

# 2005

## ANNUAL REPORT



# HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY BOARD MEMBERS

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Public Member

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Educational Opportunity Fund  
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County Colleges

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Student Advisory Committee

### Dr. Harvey Kesselman

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Commission on Higher Education  
Ex Officio

### Joseph Smith

Vice-Chair  
Student Advisory Committee  
Ex Officio



# A MESSAGE FROM — Governor Corzine

New Jersey boasts  
one of the second  
**highest rates**  
of college participation  
among low-income  
families in the nation.

*source: Postsecondary  
Education Opportunity*

*“...to sustain a  
robust economy and  
compete in the 21st  
century marketplace,  
we must have an  
educated workforce.”*

— Jon S. Corzine  
Governor



Among my priorities as Governor is to provide the citizens of New Jersey with the opportunity to pursue their education beyond high school. It is through education that individual students can create limitless possibilities in their personal and professional lives.

For the State to sustain a robust economy and compete in the 21st century marketplace, we must have an educated workforce. New Jersey is home to many of the nation's leading companies in pharmaceuticals, communications, biotech, finance, and healthcare - just to name a few. With rapid advances in technology, and an increasingly global work environment, comes the demand for a highly educated and well-trained workforce.

To that end, the New Jersey Higher Education Student Assistance Authority (HESAA) provides the tools to make a college education more affordable and accessible. HESAA accomplishes this by providing some of the most generous and comprehensive student aid programs in the country.

Here in the Garden State, through a continued partnership with New Jersey's colleges and universities, HESAA opens the door to higher education for all those who seek to reach their full potential. I am proud of HESAA's commitment to make the dream of a college education a reality for all New Jerseyans.

Thank you for your interest in higher education and HESAA.

A handwritten signature in black ink, which appears to read "Jon S. Corzine".

JON S. CORZINE

# NEW JERSEY ADVISORY COMMITTEES

## NJ ADVISORY COMMITTEE ON STUDENT AID

### UMDNJ Representative

Cheryl White  
Associate Director of Financial Aid  
UMDNJ

### Rutgers Representative

Ninfa Mueller  
Associate University Director  
Rutgers, The State University

### NJASFAA Representatives

Carmen Panlilio  
Director of Financial Aid  
New Jersey City University

Jack Williams  
Director of Student Financial Services  
Rider University

### Non-traditional Sector

Marilyn Faller  
Vice President, Student Finance  
Berkeley College

### Lender Representative

Kimber Decker  
NelNet

### Independent Sector

Lissa Anderson  
Executive Director of Financial Aid  
Caldwell College

### NJIT Representative

Kathy Bialk  
Director of Financial Aid  
New Jersey Institute of Technology

### State College Sector

Mark Singer  
Director of Financial Aid  
Ramapo College of New Jersey

### County College Sector

Chris Pesotski  
Director of Financial Aid  
Burlington County College

### EOF Prof. Assoc. Representative

Maria Rodriguez  
Counselor  
Mercer County Community College

### NJBA Representative

Philip Sanders  
Bursar

## STUDENT ADVISORY COMMITTEE

**Sabrina Walker**  
Camden County College

**Pierre Beljour**  
Bergen County College

**Joseph Malloy**  
Morris County College

**Dykeema Morris**  
Ocean County College

**Gema Castaneda-M**  
Raritan County College

**Leonard Grayson**  
Union County College

**Ryan Matthews**  
Kean University

**La-trenda Ross**  
New Jersey City University

**Melissa Langan**  
Rowan University

**Travis Liebttag**  
The Richard Stockton  
College of New Jersey

**April Korndoerfer**  
The Richard Stockton  
College of New Jersey

**Shonnel Haynes**  
The College of New Jersey

**Brian Nauer, Secretary**  
Centenary College of New Jersey

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St. Peter's College

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Rutgers, The State University

**Andrew Vigario**  
Rutgers, The State University

**Justin Fincher**  
Rutgers, The State University

**Joana Domingos**  
Rutgers, The State University

**Marelis Bernal**  
New Jersey Institute of Technology

**Dennis Den Hollander**  
New Jersey Institute of Technology

**Ely Duran**  
New Jersey Institute of Technology

# A MESSAGE FROM — The Executive Director

HESAA assists over  
**1 million** students,  
families, and educators  
each year by providing  
information on enrollment  
and financial aid.

“Through extensive  
public outreach  
initiatives, HESAA gets  
the word out about the  
economic and social  
benefits of a college  
education.”

— E. Michael Angulo  
Executive Director



As the Executive Director of HESAA, it has been an honor to lead an organization that supports the citizens of our State in their pursuit of a higher education. I have witnessed, firsthand, the State's commitment to making higher education affordable and accessible to all segments of our community. A higher education is an important factor towards attaining unlimited success.

In 2005, HESAA created one of the most innovative Stafford Loan programs in the nation. NJLIFE, or the Low Interest Financing for Education loan, allows low-income students to borrow money for college with zero fees, while providing a very attractive borrower benefit package at the time of repayment. Through NJLIFE, the neediest college bound students can pursue the college of their choice. This new loan program is a terrific complement to one of the nation's most comprehensive need-based grants, the New Jersey Tuition Aid Grant program (TAG).

HESAA encourages and educates families on the benefits of a disciplined savings program for their young children's future. NJBEST is the State's 529 College

Savings Plan that provides tremendous investment opportunities for families. NJBEST is the only 529 Plan in the country that provides a scholarship of up to \$1,500 for students who attend school in state. The success of NJBEST is reflected in its significant recent growth, with assets under management eclipsing \$1 billion in 2005.

Although our financial aid programs are the cornerstone of HESAA's mission, it is our informational resources that are key to our success. Through extensive public outreach initiatives, HESAA gets the word out about the economic and social benefits of a college education. Moreover, HESAA's activities are critical towards ensuring a highly educated, well-trained workforce necessary for New Jersey's continued economic prosperity.

I thank you for supporting HESAA and its commitment to promoting higher education and assisting New Jersey students and their families. I hope the information in this report is helpful in learning about HESAA and its mission.

Sincerely,

A handwritten signature in black ink that reads "Michael Angulo". The signature is written in a cursive, flowing style.

E. MICHAEL ANGULO





**“KNOWLEDGE** is the only instrument of production that is not subject to diminishing returns.”

— J.M. Clark  
Economist

# FOUR WAYS HESAA MAKES EDUCATION ACCESSIBLE AND AFFORDABLE

HESAA awards over  
**\$250 million** in  
grants and scholarships  
each year and ranks in  
the top five in the nation.

## GRANTS

New Jersey is committed to providing college access to all students. One of the nation's premier need-based programs, TAG, provided approximately 60,000 awards totaling \$190.2 million in FY 2005. HESAA administers the EOF program on behalf of the Commission on Higher Education that provides grants to an additional 13,400 students from educationally and economically disadvantaged backgrounds.

## SCHOLARSHIPS

HESAA awarded over 13,000 merit-based scholarships to keep the State's brightest students in New Jersey.

## COLLEGE SAVINGS PLAN

NJBEST provides New Jersey residents with the opportunity to start an investment savings account for their children's college fund.

## STUDENT LOAN PROGRAMS

NJCLASS is the best supplemental student loan program available, providing over 11,800 loans exceeding \$121 million in 2005.

HESAA provided FFELP loan guarantees exceeding \$633 million for over 167,000 students and their families. Additionally, HESAA guaranteed Federal Consolidation Loans equalling \$333.5 million to 14,000 students for a total of nearly \$1 billion.

# GRANTS AND SCHOLARSHIPS

## TUITION AID GRANT (TAG)

The TAG program helps students pursue their higher education goals at New Jersey institutions. TAG consistently ranks in the top five in the nation based upon the value of its awards. The program continues to offer New Jersey residents access and choice as they make their higher education decisions, contributing to the statewide availability of a skilled and well-trained workforce.

STUDENTS AWARDED	<b>60,016</b> <b>\$190,212,481</b>
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## PART-TIME TUITION AID GRANT (TAG) FOR COUNTY COLLEGE STUDENTS

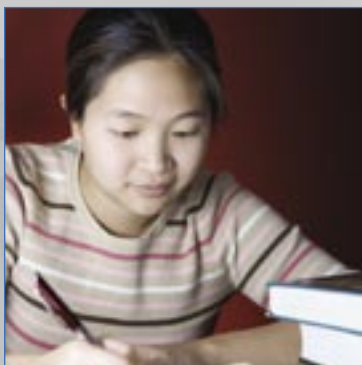
This program assists eligible students at any of New Jersey's 19 county colleges who enroll for 6–11 credits in a degree or certificate program.

STUDENTS AWARDED	<b>7,961</b> <b>\$3,957,639</b>
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## EDUCATIONAL OPPORTUNITY FUND (EOF) GRANTS

Educational Opportunity Fund (EOF) Grants serve low-income New Jersey undergraduate and graduate students. The program provides both educational support services as well as financial assistance.

STUDENTS AWARDED	<b>13,335</b> <b>\$14,893,944</b>
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HESAA provides  
**\$1.3 billion** in  
aid annually to assist  
students in achieving  
their educational goals.

### EDWARD J. BLOUSTEIN DISTINGUISHED SCHOLAR AWARD

This program recognizes the exceptional academic performance of New Jersey high school students. This four-year renewable scholarship is based upon high school class rank and SAT scores.

STUDENTS AWARDED	<b>5,216</b> <b>\$5,088,957</b>
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### URBAN SCHOLAR AWARD

Targeted to students from the State's urban and economically distressed areas this renewable scholarship is based on class rank and high school GPA.

STUDENTS AWARDED	<b>2,217</b> <b>\$2,111,917</b>
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### OUTSTANDING SCHOLAR RECRUITMENT PROGRAM (OSRP)

This program is a unique partnership of the State of New Jersey and fifteen (15) New Jersey higher education institutions. The participating schools and the State share in the funding of OSRP annual scholarships.

STUDENTS AWARDED	<b>5,201</b> <b>\$13,177,908</b>
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### STUDENT TUITION ASSISTANCE REWARD SCHOLARSHIP (NJ STARS)

NJ STARS is designed to ensure that all high school students who graduate in the top 20% of their class can attend college in New Jersey. The program covers up to 15 credits per semester of tuition and approved fees for up to 5 semesters at their county college.

STUDENTS AWARDED	<b>789</b> <b>\$1,675,057</b>
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“The whole purpose  
of **EDUCATION** is to turn  
mirrors into windows.”

— Sydney J. Harris  
Syndicated journalist

# LOANS

## FFELP PROVIDER

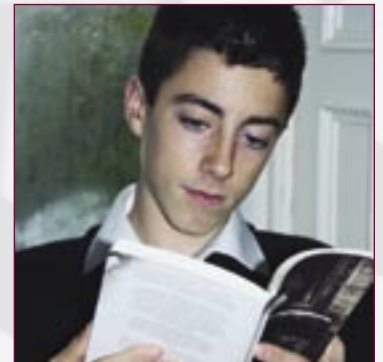
Since 1959, HESAA has assisted the college bound students of New Jersey in meeting the costs of a post-secondary education. As one of the oldest guarantee agencies in the Federal Family Education Loan Program, HESAA works in partnership with schools and lenders to provide guarantees for federal student loans.

During FY 2005, HESAA provided loan guarantees exceeding \$633 million to over 167,000 students and parents. Students and parents saved an additional \$6.3 million through HESAA's waiving of the 1% insurance premium. As a result of these benefits, students were able to apply more funds from their student loan proceeds toward tuition and other educational costs.

## NJCLASS OFFERS THE BEST OPTIONS ON STUDENT LOANS

HESAA helps families close the gap between financial aid and college costs by providing the College Loans to Assist State Students (NJCLASS). NJCLASS has become a national leader by offering one of the lowest fixed-rate supplemental loan programs. New Jersey residents can take NJCLASS loans worldwide, and all students attending schools in New Jersey are eligible to apply.

In FY 2005, NJCLASS originated and serviced over 11,800 loans exceeding \$121 million. The NJCLASS total loan holdings exceed \$880 million dollars.



“An investment in  
**KNOWLEDGE** pays the  
best interest.”

— Benjamin Franklin  
Inventor and statesman



## TOLL-FREE HOTLINES & WEB SITES

Trying to reach us has never been easier. HESAA undertook an extensive upgrade of the Call Center in 2005. Extended hours of operation, more efficient call routing, and call queues in English and Spanish mean better service for students and parents. Financial Aid Professionals get immediate service with a special toll-free number restricted for their use.

800.792.8670

HESAA's web site receives approximately 1 million visitors, producing over 15 million hits annually, and provides New Jersey residents with detailed college information, applications, student aid calculators, and valuable links to other educational sites. Web messages are now routed through our Call Center, which enables quicker response times to inquiries.

[www.hesaa.org](http://www.hesaa.org)

HESAA is a founding sponsor of this award-winning college planning web site, which provides information on financial aid opportunities, college selection, and career choices, as well as a chat room to address student's concerns.

[www.mapping-your-future.org](http://www.mapping-your-future.org)

## Publications

HESAA provides a valuable service to students, families, and financial aid professionals in the distribution of over one million informational booklets and brochures that explain the financial aid process and the availability of student aid programs. Our most popular publication, *Going to College in New Jersey*, highlights our institutions and, along with *Life 101*, illustrates how accessible higher education can be.

# SERVING FAMILIES, STUDENTS AND SCHOOLS

## NEW JERSEY BETTER EDUCATION SAVINGS TRUST (NJBEST)

By partnering with Franklin Templeton Investments, HESAA can offer New Jersey residents reliable, professional investment advice. New and present account holders are able to benefit from a wide variety of investment options. NJBEST is the only 529 Plan in the country that offers the student a scholarship of up to \$1500. It's one of the reasons that NJBEST is considered by many to be among the best college savings programs in the country.

## PROFESSIONAL SUPPORT

HESAA looks to help not only students and families, but assists our partners at educational institutions by providing on-site technical support and training.

The agency conducts audits and management reviews on college campuses of federal and state-supported programs.

HESAA has established a dedicated Professional Hotline, so that institutional staff receive immediate answers to questions.

“Today **KNOWLEDGE** is power.  
It controls access to opportunity  
and advancement.”

— Peter F. Drucker  
Author and management consultant



# FULFILLING OUR MISSION



## PUBLIC OUTREACH

One of the Authority's top priorities is public outreach. We provide college bound students and their families with the information they need to pursue an education beyond high school. In our efforts, HESAA reaches out to high schools, middle schools, business, cultural, and educational centers throughout the state on a daily basis.

In the past year, HESAA conducted visits, presentations, and workshops at 350 events, bringing our message of affordability and access to a higher education to over 20,000 students and families.

## CONNECTING WITH STUDENTS

HESAA is dedicated to serving students. In order to better assist New Jersey students, HESAA goes right to the source. Created by the Legislature, The Student Advisory Committee (SAC) provides a consultative voice to the HESAA Board and the Authority. The committee consists of students from all sectors and levels of New Jersey higher education.

**OUR MISSION** is to provide students and families with the *financial and informational resources* for students to pursue their education beyond high school.



“America’s **FUTURE** walks  
through the doors of  
our schools every day.”

— Mary Jean LeTendre  
Educator

## COMBINED BALANCE SHEET

<b>Assets</b>	
Cash and Cash Equivalents	\$42,779,690
Investments	1,366,156,430
Receivables	
Federal Government	13,921,226
Loans	668,360,332
Other	6,133,680
Fixed Assets, Net	1,170,019
Other Assets	
Due from Intergovernmental Agencies	629,430
Deferred Charges	<u>7,047,233</u>
<i>Total Assets</i>	<u><i>\$2,106,198,040</i></u>
<b>Liabilities and Fund Balances</b>	
Liabilities	
Accounts payable and accrued expenses	\$8,946,013
Due to Federal Government	4,985,440
Due to other funds	4,852,571
Revenue bonds payable	<u>1,154,775,789</u>
<i>Total Liabilities</i>	<u><i>\$1,173,559,813</i></u>
Fund Balances	
Reserved for Loan Servicing	\$54,404,912
Restricted	<u>878,233,315</u>
<i>Total Fund Balances</i>	<u><i>\$932,638,227</i></u>
<i>Total Liabilities and Fund Balances</i>	<u><i>\$2,106,198,040</i></u>

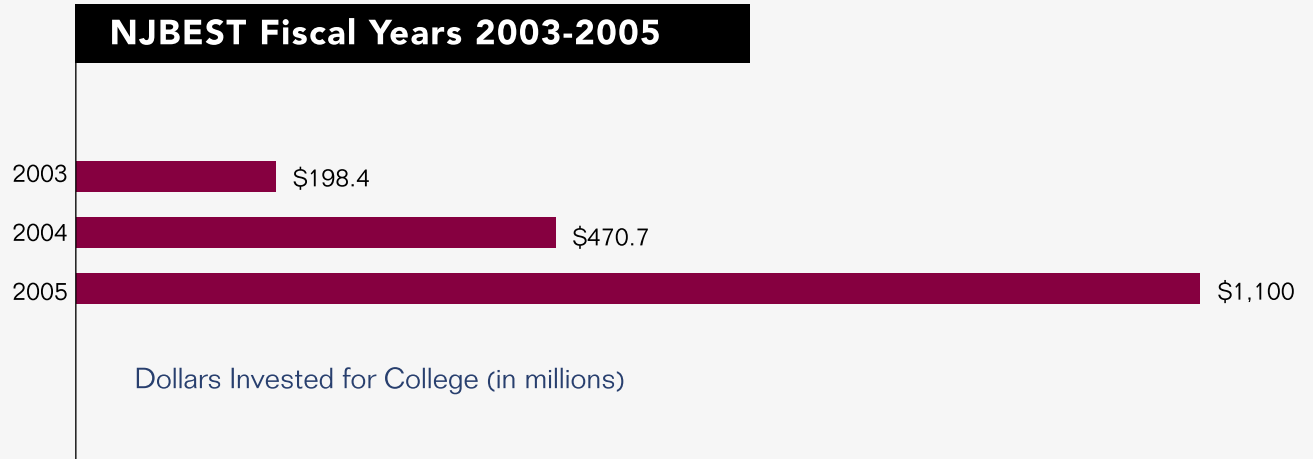
## COMBINED STATEMENT OF REVENUE, EXPENDITURES

<b>Revenues</b>	
Appropriations	\$253,932,824
Federal and other grants	54,573,010
Fees	76,114,092
Investment earnings	54,398,634
Other	<u>361,362,953</u>
<i>Total Revenues</i>	<u><i>\$800,381,513</i></u>
<b>Expenditures</b>	
Direct grant aid to students	\$226,014,021
Program expenses	119,808,961
Administrative expenses	27,000,149
Debt service interest	<u>34,416,631</u>
<i>Total Expenditures</i>	<u><i>\$407,239,762</i></u>
Less:	
Year-end Lapsed Funds	(\$27,711,589)
Net Increase (Decrease) in Net Assets	\$365,430,162
Net Assets - June 30, 2004	<u>\$567,208,065</u>
Net Assets - June 30, 2005*	<u><i>\$932,638,227</i></u>

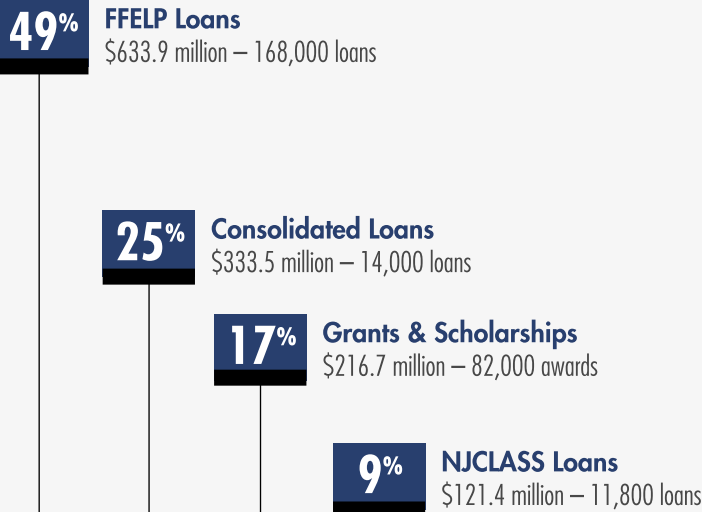
\*Of the total change in fund balance of over \$365 million, approximately \$358 million is the result of contributions and investment earnings on the NJBEST 529 Program, less related expenses.

NJBEST has over  
130,000 accounts  
totaling **\$1.1**  
**billion** of assets  
under management.

# STUDENT AID STATISTICS FY 2005



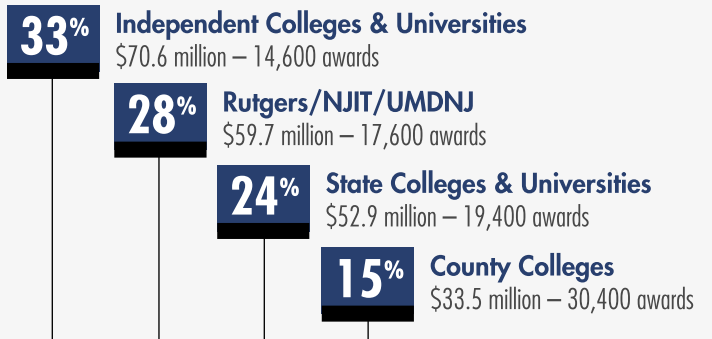
## Total Volume: Grants, Scholarships & Loans



### Total Volume of Grants, Scholarships and Loans

Total 275,800 grants, scholarships and loans – \$1.3 billion awarded

## Grants and Scholarships by Sector

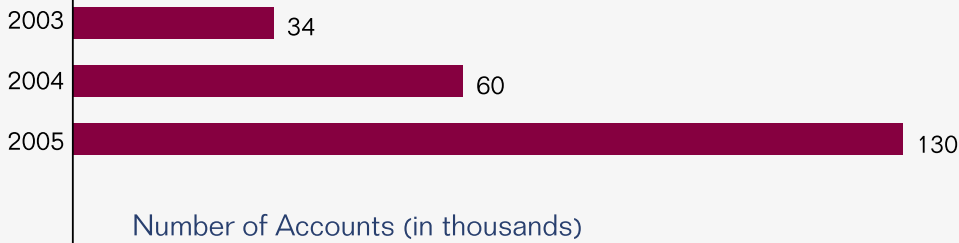


### Grants and Scholarships by Sector

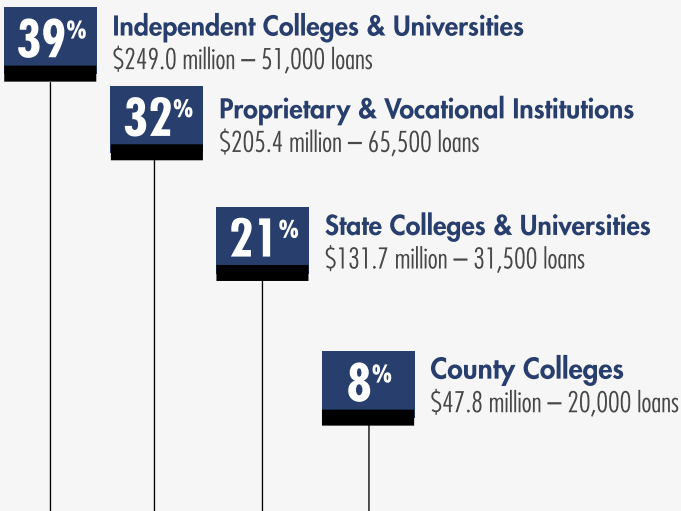
Total 82,000 awards – \$216.7 million



## NJBEST Fiscal Years 2003-2005



## FFELP Loans by Sector\*

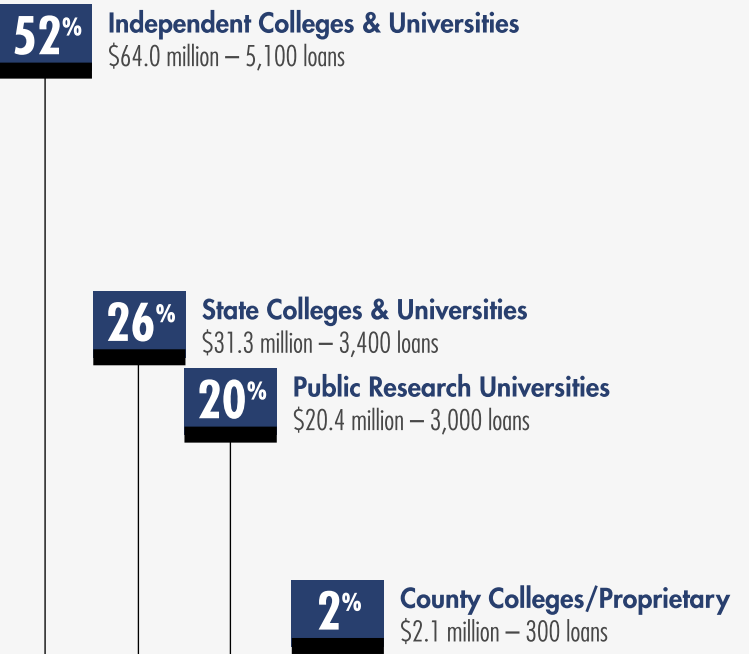


### FFELP Loans by Sector\*

Total 168,000 loans – \$633.9 million awarded

\* Excludes Consolidation Loans and Secondary Market Purchases

## NJCLASS Loans by Sector



### NJCLASS Loans by Sector

Total 11,800 NJCLASS loans – \$121.4 million

## HESAA PARTNERSHIPS



- Educational Opportunity Fund (EOF) Grants
- Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)
- Governor's Teaching Scholars Program (GTSP)
- Law Enforcement Officers Memorial Scholarship (LEOM)
- Leveraging Educational Assistance Partnership (LEAP)
- Mapping-Your-Future
- Minority Academic Careers (MAC)
- Paul Douglas Teacher Scholarship Program
- Student Unit Record Enrollment (SURE) System
- The Primary Care Physician/Dentist Loan Redemption Program

“The main hope of a nation lies in the proper **EDUCATION** of its youth.”

— Erasmus  
Theologian

# HESAA PROGRAMS



- Tuition Aid Grant Program (TAG)
- Part-Time TAG for County College Students
- Part-Time TAG for Educational Opportunity Fund Recipients
- Student Tuition Assistance Reward Scholarship (NJ STARS)
- Edward J. Bloustein Distinguished Scholars Award
- Urban Scholar Award
- Outstanding Scholar Recruitment Program (OSRP)
- New Jersey College Loans to Assist State Students (NJCLASS)
- Federal Stafford Loan
- Federal PLUS Loan
- Federal Consolidation Loan
- New Jersey Better Educational Savings Trust (NJBEST)
- New Jersey World Trade Center Scholarship Program
- Dana Christmas Scholarship for Heroism
- Teaching Fellows Program
- Social Services Loan Redemption Program
- Survivor Tuition Benefits Program
- Veterinary Medical Education Program

CALL US TOLL-FREE  
800.792.8670  
[WWW.HESAA.ORG](http://WWW.HESAA.ORG)

No State tax dollars were used to design  
and produce this annual report.