolled was similarly affected, and enabled students to remain eligible to continue receiving NJ STARS merit scholarships even if their grade point average was somewhat impaired by their spring academic performance. HESAA is grateful to Governor Murphy for taking immediate action to help New Jersey students and families and to the sponsors for championing this urgent legislation.

Supporting NJCLASS Family Loan Borrowers with Repayment Options

The public health emergency also triggered a financial crisis. HESAA provided relief to NJCLASS borrowers struggling to repay their NJCLASS family loans as lack of work, illness, or other changes reduced their

earnings. HESAA offered several relief options to borrowers facing circumstances that interrupted their ability to make payments on NJCLASS loans, such as unemployment, temporary disability, or financial hardship – and expanded the criteria for financial hardship repayment relief to take into account the unique conditions of the pandemic. HESAA has never charged borrowers a fee to apply for these relief options, nor has the Authority ever charged late fees.

During the public health emergency, HESAA also took steps to protect borrowers’ credit, and suspended wage garnishments and withholding of state income tax refunds to collect on past due loans. In an effort to seek additional relief for NJCLASS family loan borrowers, HESAA joined forces with leaders from around the country to make the case for federal legislation that would provide more comprehensive payment assistance for all student loan borrowers. While this provision has not been included in the final federal relief laws to date, HESAA continued to advocate for borrowers throughout 2020 and continues to recommend that future federal student loan initiatives include support for borrowers of state-based supplemental education loans like NJCLASS.



For responses to NJCLASS borrowers’ frequently asked questions about COVID-19 [click here](#).

State Budget Maintains Support for Financial Aid Despite Pandemic-Induced Fiscal Crunch



During an exceedingly challenging budget season throughout the spring and summer of 2020, the Governor proposed, and the Legislature agreed, to maintain level line-item appropriations for Academic Year 2020-21 for full-time Tuition Aid Grants (TAG); part-time TAG for county college students; part-time TAG for EOF students; Community College Opportunity Grants; New Jersey Student Tuition Assistance Reward Scholarships (NJ STARS and NJ STARS II); Governor’s Urban Scholarships; and New Jersey World Trade Center Scholarships.

Also, the combined line item for the Primary Care Practitioners Loan Redemption Program and the Nursing Faculty Loan Redemption Program was restored in fiscal year 2020-21 to the \$1.5 million level at which it was funded in fiscal year 2018-19, after having been scaled back in fiscal year 2019-20.

Tuition Aid Grants:

Continuing the State's Commitment to Need-Based Financial Aid



The Tuition Aid Grant (TAG) program is the centerpiece of New Jersey's commitment to providing need-based

financial aid to help low- and moderate-income students pay for college. The TAG program supports the college dreams of nearly one-third of all full-time undergraduate students enrolled in New Jersey institutions. The most recent survey from the National Association of State Student Grant and Aid Programs reported that New Jersey awarded more need-based grant dollars per enrolled undergraduate student than any other state in the country.

Another cohort of students received robust financial aid from TAG in Academic Year 2019-20, when 83,187 students received a cumulative total of over \$441 million in TAG awards. These college students were spread across the state and enrolled in all sectors – public, private, two- and four-year degree-granting institutions. With TAG awards based on students' financial need, the program enables state residents to choose to attend a wide variety of colleges and universities in New Jersey.

Maximum TAG Awards for Academic Year 2019-20, by Sector Average

County Colleges	\$2,722
State Colleges and Universities	\$7,109
Public Research Universities	\$9,366
Independent Colleges and Universities	\$12,762

Maximum Part-Time TAG Awards at County Colleges for Academic Year 2019-20, by Sector Average

½ Time Semester Award (6-8 credits)	\$696
¾ Time Semester Award (9-11 credits)	\$1,044

Tuition Aid Grants: Commission Begins Examining TAG Funding

Governor Murphy signed P.L. 2019, c. 298 into law in January 2020, creating a 10-member Tuition Aid Grant (TAG) Study Commission charged with examining the TAG program and making recommendations to the Governor and Legislature. The Commission is tasked with studying topics including but not limited to: the TAG amounts currently awarded to eligible students; the percentage of tuition costs covered by TAG; how HESAA adjusts TAG award amounts each year; the characteristics of students whose TAG eligibility differs from their eligibility for federal need-based aid such as Pell grants; the graduation rates of TAG recipients; the history of State appropriations made to support the TAG Program; and the sufficiency of TAG awards to eligible students in light of the original intent of the program.

Governor Murphy appointed members representing five different higher education sectors (public research universities, state colleges and universities, county colleges, non-profit independent institutions, and degree-granting proprietary schools). Senate President Sweeney appointed two public members, Speaker Coughlin appointed two public members, and the Executive Director of HESAA serves *ex officio* as the tenth voting

member of the Commission. The Commission’s deliberations will be informed by the findings of two groups of economists and policy experts from national research organizations that have conducted separate studies of New Jersey’s need-based student aid program over the past two years, the RAND Corporation and the Urban Institute. In 2020, the Commission received presentations from these

information). RAND Corporation used this data set to determine the impact of need-based financial aid on student persistence and graduation rates. The RAND study found that a \$1,000 boost to a student’s TAG award makes a positive difference by significantly increasing graduation rates compared with similarly situated students who receive lower TAG award amounts. The [final report](#)

TAG Study Commission

<p>Christopher A. Capuano, Ph.D. President, Fairleigh Dickinson University Representative of Independent Institutions</p>	<p>Rabbi Aaron Kotler President, Beth Medrash Govoha Public Member</p>
<p>Michael Chando Executive Director of Admissions and Financial Aid, Rowan College of South Jersey Public Member</p>	<p>Kevin L. Luig Chairman, Berkeley College Representative of Degree-Granting Proprietary Institutions</p>
<p>Joseph Gasparro Carteret, New Jersey Public Member</p>	<p>Stephan Lally Woodbridge, New Jersey Public Member</p>
<p>Phoebe Haddon, Esq. Chancellor Emerita, Rutgers University-Camden, and Professor of Law Representative of Public Research Universities</p>	<p>Margaret M. McMenamain, Ed.D. President, Union County College Representative of County Colleges</p>
<p>Sue Henderson, Ph.D. President, New Jersey City University Representative of State Colleges & Universities</p>	<p>David J. Socolow Executive Director, New Jersey Higher Education Student Assistance Authority (HESAA)</p>

researchers. No State funds or HESAA resources were used to direct or pay for these independent analyses; RAND Corporation’s study was funded by the ECMC Foundation, and Urban Institute’s work was supported by the Laura and John Arnold Foundation. However, HESAA cooperated with these outside researchers by supplying raw data about TAG awards (after first removing all students’ personal identifiable

presenting the results of this research was published in early 2021.

The Urban Institute researchers summarized their findings in a forthcoming report that describes New Jersey’s distribution of TAG awards and makes recommendations for strengthening the program, both by increasing funding and by making better use of existing funds.

Other Financial Aid Grants & Scholarships Administered by HESAA

In addition to Tuition Aid Grants, HESAA offers students in the Garden State several other opportunities to receive grants and scholarships to help pay for college.



Community College Opportunity Grant (CCOG)

The Community College Opportunity Grant Program enables eligible students to attend any New Jersey community college without paying tuition or educational fees. County college students who enroll in at least six (6) credits per semester and who come from families with adjusted gross incomes between \$0 and \$65,000 are eligible to receive this support. In Academic Year 2019-20, 10,224 students received CCOG awards that eliminated their cost of tuition and approved educational fees, through last-dollar grants that paid the balance of their tuition and fees not already covered by any other State, federal, and institutional need-based grants and merit scholarships up to the annual award caps..



NJ STARS and STARS II

The State of New Jersey has provided these merit-based scholarships to high-achieving high school students since 2004. The New Jersey Student Tuition Assistance Reward Scholarships (NJ STARS and NJ STARS II) support New Jersey high school graduates who rank in the top 15.0 percent of their class during junior or senior years of high school and choose to enroll in their home community college after high school graduation. HESAA provides qualifying students NJ STARS awards which fully cover tuition at their local county college. Students are eligible for NJ STARS II awards if they first receive NJ STARS scholarships and graduate from their county college or earn an associate's degree through an eligible dual enrollment program at their high school, and then transfer to a participating bachelor's degree-granting college or university in New Jersey. The NJ STARS II scholarship is up to \$2,500 per academic year (\$1,250 per semester), for up to four semesters. In Academic Year 2019-20, a total of 2,522 New Jersey high school students earned affordable access to a postsecondary degree through the NJ STARS and NJ STARS II merit scholarships. For a breakdown of NJ STARS II by sector, see page 24.



Governor's Urban Scholarship (GUS)

The merit-based Governor's Urban Scholarship is awarded to students who reside in one of 14 designated municipalities: Asbury Park, Camden, East Orange, Irvington, Jersey City, Lakewood, Millville, New Brunswick, Newark, Paterson, Plainfield, Roselle, Trenton, or Vineland. To earn a scholarship, students must rank within the top five (5) percent of their high school class and have a minimum grade point average of 3.0 at the end of their junior year. The award is renewable for up to four years of study at a TAG-participating institution of higher education in New Jersey, and also provides scholarship recipients a persistency bonus in their last semester upon degree completion. In Academic Year 2019-20, 352 students received a total of \$367,382 in GUS awards and 67 received GUS persistency bonuses totaling \$33,500. For a breakdown by sector, see page 24.

Other Financial Aid Grants & Scholarships Administered by HESAA



Governor's Industry Vocations Scholarship (GIVS)

The Governor's Industry Vocations Scholarships are administered by HESAA and funded by the Schools Development Authority. This scholarship benefits women and students of color pursuing a postsecondary certificate or degree program in a construction-related field. The scholarship pays up to \$2,000 per year for the cost of enrollment in an eligible program at one of New Jersey's county colleges, county vocational/technical schools, or a TAG-eligible proprietary trade school. In Academic Year 2019-20, 73 students received \$115,206 in Governor's Industry Vocations Scholarships.



Law Enforcement Officers Memorial Scholarship (LEOM)

The Law Enforcement Officers Memorial Scholarship is available to dependent children of New Jersey law enforcement officers killed in the line of duty. Funded through sales of commemorative license plates, the award covers the cost of attendance, less other scholarships, grants, benefits, and other financial aid through HESAA. Awards are renewable for up to four years. There were 11 recipients of the LEOM scholarship in the 2019-20 Academic Year, totaling \$279,184.



Survivor Tuition Benefits (STB)

The Survivor Tuition Benefits scholarship benefits eligible children and surviving spouses of New Jersey firefighters, emergency service workers, and law enforcement officers killed in the line of duty. The award provides students with free tuition at any public or private institution of higher education in New Jersey. The award amount cannot exceed the highest tuition charged at a New Jersey public institution. Governor Murphy signed a law in 2020 that eliminated the time limit on tuition benefits for spouses. Originally, the tuition benefit expired eight years after the spouse's death; under the new law, there is no deadline and these surviving spouses can pursue postsecondary education when it is right for them. For details on this change to the STB law, click [here](#). In Academic Year 2019-20, there were 3 STB recipients who received a total of \$32,906.



World Trade Center Scholarship (WTC)

The World Trade Center scholarship benefits the dependent children and surviving spouses of New Jersey residents who were victims of the terrorist attacks on September 11, 2001. The award amount is \$5,000 per year (\$2,500 per semester). Eligible students can apply for this funding to attend in-state and out-of-state institutions. In Academic Year 2019-20, 81 students were awarded WTC scholarships for a total of \$365,000.

2020 NJCLASS Loans: Featuring Historically Low Interest Rates

New Jersey students and families often seek supplemental loans to finance the costs of postsecondary education that are not covered by grants and scholarships and exceed the caps on federal Direct Loans for undergraduates. To meet these needs, HESAA is dedicated to strengthening the NJCLASS loan program so it can offer lower interest rates than most New Jersey’s families would be charged for private supplemental loans or federal Parent PLUS loans. Unlike the credit-scored tiers of interest rates on other supplemental loans from private lenders, NJCLASS loans do not charge higher interest rates to borrowers based on their incomes and

credit score — a money-saving feature for the nearly 40 percent of NJCLASS borrowers with incomes between \$40,000 and \$80,000. NJCLASS loans are available to New Jersey residents for certified costs of attendance, minus financial aid and federal Direct loans, at any approved college or university. To encourage out-of-state students to pursue a degree in New Jersey, these loans are also available to students who enroll in a participating New Jersey institution of higher education, no matter where the students and families reside. NJCLASS loans are subject to available funding.

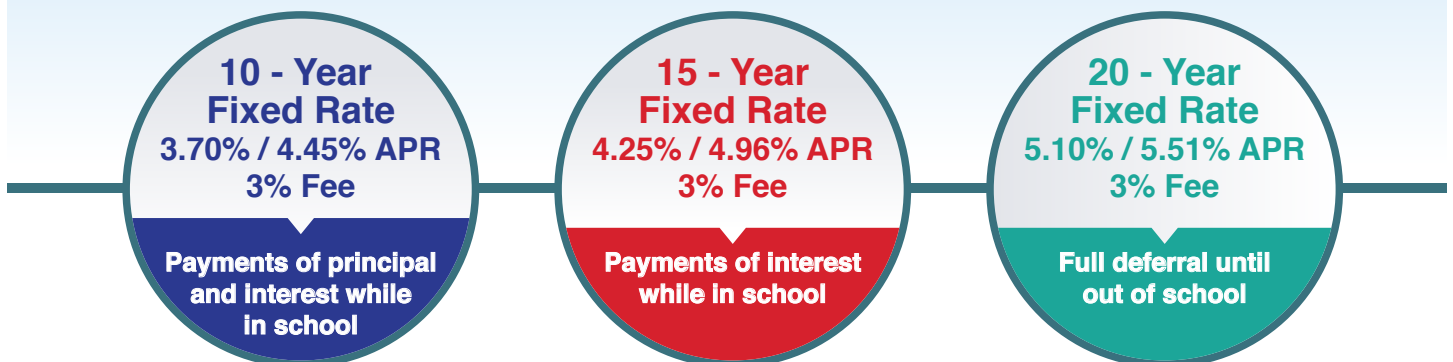
Academic Year 2020-21 NJCLASS Loan Volume

County College		State College/University		Proprietary				
Students	105	Students	1,150	Students	248			
Amount	\$836,954	Amount	\$16,160,193	Amount	\$2,910,428			
Independent		Public Research Universities		Out-of-State		Total In-School NJCLASS Loans		
Students	990	Students	2,056	Students	4,227		Total Students	8,774
Amount	\$17,726,607	Amount	\$27,930,254	Amount	\$91,302,631		Total Amount	\$156,867,067

+

Consolidation & Refi Loans		=	Total NJCLASS Loan Volume	
Total Students	664		Total Students	9,438
Total Amount	\$38,197,658		Total Amount	\$195,064,725

Academic Year 2020-21 NJCLASS Family Loan Rate Options



Each repayment option are subject to available funding. New Rates for Academic Year 2021-22 Available in June 2021.

NJCLASS Refinance and Consolidation Loans

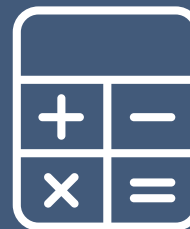
ReFi+ Loan Program

The NJCLASS ReFi+ Loan assists borrowers who want to lower the total amount spent on repaying their student loans by combining multiple loans into one single payment with a lower interest rate. The ReFi+ Loan Program helps student beneficiaries who are out of school and have loans from higher interest rate periods. NJCLASS, Federal Parent PLUS, and Private Educational Loans can all be considered for this refinance opportunity. Eligibility for the 10-year and 15-year, fixed rate program is based on income, credit score, and debt-to-income ratio. Depending on the selected loan term and credit score, the interest rates will range from 4.15% to 6.49%. ReFi+ loans are subject to available funding.



Loan Term:	
10-Year Fixed Rate	15-Year Fixed Rate
4.15% ¹	4.45% ¹
4.89% ²	5.19% ²
5.99% ³	6.49% ³

Interest rates based upon credit score: ¹ 780+ | ² 720-779 | ³ 670-719



Connect to HESAA's smart refinance calculator and see if you can start saving today! [Click Here](#)

NJCLASS Loan Consolidation

The NJCLASS Consolidation Loan is designed to assist those borrowers with higher NJCLASS debt balances by providing a longer repayment term and lower monthly payments. A consolidation loan may help make payments more manageable for some borrowers by combining several NJCLASS loans into one loan with one monthly payment.

Borrowers must have a minimum of two NJCLASS loans with an outstanding minimum balance of \$30,000. NJCLASS Consolidation Loans with balances less than \$60,000 carry a 25-year repayment term. NJCLASS Consolidation Loans with balances greater than or equal to \$60,000 carry a 30-year repayment term. The interest rate on an NJCLASS Consolidation Loan is fixed and is based on a weighted average of the underlying NJCLASS loans being consolidated minus 0.50%. HESAA does apply a 1% administrative fee to Consolidation Loans. Deferment and forbearance options are limited and require monthly interest payments. Consolidation Loans are subject to available funding.

HESAA Fighting Hunger: Raising Awareness about SNAP Benefits Eligibility for College Students

To address the extreme hardships that many college students are now facing, in December 2020 federal legislation immediately provided temporary expanded access to food assistance for students enrolled in college. Financial aid for tuition only helps with a portion of the total costs of attendance. When college students go hungry, they often have trouble focusing on their studies and graduating. Before the pandemic, 48 percent of college students reported being food insecure during the previous thirty days, with even higher rates among students of color. However, the rules of the Supplemental Nutrition Assistance Program (SNAP) establish barriers to eligibility for college students, and the Government Accountability Office found that 57 percent of potentially SNAP-eligible students did not receive benefits in 2016.

Now, for as long as the federal public health emergency persists and for 30 days after it ends, students enrolled at least half-time in college may qualify for SNAP food assistance if either a) they are



approved by their college or university to participate in work-study, even if they are not actively participating in the work-study job; or b) they have an expected family contribution (EFC) of \$0 this academic year, as determined through their FAFSAs.

In New Jersey 38% of all undergraduates fit into the latter category of students with a \$0 EFC. HESAA applauds this welcome change to fight hunger and enable low-income students to earn their degrees with fewer worries about whether they can afford to eat. New Jersey will use this temporary waiver to build on the important permanent expansion of access to SNAP benefits for community college students in career and technical education programs that the New Jersey Department of Human Services (DHS) established two years ago.

Working with DHS and financial aid offices at colleges and universities across New Jersey, HESAA is getting the word out to all students who may qualify for these waivers to receive vital help paying for groceries. For more information click [here](#).

<p>Obtain a Copy of your Student Aid Report (SAR) or other financial aid documents</p> 	<p>Visit NJSNAP.gov and apply here: njoneapp.gov</p> 	<p>Upload a copy of your documents from step 1 at njoneapp.gov</p> 	<p>If you need to upload a letter verifying your Work-Study status, contact your Financial Aid Office.</p> 
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NJBEST 529 College Savings Plan & NJBEST Scholarship Program

To support families who are saving for future college expenses, HESAA operates NJBEST, the state’s 529 college savings plan that provides a tax-advantaged college savings option. Long-term consistent savings enable families to reduce the amount of debt they take on when their student goes on to enroll in college.

NJBEST has helped fund higher education for thousands of students. In 2020, 241,191 students were benefiting from their savings in NJ 529 funds, with a total of \$6.3 billion in assets.

To further encourage saving, HESAA offers the NJBEST scholarship. When account holders use the assets saved through NJBEST to pay for qualified expenses at any accredited postsecondary school in New Jersey, the student beneficiary of the NJBEST account can receive a tax-free scholarship.

The minimum scholarship amount is \$500, which requires a contribution of at least \$1,200 and the account to have been open for at least four years. The amount of the scholarship increases by \$250 for every two additional years the account was open and for every \$600 in additional savings contributions, up to a maximum scholarship amount of \$1,500, depending on the number of years and level of contributions.

To receive a scholarship:

- Student must be the beneficiary of an NJBEST 529 College Savings Plan opened for at least four years.
- Total contributions to the NJBEST 529 plan must be at least \$1,200.

- The contributor must have made a withdrawal for qualified education expenses from the NJBEST account for which the student is the beneficiary.
- Either the student or contributor must be a New Jersey resident at the time of college attendance.
- The student must be enrolled at least half-time in an eligible New Jersey higher education institution.
- The scholarship may be awarded only once to an eligible beneficiary for attendance at any eligible New Jersey institution of postsecondary education.

Year ¹	Dollars Invested	Student Beneficiaries
2020	\$6.3 Billion	241,191
2019	\$5.7 Billion	245,162
2018	\$5.5 Billion	249,270
1 Fiscal Year ends June 30th		

Prior to 2020, students were only eligible for their NJBEST scholarship for their first semester of enrollment in a New Jersey institution of higher education. Governor Murphy signed P.L. 2020, c. 81 into law on September 14, 2020 providing students with more flexibility by enabling beneficiaries to use their NJBEST scholarship for any semester of attendance. In academic year 2019-20, HESAA awarded NJBEST Scholarships to 560 students, for a combined award amount of \$747,257.

Loan Redemption Programs



Primary Care Practitioner Loan Redemption Program

The Primary Care Practitioner Loan Redemption Program promotes equity in access to primary care services by supporting primary care health providers who choose to practice in medically underserved areas of New Jersey, including physicians, dentists, physician assistants, certified nurse practitioners, and certified nurse midwives. This program provides for the redemption of eligible primary care practitioners' student loan expenses in exchange for specified periods of service in medically underserved areas. The program provides up to \$120,000 in student loan redemption for two to four years of service as a primary care practitioner in areas ranked by the New Jersey Department of Health as experiencing a health professional shortage. State funding for this program is used to match a federal grant from the National Health Service Corps. In fiscal year 2019-20, 45 primary care practitioners received loan redemption through the program.



Nursing Faculty Loan Redemption Program

The Nursing Faculty Loan Redemption Program addresses the current and projected critical shortage of nurse faculty in the State of New Jersey. The program offers up to \$50,000 of student loan redemption in exchange for full-time faculty employment at a school of nursing in the State of New Jersey for a five-year period following completion of the approved graduate degree program. In fiscal year 2019-20, five Nursing Faculty participants received loan redemption through the program.



John R. Justice Loan Redemption Program

The John R. Justice Student Loan Repayment Program provides loan repayment assistance for state and federal public defenders and state prosecutors who agree to remain employed as public defenders or prosecutors for at least three years. This program is funded solely through a federal grant from the U.S. Department of Justice, and is offered contingent upon receiving those funds. In fiscal year 2019-20 this federal grant supported 18 loan redemptions of \$2,434 per participating attorney, 9 public defenders and 9 prosecutors.



STEM Loan Redemption Program

The STEM loan redemption program was enacted in 2018 to provide an incentive for professionals to build and maintain their careers in certain high-growth occupations in science, technology, engineering, and mathematics (STEM) fields in New Jersey. The program offers student loan redemption in exchange for an employee's commitment to full-time employment in a designated high-growth STEM occupation at an employer in New Jersey for at least four years and up to eight years. After an employer certifies that an employee has worked for at least four years in a designated high-growth STEM occupation in New Jersey, up to \$2,000 in eligible student loan expenses will be redeemed each year for up to four years, up to a maximum of \$8,000 (half from state funds, matched by a contribution from the participant's current employer). Potential participants will be eligible to apply beginning in December 2022.

Extending Our Outreach Virtually to all Stakeholders

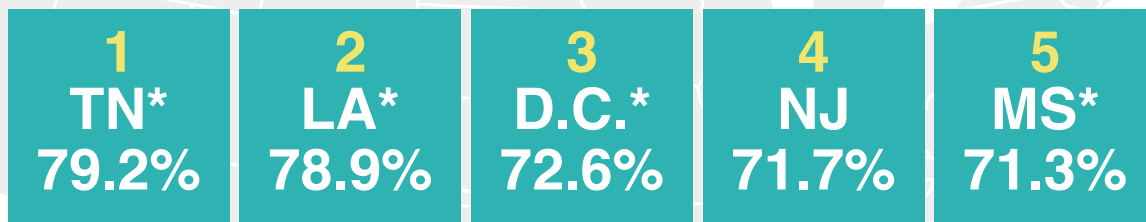
Throughout the 2019-20 Academic Year, HESAA provided advice and guidance to more than 65,000 New Jersey families to help them successfully plan, save, and pay for college. HESAA's outreach covered financial literacy, school counselor training, and assisting students with completion of the Free Application for Federal Student Aid (FAFSA) or the New Jersey Alternative Financial Aid Application.

Despite the sudden shift from in-person to a virtual format, HESAA was still able to provide training to more than 1,000 high school counselors and parent support groups throughout New Jersey last year. HESAA's financial aid outreach events reached students in all 21 counties, with more than 52,000 participants at more than 600 virtual events sponsored by New Jersey high schools, libraries, community support centers, legislators' constituent services conferences, adult learning centers, Upward Bound and GEAR UP events, and college/career fairs.



Nationally, prospective first-year students' aid applications are tracked and ranked based on the percentage of each state's high school seniors who have completed the FAFSA. Last year, New Jersey ranked 5th in the nation, with 74% of high school seniors completing the FAFSA by September 2020. New Jersey achieved this ranking even without mandating FAFSA completion as a condition of high school graduation, as other states have required in recent years. These figures do not include additional students who are New Jersey Dreamers and completed the NJ Alternative Financial Aid Application.

High School FAFSA Completion Ranking as of September 11, 2020



*State law requires FAFSA completion as a high school graduation requirement

HESAA Board Members



Message from HESAA Board Chair Christy Van Horn

I am pleased to share that, despite the obstacles of 2020, the HESAA Board put forth another productive year of supporting the state's financial aid system that New Jersey students have come to

depend on as they pursue a postsecondary degree. Now more than ever, providing resources and information to students and families is vital – vital to their education, their career paths, and to New Jersey's economy.

Throughout 2020, HESAA kept pace with the financial concerns of students and supported them through various regulatory changes. There was a collective effort from HESAA to ensure that students did not lose state aid as they shifted out of dorms, into online learning environments, loss of work-study opportunities and, for many, loss of income. I am proud to say that HESAA was swift to create safety nets for these students and their families.

As always, I would like to express our thanks to Governor Murphy for staying the course and

remaining mission-focused in making college affordability a central part of his plan to build a stronger and fairer New Jersey. I am proud we live in a state where all students – of all ages and of all backgrounds – have access to higher education.

The Board also welcomed several new members in 2020 who each brought a unique and deep understanding of state aid. As the Chair, I appreciated the added experience and insight from New Jersey's new Secretary of Higher Education, Dr. Brian Bridges; the newly elected Board Chair of the New Jersey Educational Opportunity Fund (EOF) State Board of Directors, Nelly Celi; and the Board's newest public member, Scott Salmon, Esq. To all members, long-standing and new, thank you for your commitment to the Board.

Finally, my thanks to the HESAA staff for their tireless effort to keep moving forward to support New Jersey students and families by providing information and resources in a socially-distanced world.

Our work continues as we stand ready to help usher students back onto campuses and into classrooms around the Garden State.

Sincerely,
Christy Van Horn

Stephanie Berdugo-Hernandez
Chair, Student Advisory Committee
Ex-Officio

Brian Bridges, Ph.D.
Secretary of Higher Education
Ex-Officio

Nelly Celi
Representative
Educational Opportunity Fund
Ex-Officio

Board Vice Chair
Beatrice Daggett*
Public Member
Secretary-Treasurer

Dara Dandrea-Giannotti
Vice Chair, Student Advisory
Committee
Ex-Officio

Dr. Jon Larson*
Representative
County Colleges

Elizabeth Maher Muoio*
State Treasurer
Ex-Officio
Treasurer's Designee
Robert Shaughnessy

Jean McDonald Rash
Representative
Rutgers University

Scott Salmon, Esq.
Public Member

David J. Socolow*
Executive Director, HESAA
Ex-Officio

Maria Ivette Torres*
Public Member

Board Chair
Christy Van Horn*
Public Member

**Member of Executive Committee*

HESAA Executive and Senior Staff

David J. Socolow
Executive Director

Jerry Traino
Chief Financial Officer

Margo Chaly, Esq.
Chief of Staff

David Gillespie
Director of Student Loans

Jean Hathaway
Director of Grants and Scholarships

André Maglione
Acting Director of Client Services

Gregory Foster, Esq.
Chief Compliance Officer
and Ombudsman

Marnie Grodman, Esq.
Director of Legal and
Government Affairs

Ruth Odom
Chief Information Officer

Arthur Quaranta, CPA
Controller

Lorraine Palmer
Associate Director of Student Loan
Programs

Richard Bates
Associate Director of Servicing
& Collections

Patricia Maske
Director of Human Resources

Jill Schmid
Director, Audits and
Quality Assurance

Jennifer Azzarano
Director of Communications

In December of 2020, the Authority's **Chief of Staff, Hanifa Barnes, Esq.**, accepted a new position as Chief of Staff at the New Jersey Department of Education. In nearly three years at HESAA, Hanifa provided exemplary leadership and made important contributions to HESAA, including ably managing the response to the Coronavirus pandemic while successfully handling other high priority initiatives. HESAA wishes Hanifa well in her new role leading work to help New Jersey's elementary and secondary schools recover from the pandemic, close achievement gaps, and address longer-term inequities.

HESAA welcomed **Margo Chaly, Esq.** to the Authority as Chief of Staff in early 2021. Margo brings significant leadership experience to HESAA, from her most recent position helping to manage a start-up law firm, and from her previous work over more than a decade in risk management and financial transaction operations at large insurance companies. She has demonstrated capabilities in information technology, compliance, human resources and employee training, communications, facilities, and other key functions that are excellent preparation to lead HESAA's change management, organizational development, and continuous improvement efforts.

More importantly, Margo is passionate about HESAA's mission and she is a strong advocate for building better financial supports to advance economic mobility for all New Jersey students.

HESAA also congratulated **Kathryn Safran**, the former Director of Grants & Scholarships upon her retirement on December 31, 2020. Among her other accomplishments, Kathryn will be remembered for her work in streamlining the verification process; her leadership of the implementation of the Community College Opportunity Grant and the expansion of financial aid eligibility to NJ Dreamers, and the implementation and continuous improvement of HESAA's New Jersey Financial Aid Management System (NJFAMS).

At the start of 2021, **Jean Hathaway** was promoted to Director of Grants & Scholarships. Jean brings deep financial aid subject matter expertise and management skills to this role, both from her past five years as Associate Director and Assistant Director of Grants & Scholarships at HESAA, and from her prior financial aid experience over more than a decade at Rutgers University and previously at several other higher education institutions.

New Jersey Advisory Committee on Student Aid

NJACSA committee representatives provide valuable recommendations and guidance to HESAA on the operations and policies of all grant, scholarship, and loan programs currently administered by the Authority.

County College Representative

Karyn Arnold

Associate Director of Financial Aid
Brookdale Community College

Independent Sector Representative

Susan Gross

Director of Financial Aid
Stevens Institute of Technology

Rutgers University Representative

Ann Marie Bouse

Manager of Compliance & Quality Assurance
Rutgers University

NJ Bursar's Association Representative

Orley Wainberg

Director of Student Accounting
Kean University

EOF/Office of the Secretary of Higher Education
Representative

Dr. Hasani Carter

Statewide EOF Executive Director

Educational Opportunity Fund Representative

Ruben Melendez

EOF Campus Coordinator Representative
Kean University

State College and Universities Representative

Wil Casaine

Executive Director of Financial Aid
Division of Enrollment Management
The College of New Jersey

Representative of Public Research Universities

Ivon Nunez

Director of Student Financial Aid Services
New Jersey Institute of Technology

NJASFAA Representative

Rabbi Gedalya Green

Associate Director of Financial Aid
Beth Medrash Govoha of America
Independent Colleges and Universities Representative

HESAA Student Advisory Committee



Chair
Stephanie Berdugo-Hernandez
Rowan College at Burlington County



Co-Chair, Spring 2020
Madeline Perard
Rutgers University – Newark



Co-Chair, Fall 2020
Dara Dandrea-Gianotti
Rutgers University – Newark

County College Sector

Atlantic Cape County College

Brian Ross, Spring 2020

Joelle Motley, Fall 2020

Essex County College

Nelson Ejezie

State College and University Sector

Ramapo College of New Jersey

Mariella Zijdel, Spring 2020

Breeanna Douglas, Fall 2020

The College of New Jersey

Noemi Rosario, Fall 2020

Public Research Universities Sector

Montclair State University

Manuela Paula Alonso

New Jersey Institute of Technology

Arisleidy Reyes Castillo

Justina Shafik, Fall 2020

Rowan University

Michael J. Webster, Jr, Spring 2020

Rutgers University

Kaitlin McGee, Spring 2020

Tariq Baxley, Spring 2020

Bryant N. Gomez, Fall 2020

Independent College and University Sector

Princeton University

Katherine Stiefel, Spring 2020

Seton Hall University

Axel Esquivel, Spring 2020

Jermain Charles, Fall 2020

Tykhil Greene, Fall 2020

Audited Financial Statements

State of New Jersey
Higher Education Student Assistance Authority
Combined Statements of Net Assets

	As of June 30,	
	2020	2019
Assets		
Cash and Cash Equivalents		
NJBEST	\$ 2,465,693	\$ 1,902,302
NJCLASS/FFELP	463,747,223	497,963,133
Other	12,659,072	27,349,797
Investments		
NJBEST	5,801,602,427	5,729,851,498
NJCLASS/FFELP	21,823,488	16,052,570
Other	74,504,846	63,095,867
Receivables		
Federal government	-	1,960,133
Loans	1,468,054,315	1,585,467,016
Other	95,799,653	60,866,568
Fixed Assets, Net	6,090,900	3,912,530
Total Assets	\$ 7,946,747,617	\$ 7,988,421,414
Deferred Outflow - Interest Rate Swaps	-	-
Liabilities and Fund Balances		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 54,589,620	\$ 53,016,131
Due to Federal Government	68,007	3,700,239
Revenue Bonds Payable	1,647,500,000	1,798,030,000
Total Liabilities	1,702,157,627	1,854,746,371
Financial Instrument Liability - Interest Rate Swaps	-	-
Fund Balances		
Reserved for Loan Servicing	360,162,913	313,172,116
Restricted	5,884,427,077	5,820,502,927
Total Fund Balances	6,244,589,990	6,133,675,043
Total Liabilities and Fund Balances	\$ 7,946,747,617	\$ 7,988,421,414

Audited Financial Statements

State of New Jersey
Higher Education Student Assistance Authority
Combined Statements of Revenues, Expenditures and Changes in Net Assets

	For the Years ended June 30,	
	2020	2019
Revenues		
State Grant & Scholarship Appropriations	\$ 463,319,260	\$ 478,806,490
Federal and Other Grants	14,685,275	32,310,544
Fees	12,290,116	17,699,323
Investment Earnings		
NJBEST	124,319,956	134,505,272
NJCLASS	108,304,073	122,339,914
Other	998,340	1,494,088
NJBEST Subscriptions	2,300,185,863	3,608,617,797
Net Realized and Unrealized Gain/(Loss) on NJBEST Investments	77,497,975	207,019,237
Other	184,486	1,484
Total Revenues	3,101,785,344	4,602,794,148
Expenditures		
Direct Grant Aid to Students	477,613,388	462,799,230
NJBEST Redemptions	2,400,753,699	3,692,149,133
Program Expenses	54,801,449	72,695,572
Administrative Expenses	20,790,595	21,336,455
Intercompany Loan Forgiveness	(42,096,956)	-
Loan Forgiveness to Borrowers	17,406,558	-
Debt Service Interest	60,687,665	71,882,105
Total Expenditures	2,989,956,397	4,320,862,495
Operating (Deficit) Surplus	111,828,947	281,931,653
Less:		
Year-end Lapsed Funds	(914,000)	-
Net Assets - Beginning of Year	6,133,675,043	5,851,743,390
Net Assets - End of Year	\$ 6,244,589,990	\$ 6,133,675,043

Ensuring Compliance through Institutional Management Reviews

To fulfill HESAA's role as a responsible steward of the taxpayers' money and promote compliance with state law, each year HESAA conducts institutional management reviews to verify that New Jersey's higher education institutions properly follow all applicable federal and state statutes, regulations, policies, and procedures governing the awards and record-keeping for state-funded grant and scholarship programs. Even while working remotely throughout 2020, HESAA worked to ensure that all funds were awarded in full compliance.

The management reviews are also designed to provide institutions with recommendations on how to improve the operations of all business offices assisting in the administration of their students' financial aid, such as the Financial Aid, Admissions, Registrar, Bursar, and Accounting offices.

HESAA conducts two principal categories of institutional reviews: Limited and Full-Scale. Limited reviews focus on areas with the greatest potential for error such as reconciliations, certification of student eligibility, dependency override, and professional judgment cases. Full-scale reviews have more in-depth testing and consist of the limited review components as well as adding a review of verification and projected income cases. Multiple variables are evaluated to determine if an institutional review is going to be limited or full-scale. These variables include, but are not limited to, the total dollar amount of awards received, length of time since the last review, recent news or changes at the institution, unexpected trends observed, and findings reported in single audit reports.

During the 2019-20 fiscal year, HESAA's program review team performed four full-scale reviews and four limited reviews. Additionally, an ad-hoc review was conducted related to a single audit finding at one institution.

Financial Aid Academic Year 2019-20

Awarded by Program and Sector

Program	TAG	Part-Time TAG for County Colleges	Community College Opportunity Grant (CCOG)	NJ STARS	Governor's Urban Scholarship	NJBEST Scholarship	Total	
County								
Students	24,462	7,674	10,224	1,720	8	98	44,746	
Full-Year Equivalent Awards	14,024	6,211	7,684	1,716	6	98	29,739	
Amount	\$32,888,091	\$9,180,453	\$19,652,152	\$5,308,874	\$6,500	\$131,757	\$67,167,827	
Rutgers/Montclair/NJIT/Rowan								
Students	28,776			453	206	171	29,606	
Full-Year Equivalent Awards	26,479			360	198	171	27,208	
Amount	\$194,475,356			\$988,415	\$215,500	\$225,500	\$195,904,771	
State College/University								
Students	14,974			262	68	210	15,514	
Full-Year Equivalent Awards	13,428			189	66	210	13,893	
Amount	\$77,074,938			\$566,355	\$74,000	\$280,750	\$77,996,043	
Independent								
Students	12,946			87	65	81	13,179	
Full-Year Equivalent Awards	11,942			79	62	81	12,164	
Amount	\$121,820,007			\$200,482	\$66,382	\$109,250	\$122,196,121	
Proprietary								
Students	2,029			-	5	-	2,034	
Full-Year Equivalent Awards	1,622			0	4	0	1,626	
Amount	\$15,356,082			0	\$5,000	\$0	\$15,361,082	
Total Students	83,187	7,674	10,224	2,522	352	560	Grand Total Students	104,519
Total Full-Year Equivalent Awards	67,495	6,211	7,684	2,344	336	560	Grand Total Full-Year Equivalent Awards	84,630
Total Amount	\$441,614,474	\$9,180,453	\$19,652,152	\$7,063,726	\$367,382	\$747,338	Grand Total Amount	\$478,625,525

* Full-year equivalent awards derived by pairing fall and spring semester awards. This calculation undercounts unique student recipients because some students receive awards in only one semester.

Executive Order #37 Certification

We jointly certify that in compliance with Paragraph 2 of Executive Order #37 (2006), HESAA has, to the best of our knowledge, followed all of the Authority's standards, procedures, and internal controls. We further jointly certify that HESAA fully participated in the prescribed Internal Control Assessment as directed by the Office of Management and Budget and no significant internal control weaknesses were revealed.

We hereby certify that the foregoing statements are true to the best of our knowledge. We understand that if any of the foregoing statements are willfully false, we are subject to punishment.

By:



David J. Socolow
Executive Director

By:



Gerald V. Traino
Chief Financial Officer

Online Resources

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Grants and Scholarships COVID-19 Frequently Asked Questions
<https://www.hesaa.org/Documents/NJGRANTSCOVID.pdf>

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NJCLASS COVID-19 Frequently Asked Questions
http://HESAA.org/Documents/Misc/NJCLASS_Q_n_A.pdf

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Making Community College Tuition-Free
<https://www.hesaa.org/Pages/HESAANewsPage.aspx?type=News&pid=193>

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Tuition Aid Grant (TAG)
https://www.hesaa.org/Documents/TAG_program.pdf

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The RAND Study
https://www.rand.org/pubs/research_reports/RRA101-1.html

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Community College Opportunity Grant (CCOG)
<https://www.hesaa.org/Pages/ccog.aspx>

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Survivor Tuition Benefit
https://www.njleg.state.nj.us/2018/Bills/PL19/378_.PDF

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HESAA's Smart Refinance Calculator
<https://www.hesaa.org/RefiLoan/jsp/world/RefiLoanRepaymentCalculatorGen.jsp>

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NJSNAP Benefits
English <https://www.hesaa.org/Documents/Publications/NJSNAPBenefits.pdf>
Spanish https://www.hesaa.org/Documents/Publications/NJSNAP_Benefits_spanish.pdf



HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

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