MINUTES
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY
April 20, 2022

The Higher Education Student Assistance Authority (HESAA) Board held a remote teleconference meeting on April 20, 2022 at 10:00 am via GoTo Meeting.

PRESENT: HESAA Board Members: Ms. Isabella Berdugo-Hernandez; Dr. Brian Bridges, Secretary of Higher Education; Ms. Beatrice Daggett; Mr. Thyquel Halley; Dr. Jon Larson; Ms. Jean McDonald Rash; Mr. Scott Salmon; Mr. Robert Shaughnessy, Treasurer’s Designee; Mr. David Socolow; and Ms. Christy Van Horn, Chair.

ABSENT: Mr. Anton Lendor.

CALL TO ORDER

Christy Van Horn called the meeting to order at 10:00 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 Joy Johnson, Associate Counsel from the Governor’s Authorities Unit; and Laurie Fichera, Deputy Attorney General from the New Jersey Division of Law.

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

CONSIDERATION OF THE MINUTES OF THE JANUARY 26, 2022 MEETING

A motion to approve the minutes of the January 26, 2022 meeting was made by Dr. Jon Larson and seconded by Mr. Scott Salmon. The minutes were approved unanimously with one abstention, Ms. Isabella Berdugo-Hernandez, who did not participate in the October meeting.

CONSIDERATION OF THE MINUTES OF THE MARCH 31, 2022 MEETING

A motion to approve the minutes of the March 31, 2022 meeting was made by Dr. Jon Larson and seconded by Mr. Robert Shaughnessy. The minutes were approved unanimously with one abstention, Ms. Jean McDonald Rash, who did not participate in the March meeting.

CHAIR TO ANNOUNCE NOMINATING COMMITTEE APPOINTMENTS

Christy Van Horn announced that Jean McDonald Rash has agreed to chair, and Scott Salmon and Thyquel Halley have agreed to serve on, the Nominating Committee. Ms. Van Horn advised that any members interested in serving on the Executive Committee should advise Roseann Sorrentino.
or the Nominating Committee Members of their intention by June 1<sup>st</sup>. She thanked the members for agreeing to be on the Committee.

**RESOLUTION 04:22 ADOPTING A SCHEDULE OF MEETINGS FOR FISCAL YEAR 2023**

Marnie Grodman presented Resolution 04:22 to the Board.

At the last Board meeting of the fiscal year HESAA sets the meeting schedule for the next fiscal year in order to provide notice to the public. After polling the Board members regarding their availability it is recommended that for fiscal year 2023 the Board meetings be scheduled on Wednesday, July 20, 2022; Wednesday, October 26, 2022; Wednesday, January 25, 2023; and Wednesday, April 19, 2023. All of these meetings will take place at 10:00 am.

In addition, HESAA may call additional meetings, including telephone conference meetings. Specific notice of each meeting will be provided prior to the meeting pursuant to the Open Public Meetings Act.

A motion to approve Resolution 04:22 was made by Dr. Brian Bridges and seconded by Ms. Jean McDonald Rash.

The motion passed unanimously.

**RESOLUTION 05:22 APPROVING A WAIVER OF BID ADVERTISING FOR CREDIT REPORTING PRODUCTS AND SERVICES**

Lorraine Palmer presented Resolution 05:22 to the Board.

Pursuant to HESAA’s pre-set procurement policy, the Board is permitted to authorize a waiver of bid advertising under specific circumstances as defined by statute. Specifically, N.J.S.A. 52:34-10(c), permits a bid waiver when a vendor is the sole source of supply.

In both 2012 and 2017 the HESAA Board approved a waiver of bid advertising permitting HESAA to enter into a five-year contract with Equifax to provide the needed services.

As explained more completely in the Board documents, Equifax is the sole source of supply for the credit scores HESAA relies on for approving NJCLASS loans and marketing HESAA’s bonds. Equifax is the only source that can provide HESAA with the credit scores consistent with the data previously reviewed by the credit rating agencies.

Additionally, as Equifax was the only credit-reporting agency to respond to HESAA’s previous Request for Proposals, Equifax has been HESAA’s primary source of supply for credit services since the inception of the FICO based loan eligibility determination process. As such, HESAA built interfaces to embed Equifax’s platform into the Authority’s processing functions, including but not limited to: credit scores, credit histories, fraud warnings, Office of Foreign Asset Control (OFAC) checks, Identity Scanned Red Flag alerts, Equifax’s MLA Covered Borrower status and e-signature identity authentication known as Equifax eIDverifier.
Also information supplied by Equifax is used by the rating agencies to assist in developing stress models for the upcoming bond sale.

Recently, Equifax provided HESAA with a five-year pricing proposal with a price per transaction cost for each product. Based on previous usage, as well as projected usage in the future, HESAA staff estimates that the total cost for the five-year contract with Equifax would not exceed $1.5 million dollars.

It is recommended that the Board approve Resolution 05:22 Approving a Waiver of Bid Advertising for Credit Reporting Products and Services, thereby permitting HESAA to enter a five-year contract with Equifax for a total amount not to exceed $1.5 million.

A motion to approve Resolution 05:22 was made by Dr. Jon Larson and seconded by Dr. Brian Bridges.

The motion passed unanimously.

RESOLUTION 06:22 APPROVING PROPOSED NEW RULES GOVERNING THE TEACHER LOAN REDEMPTION PROGRAM

Marnie Grodman presented Resolution 06:22 to the Board.

On January 18, 2022, Governor Murphy signed P.L. 2021, c. 384, establishing a loan redemption program for newly hired teachers in high-need fields who are employed in eligible schools (the “Act”). The Act provides that HESAA, in consultation with the Department of Education, shall adopt rules necessary for the administration of the Act.

The Act authorizes redemptions of 25% of the outstanding principal and interest amount of a Program participant’s loan from the NJCLASS program, in an amount up to $5,000, in return for each consecutive full year of service teaching in a high-need field in an eligible school. The total amount of a participant’s outstanding NJCLASS loan principal and interest balance which may be redeemed under the Program, for a Participant who completes four full school years of service, shall not exceed $20,000. The Program will provide State-funded loan redemption only to teachers who were initially hired after the Act’s January 18, 2022 effective date and meet all other eligibility requirements.

The proposed new rules govern the policy, administration, and procedures of the program and are included in the materials. Upon the Board’s approval today, the proposed rules will be published in the June 6, 2022 New Jersey Register for public comment.

A motion to approve Resolution 06:22 was made by Dr. Jon Larson and seconded by Ms. Jean McDonald Rash.

The motion passed unanimously.
RESOLUTION 07:22 APPROVING READAPTION WITH AMENDMENTS OF N.J.A.C. 9A:9 REGULATIONS GOVERNING THE GRANT AND SCHOLARSHIP PROGRAMS

Marnie Grodman presented Resolution 07:22 to the Board.

At its October 20, 2021 meeting the HESAA Board approved the proposed readoption with amendments of the rules governing the grants and scholarships programs. The proposed readoption with amendments was published in the December 6, 2021 New Jersey Register, and publicized throughout the State. During the public comment period HESAA received comments from ten individuals. A summary of the comments and HESAA’s responses are provided in the materials.

As explained in the materials, in response to multiple comments, the Authority is not adopting the deletion of “Medicaid” from the list of acceptable public means-tested benefits that HESAA uses to verify eligibility for need-based State financial aid in cases where students and their families have no documented verifiable income. The Authority agrees with the commenters that many low-income students who may be income-eligible for TAG may not be eligible for any government sources of aid except for Medicaid. Therefore, Medicaid will remain in the list of acceptable public means-tested benefits that HESAA uses to verify eligibility for need-based State financial aid in cases where students/families have no documented verifiable income. As this is not a substantive change to the proposal, it can made upon adoption.

None of the other comments required any changes to the proposal.

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 June 6, 2022 New Jersey Register. The readoption will be effective upon submission of the rules to OAL and the amendments will become effective on June 6, 2022.

A motion to approve Resolution 07:22 was made by Dr. Brian Bridges and seconded by Ms. Isabella Berdugo-Hernandez.

Chairwoman Van Horn asked for clarifications on the change being made to the proposal. Ms. Grodman explained that the proposed amendment reduced from two to one the number of means-tested public benefit programs from which students with no documented family incomes must provide the Authority with documented proof of benefits received. The original proposal amended the list of acceptable benefits to eliminate Medicaid based on a construct of only counting benefits that support a family’s basic needs for survival, such as food, income support, and shelter. Ms. Grodman further explained that the commenters advised HESAA that many low-income students who may be income-eligible for TAG may not be eligible for any government sources of aid except for Medicaid. HESAA agreed with the commenters that these students should receive the TAG awards for which they are eligible and therefore the Authority will not adopt the deletion of Medicaid from the list of acceptable public means-tested benefits that HESAA uses to verify eligibility for need-based State financial aid in cases where students/families have no documented verifiable income.

The motion passed unanimously.
RESOLUTION 08:22 APPROVING ADOPTION OF NEW RULES GOVERNING THE STEM LOAN REDEMPTION PROGRAM, N.J.A.C. 9A:10-5

Marnie Grodman presented Resolution 08:22 to the Board.

At its October 20, 2021 meeting the Board approved the proposed New Rules Governing the STEM Loan Redemption Program. The proposed new rules were published in the December 6, 2021 New Jersey Register, and publicized throughout the State. During the public comment period HESAA received one comment from Stockton University’s Chief Enrollment Management Officer, who expressed no concerns with the proposed new rules and described his institution’s plans to promote the program through its Admissions, Academic Schools, and Alumni Relations departments.

As you may recall, this program provides student loan redemptions in the amount of $1,000 from the State each year for up to four years for eligible graduates of certain STEM degree programs at New Jersey colleges and universities. To establish eligibility for the program, a participant must have remained employed in a STEM occupation in New Jersey for at least four years after the December 14, 2018 effective date of the Act. An eligible program participant may receive State-funded loan redemption, which must be matched by the participant’s employer, for each year of employment commencing after December 14, 2022 in a designated high-growth STEM occupation in New Jersey, for up to four subsequent years.

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 June 6, 2022 New Jersey Register, thereby making the adoption effective on June 6, 2022.

A motion to approve Resolution 08:22 was made by Mr. Robert Shaughnessy and seconded by Dr. Brian Bridges.

Dr. Larson requested that HESAA send the list of eligible STEM degree programs to the Board. Ms. Grodman agreed and advised that, in addition to the sending the list to the Board members, HESAA will be posting the list on HESAA’s website.

The motion passed unanimously.

RESOLUTION 09:22 APPROVING THE HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY 2021 ANNUAL REPORT PURSUANT TO EXECUTIVE ORDER 37 (2006)

Margo Chaly presented Resolution 09:22 to the Board.

In accordance with Executive Order 37 (from 2006), all independent state authorities, including HESAA, are required to produce an annual report to reflect a comprehensive overview of the work of the Authority and explain how that work promotes the state’s overall economic growth strategies.
Included in your materials is a copy of HESAA’s proposed 2021 Annual Report. The report is a useful resource describing all the funding, support, and guidance that HESAA provides while advancing Governor Murphy’s vision of making a postsecondary education in the Garden State more affordable and accessible.

The 2021 Annual Report highlights the extraordinary efforts of HESAA staff who administer life-changing financial aid programs like CCOG, which was officially signed into law by Governor Murphy on a freezing cold February morning 14 months ago, and TAG, for which the Governor and Legislature significantly increased the funding in the heat of last June. Throughout 2021 our Outreach & Communications team facilitated financial aid workshops in all New Jersey counties helping hundreds of thousands of students plan, save, and pay for college. Last year New Jersey ranked third in the nation among high school seniors completing the FAFSA as a result of collaboration between HESAA and school counselors, college financial aid officers, and community leaders throughout the state, or as we at HESAA describe these partners collectively, New Jersey’s Champions of Higher Education.

Our Student Loan, Finance, and Compliance teams leveraged their expertise in administering low-interest supplemental loans through the NJCLASS program by serving on an interagency steering committee led by the Governor’s office and several state departments to design and develop the innovative Pay It Forward Program. This public-private venture with business leaders from the New Jersey CEO Council will offer interest- and fee-free loans to career seekers participating in approved training programs. The initiative uses a unique funding and repayment plan is detailed in the pages of the 2021 Annual report.

The dedication of all HESAA team members is evident throughout the pages of the Annual Report, especially the section that recognizes our 2021 retirees, all of whom spent no less than two decades advancing HESAA’s mission. Their service is an inspiration to our current team, including the new team members joining the Authority as we expand our programming, evolve our technology, and elevate our resources and services to support the students and families of New Jersey pursing their dreams of a post-secondary education.

With your approval today, this final report will be posted to our website and submitted to the Governor’s office as required by the Executive Order.

A motion to approve Resolution 09:22 was made by Mr. Thyquel Halley and seconded by Dr. Jon Larson.

Chairwoman Van Horn echoed Ms. Chaly’s notice of appreciation for HESAA staff, including the retirees who provided a deep bench of institutional knowledge.

The motion passed unanimously.

REPORT OF THE PROGRAM REVIEW AND QUALITY CONTROL COMMITTEE

Ms. Van Horn invited Jill Schmid, Director of Audits and Quality Assurance, to provide the following report:
On April 13, 2022 HESAA’s Audits and Quality Assurance department met with the Program Review and Quality Control Committee to discuss its accomplishments and progress during the 2021-2022 review cycle, as well as the proposed review schedule for the upcoming year. I am pleased to report that the Audits and Quality Assurance department has had a successful year and is on target to perform the number of reviews that were presented in the 2021-2022 schedule. Some highlights from our meeting are as follows:

- The Audits and Quality Assurance department conducts institutional reviews to ensure State grants and scholarship programs are administered in accordance with all relevant Federal and State statutes, regulations, policies, and procedures. This past year, our team worked on eight full-scale reviews and five limited reviews. Four of those reviews were closed with refunds totaling over $325,000. Issues identified during the reviews have been corrected. Updated procedures and additional training have been implemented to prevent similar errors from occurring at the schools in the future. Five more reviews are in their final stages and are expected to close by the end of the quarter. The remaining reviews are in progress and are expected to follow the review schedule.

- HESAA contracts with four Attorney firms to perform collection activities on defaulted NJCLASS loans. The Audits and Quality Assurance team reviews these special counsels to verify their compliance with regulations for administering defaulted loans. Two special counsel reviews had been put on hold at the start of the pandemic but were resumed this past year. One of those reviews has been closed and the other one is close to being in the report stage. The next attorney review will commence early in the 2022-2023 review cycle and it is anticipated that a review of the fourth firm will commence near the end of the upcoming review cycle.

- HESAA completed the 2021 annual internal control self-assessment as required by OMB and submitted its certified internal control assessment report in June 2021. No significant weaknesses were identified during this process and the 2022 internal control assessment is currently underway.

- We continue to review New Jersey institutions’ Single Audit Reports annually. This process helps identify potential issues that may impact State programs and we are responsible for updating Treasury’s Grantee Single Audit System with our review results. This year’s Single Audit reviews did not identify any issues that required additional audits.

- When Public Law 2021, chapter 53 was passed in April 2021, HESAA, in coordination with OSHE, took on the responsibility of monitoring New Jersey institutions’ compliance with the new legislation. A joint communication was sent in June 2021 requiring schools to certify compliance with the law. The Audits and Quality Assurance unit coordinated the receipt of the certifications. Annual certification will be required from the institutions and we will continue to request, review, and track all of the certification documents.

- Additionally, as new programs are introduced, we will adapt the review testing to include any additions and changes to ensure the schools are administering the grants and scholarship programs correctly.
This past year was very productive for the Audits and Quality Assurance team. We continued to perform reviews without going on-site to school campuses, worked effectively with the financial aid offices remotely, resumed attorney counsel reviews, and assisted various HESAA departments with a number of internal projects. The proposed schedule, which has been provided in your board materials, maintains the pace of reviews we have been performing in the past, while still allowing flexibility for ad-hoc reviews, adjustments, and special projects as needed.

The proposed review schedule was approved by the Program Review and Quality Control committee on April 13th and it is requested that the board approves the schedule today. Thank you.

A motion to accept the Program Review and Quality Control Report and the review schedule for FY 2022 was made by Dr. Brian Bridges and seconded by Ms. Beatrice Daggett.

Chairwoman Van Horn stated that to run a tight ship it is important to have both the team that issues the grants and loans and the team that audits the disbursement of funds.

The motion passed unanimously.

**EXECUTIVE DIRECTOR’S REPORT**

Thank you Chair Van Horn, members of the Board, and members of the public. I appreciate this opportunity to reflect on HESAA’s activities and updates from the past calendar quarter.

**Governor Murphy’s Fiscal Year 2023 Budget**

Six weeks ago, Governor Murphy presented his Fiscal Year 2023 budget message, a forward-looking plan to make New Jersey more affordable for our residents and to continue the foundational efforts of the past four years to build a stronger and fairer economy. HESAA’s financial aid programs are at the center of the Governor’s affordability agenda, as part of the important investments in higher education that the Governor is making to advance New Jersey’s statewide goal of expanding postsecondary attainment.

Through this budget, New Jersey will take the next step forward in the upcoming 2022-23 academic year to establish New Jersey’s College Promise, bringing the cost of a postsecondary education within reach for students at community colleges and senior public universities. HESAA is now coordinating our Community College Opportunity Grant program with the new Garden State Guarantee. In combination, these two College Promise initiatives deliver a tuition-free pathway to a college degree to tens of thousands of students. By offering clear net price guarantees, the College Promise helps counteract the “sticker shock” of published tuition rates that stop some students from even considering college. This proven approach will support tens of thousands of adult learners in returning and completing their degrees and encourage recent high school graduates to continue their academic journey.

**CCOG**

Under the Fiscal Year 2023 budget, more students will receive Community College Opportunity Grants through an expansion to align the program’s eligibility parameters with the same student income ranges covered by the Garden State Guarantee. Eligible students
with adjusted gross incomes (AGI) from $0 to $65,000 continue attending all 18 community colleges tuition-free, and the budget adds new funding to cover a portion of tuition for students with AGIs between $65,001 and $80,000. This new group of covered students will receive awards up to 50 percent of the maximum Community College Opportunity Grant. This eliminates the “cliff” in the current program, which covers 100% of tuition for students with incomes up to $65,000, but requires students with incomes above that level to pay full price. We project that an additional 7,000 students will receive Community College Opportunity Grant funding through this expansion, with more than 20,000 students receiving awards in total.

The Governor’s budget also includes funding to encourage partnerships between community colleges and adult post-secondary programs at county vocational school districts. Under this pilot, eligible students who enroll in technical skills programs will receive last-dollar Community College Opportunity Grant awards, so long as the colleges award academic credit for the training at the vocational school, and the vocational school’s training program is participating in the federal student aid system.

TAG
The Fiscal Year 2023 budget funds Tuition Aid Grants (TAG) at the same level as in Fiscal Year 2022, which will maintain the significant boost in the TAG program that Governor Murphy and the Legislature provided for the current year. Thanks to your approval, the HESAA Board last July deployed this historic increase in funding to improve parity among award amounts in the current academic year. The TAG table in effect now provides increased TAG amounts to all students, while also remedying disparities among the award amounts for students with equal levels of financial need who enroll at different senior public institutions.

Pay It Forward
The budget also includes additional funding to launch New Jersey’s Pay It Forward program with interest- and fee-free loans to support low-income New Jersey career seekers participating in approved training programs. Governor Murphy announced this public-private partnership with business leaders from the New Jersey CEO Council last year, to offer Pay It Forward loans for the direct costs of attendance, such as tuition, materials, and supplies, as well as career counseling and other wrap-around services, and grants to help with their living expenses during the training. Participants will not repay the Fund’s costs for these services or living stipends. All repayments that are received from the first cohort of training participants will be deposited into the Fund to finance future cohorts of participants.

Loan Redemption Programs
Finally, the budget provides resources for HESAA to administer two State-funded loan redemption initiatives in the coming fiscal year, which will be new additions to our current programs that help pay the student loan balances of individuals serving in primary health care, as nursing faculty, and as state and federal public defenders and state prosecutors.

- Starting next year, the New Jersey STEM Loan Redemption program will pay up to $8,000 of the outstanding student loan balance for individuals who graduated with a Science, Technology, Engineering, or Math (STEM) degree from a New
Jersey college or university and work full-time in an approved high-growth STEM occupation at a New Jersey employer for between five (5) to (8) years.

- In addition, we will implement the law that Governor Murphy signed in January 2022 to address the teacher shortage. This new Teacher Loan Forgiveness program will pay off up to $20,000 of a newly hired teacher’s NJCLASS student loan balances in exchange for a commitment by that teacher to teach for up to four years in high-need fields in eligible New Jersey public schools.

**School District Outreach: Encouraging High School Seniors to Apply for Financial Aid**
To assist students exploring their postsecondary choices, HESAA recently launched a new way to reach high school seniors who have not yet completed a financial aid application. Authorized school district staff can now check their rosters of 12th graders against HESAA records to see in near-real time which students have not yet completed an application. They can send these students targeted reminders about the value of applying for financial aid. This outreach effort is the latest in HESAA’s efforts to provide students and families information about college financing options and help them make informed decisions about their life and career choices.

**Update on 2022 Bond Transaction to Finance AY 2022-23 NJCLASS Loans**
Thanks to your approval at the Board’s special meeting three weeks ago, we are now poised to secure investor financing for NJCLASS Loans for the upcoming academic year. Last Thursday, our underwriters began marketing the 2022 bond transaction, immediately upon publication of bond documents including the Investor Presentation, the Preliminary Official Statement, and the Supplemental Indenture, which can be viewed at buynjbonds.gov. Assuming that HESAA’s Series 2022 bonds are well received, we expect the bonds to price in the coming days. This accelerated schedule will give us an early read on our cost of funds, enabling HESAA to set the interest rates for Academic Year 2022-23 NJCLASS loans and to start taking loan applications from students and families in mid-May (several weeks earlier than in prior years).

**College Affordability Act**
The landmark College Affordability Act passed unanimously last June, providing tax deductions and matching grants to help students and families save and pay for college and avoid student loan debt. With funding from this law, HESAA is offering matching grants to boost the initial savings of eligible New Jersey families when they open a new NJBEST account – benefitting more than 800 families to date, by adding up to $750 to their college savings right from the start. The College Affordability Act also established New Jersey State income tax deductions for NJBEST contributions, tuition payments to a college or university in New Jersey, and NJCLASS loan repayments. This new law complements the action taken by the HESAA Board last year, when you approved regulations that doubled the amount of the one-time scholarships, up to $3,000, for NJBEST account beneficiaries enrolled at a college or university in New Jersey – which awarded nearly 500 scholarships to students last year.

**State aid eligibility aligned with end of federal Selective Service registration requirement**
A provision of the federal FAFSA Simplification Act, enacted in December 2020, eliminated the requirement for male students to register with Selective Service as a condition of eligibility for federal student financial aid. As of academic year 2021-2022, the year we are in now, procedures for federal student financial aid no longer include verification of Selective Service registration. I’m glad to report that Governor Murphy recently signed P.L. 2022, c. 10 into law, eliminating the
requirements in State law that male students register with the Selective Service as a condition of eligibility for State aid. The new state law takes effect immediately, including restoring eligibility to otherwise eligible students for the spring 2022 term.

**Federal Waiver Offering Enhanced Public Service Loan Forgiveness**
The U.S. Department of Education has enlisted HESAA’s aid in raising awareness of the fast-approaching deadline for eligible borrowers to participate in the enhanced federal Public Service Loan Forgiveness (PSLF) Program. Borrowers of federal student loans who previously worked or now are working in qualifying public service occupations – such as military service members, teachers, nurses, first responders, other government employees, or staff members of non-profit organizations – can sign up for a one-time waiver to access the federal PSLF program under more lenient eligibility rules. Millions of public service workers who have been struggling under the weight of federal student loan debt now have a path to get their loan balance cancelled – but only if they act before October 31, 2022. Borrowers who were previously ineligible for PSLF because they had the wrong type of loan, were making payments on the wrong payment plan, or suffered from servicer processing errors can now receive credit toward forgiveness for any months since October 1, 2007 that they worked in qualifying public service jobs. To amplify this message, we are communicating with community-based organizations, public human resources officers, and thousands of federal student loan borrowers.

**HESAA staff updates**
It is my great pleasure to report that 20 new employees have joined HESAA since the end of March, thanks to more than five months of intense activity under the leadership of Human Resources Director Pat Maske and the various team directors and managers on HESAA’s senior staff. Along with this significant recruitment and reorganization initiative, we also promoted five of our current employees; and five additional new hires are cleared to start work over the next three weeks, with several other personnel actions still in process. I can’t mention the names of all these wonderful new team members we are bringing onboard, but I would like to introduce the Board to one of these important newly hired employees, Cayla Sekuler, who joined HESAA last month as our new Deputy Chief of Staff after working on education policy in the Governor’s Office. Welcome, Cayla!

Across the Authority, this crucial rebuilding effort replaced staff lost to attrition and added new and necessary functions to the Compliance, Customer Care Solutions and the Customer Contact Center, Finance, Grants & Scholarships, Human Resources, Information Services, Information Technology, Loan Originations, and Outreach & Communications teams. This organizational renewal will augment the Authority’s existing energy and knowledge, build new capacity, and channel our resources and expertise to improve support for students and families in all aspects of the college financial aid process.

I also want to recognize two longtime employees whose retirements took effect since our last meeting. **Joyce James**, who retired after 41 years, served as an eligibility verification reviewer and a valued member of the Grants & Scholarships team. She loved her job and her team. She always remembered her co-workers and their children on birthdays and special occasions, and Joyce was a constant source of smiles, laughs, and sugary treats! **Rita Larkin** served in several units throughout the Authority during her 33 years of service, including most recently bringing specialized expertise to her role as a program officer on the Compliance team. Rita was always
willing to lend a helping hand to fellow employees, students, and borrowers. We are grateful to both Joyce and Rita for their years of exemplary service.

**Backup Generator**
Finally, I am delighted to confirm that HESAA’s backup generator is now completely operational, ensuring that our data center servers and network will remain fully functional and online in case of an interruption to the electric power at HESAA’s Hamilton offices. We are deeply grateful to the Board for approving this mission-critical infrastructure upgrade, and to the team that brought this complex project over the finish line: Deputy Chief Information Officer Ron Leven and the Tech Services unit, Facilities Manager Michael Ladines, and our partners at the George Comfort & Sons property management services company, especially their contractor Dave Ashmore.

**Conclusion**
Once again, I am grateful to the Board for your steadfast support, encouragement, and advocacy on behalf of HESAA. With your help, we are making college more affordable by providing New Jersey’s students and families with the funding and information they need, not only for up-front access to postsecondary education, but also to thrive once they enter school and successfully graduate. Thank you.

Dr. Larson expressed his deep appreciation of HESAA and the Governor for the support of CCOG and the opportunity to expand partnerships with the vocational schools. He advised that at commencement this year will be a group of students graduating with their Associate degrees prior to their high school graduations!

Chairwoman Van Horn expressed her appreciation to HESAA’s recent retirees for their combined over 70 years of service.

**NEW BUSINESS**

**Student Advisory Committee**
Student Advisory Committee Chair Isabella Berdugo-Hernandez and Vice Chair Thyquel Halley addressed the Board regarding student outreach.

Isabella Berdugo-Hernandez presented the idea that HESAA should provide attention-grabbing emails to students as a means to provide important information, because generic messages from “HESAA” or “NJFAMS” are not always opened. She also advised that it would be helpful to have a HESAA table at on campus job fairs, staffed by HESAA staff and Student Advisory Committee members. Ms. Berdugo-Hernandez turned the presentation over to Thyquel Halley to discuss their idea to have student ambassadors to serve as liaisons between HESAA and the campuses. He advised that it helps when students have someone they recognize to serve as a trusted advisor when students have questions or in times of need.

Chairwoman Van Horn commended Ms. Berdugo-Hernandez and Mr. Halley for their ideas. Executive Director Socolow added that HESAA is always looking for ways to raise awareness for students and ensure that they read the email messages HESAA currently sends, as well as increasing the number of students who voluntarily opt-in to receive text messages. Executive Director Socolow shared that HESAA is eager to work with the Student Advisory Committee to ensure expand outreach so students access all of the information HESAA provides, and do not
miss deadlines that could jeopardize their financial aid. Chairwoman Van Horn advised that prior to the Board’s next meeting she will coordinate with Executive Director Socolow, Ms. Berdugo-Hernandez, and Mr. Halley to implement the Student Advisory Committee’s ideas.

**Financial Disclosure Statements**
Chairwoman Van Horn reminded the Board members that pursuant to Executive Order No. 2 (Murphy), the Financial Disclosure Statements and Conflict of Interest Forms filing deadline is May 15, 2022.

**ADJOURNMENT**

Ms. Van Horn advised that the next regularly scheduled Board meeting is Wednesday, July 20, 2022.

A motion to adjourn was made by Dr. Brian Bridges and seconded by Ms. Beatrice Daggett. The motion passed unanimously.

The meeting adjourned at 11:05 am.
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

THROUGH: David J. Socolow
Executive Director

FROM: Marnie B. Grodman, Esq.
Director, Legal and Governmental Affairs

SUBJECT: Resolution 04:22 - Adopting a Schedule of Meetings for Fiscal Year 2023

DATE: April 20, 2022

Attached for your review is Resolution 04:22 recommending dates for the Fiscal Year ("FY") 2023 HESAA Board meetings. The following dates were chosen after polling each member regarding his or her availability.

Wednesday, July 20, 2022
Wednesday, October 26, 2022
Wednesday, January 25, 2023
Wednesday, April 26, 2023

All regular Board meetings will take place at 10:00 a.m. at HESAA offices, 4 Quakerbridge Plaza, Building 2, Hamilton, New Jersey. HESAA may call additional meetings, including telephone conference call meetings, at its discretion.

The HESAA Board adopts a regular meeting schedule so that HESAA may notify Board members and the public of future meeting dates. Specific notice of each meeting will be provided to the public in a timely fashion in accordance with the provisions of the Open Public Meetings Act.

Recommendation

It is recommended that the Board approve the attached Resolution 04:22 – Adopting a Schedule of Meetings for Fiscal Year 2023.

Attachment
RESOLUTION 04:22

ADOPTING A SCHEDULE OF MEETINGS
FOR FISCAL YEAR 2023

Moved By: Dr. Brian Bridges
Seconded By: Ms. Jean McDonald Rash

WHEREAS: Adopting a regular meeting schedule provides general notice to Board members and to the public of meetings of the Higher Education Student Assistance Authority Board; and

WHEREAS: The dates for the regular meetings for Fiscal Year 2023 were chosen after polling the Board members regarding their availability; and

WHEREAS: The Higher Education Student Assistance Authority may call additional meetings, including telephone conference call meetings; and

WHEREAS: Specific notice of each meeting will be provided to the public in accordance with the provisions of the Open Public Meetings Act.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Higher Education Student Assistance Authority hereby adopts the following schedule of meetings for Fiscal Year 2023:

- Wednesday July 20, 2022
- Wednesday October 26, 2022
- Wednesday January 25, 2023
- Wednesday April 26, 2023

April 20, 2022
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow
Executive Director

FROM: Lorraine Palmer
Associate Director, Student Loan Programs

SUBJECT: Resolution 05:22 Approving a Waiver of Bid Advertising for Credit Reporting Products and Services

DATE: April 20, 2022

Background

In 2004, the Higher Education Student Assistance Authority (HESAA) issued a Request for Proposals for a Credit Reporting Agency (RFP). Although HESAA sent the RFP to all three of the nationwide credit bureaus, Equifax was the only agency that submitted a proposal. As a result of the RFP HESAA and Equifax entered into a five-year contract in 2007. In both 2012 and 2017 the HESAA Board approved a waiver of bid advertising permitting HESAA to enter into subsequent five-year contracts with Equifax to provide credit scores, credit history reports, background reports, fraud warnings, Office of Foreign Assets Control (OFAC) checks, identity theft Red Flag alerts, e-signature identity authentication, Military Lending Act status checks, and additional credit reporting services as they arise. The current contract is scheduled to expire June 14, 2022.

Staff recommends that the Board authorize a bid waiver allowing HESAA to enter into a new contract with Equifax to continue providing credit reporting services. The bid waiver is being requested pursuant to N.J.S.A. 52:34-10(c), as the sole source of supply.

Each of the three major credit reporting agencies uses its own proprietary model for determining credit scores, as well as its own model for preparing credit reports. HESAA relies on the credit scores to determine whether a borrower is credit-worthy for a NJCLASS loan. In preparing the bond indentures to fund the NJCLASS program, HESAA researches the history of borrowers’ ability to repay the loans. In order to receive favorable ratings on HESAA’s bonds, HESAA presents the rating agencies with time series data showing how borrowers in respective credit bands, as determined by the Equifax credit scores, have performed in repaying their loans. These
data sets are used by the rating agencies to develop their stress case cash-flow models, based on delinquency and default assumptions. If the credit scores of HESAA’s borrowers presented to the rating agencies were to materially shift due to a change in the source of the scores, the ratings agencies would perceive this as additional risk and increase their stress assumptions to compensate for this discontinuity in the data. The increased stress assumptions would force HESAA to charge higher interest rates for the NJCLASS loans. Not only would higher interest rates cost New Jersey borrowers tens of millions of dollars over the life of the loans, they would also make it more difficult for HESAA to offer viable NJCLASS loan products in a competitive student loan market. Equifax is the only source that can provide HESAA with credit scores consistent with the data previously reviewed by the credit rating agencies.

In addition, Equifax has been HESAA’s sole source of supply for credit services since the NJCLASS program started using credit scores to determine the eligibility of prospective borrowers. As such, HESAA built interfaces to embed Equifax’s platform into the Authority’s NJCLASS processing functions. HESAA’s systems automatically retrieve Equifax’s credit reports and then scan, analyze, and apply HESAA’s business rules to these credit reports without requiring manual review. The automation of these processes enables immediate processing of credit applications, which provides NJCLASS borrowers the convenience of an instant credit eligibility determination 24 hours per day, 7 days per week.

As Equifax has always been the Authority’s sole source of supply for these credit services, HESAA had to build its loan approval business processes around the proprietary credit review information provided by Equifax. As discussed above, HESAA’s systems are designed to base eligibility determinations on the Equifax credit score. Determinations are also based on HESAA system readings of Equifax’s Identity Scanned, OFAC alerts, and fraud alerts. When a borrower applies for an NJCLASS loan online, HESAA’s system interfaces with Equifax, which automatically checks the application for any discrepancies between the information the applicant entered and the information contained about the applicant by Equifax. HESAA also uses an Equifax product to authenticate the identity of borrowers and co-signers when they electronically sign a promissory note. To reduce claims of forgery and identity theft, HESAA designed its electronic signature ceremony around the proprietary Equifax eIDverifier product. Additionally, HESAA uses Equifax’s MLA Covered Borrower Status service to ensure compliance with the Military Lending Act.

**Product Information**

Attached for the Board’s review is a copy of a description of the services that Equifax currently provides for HESAA, as well as the cost for each of these services.

Based on previous usage, as well as projected usage in the future, HESAA staff estimates that the total cost for the five-year contract with Equifax would not exceed $1.5 million.

**Recommendation**

It is recommended that the Board approve Resolution 05:22 Approving a Waiver of Bid Advertising for Credit Reporting Products and Services, thereby permitting HESAA to enter a five-year contract with Equifax for a total amount not to exceed $1.5 million.

**Attachments**
RESOLUTION 05:22

APPROVING A WAIVER OF BID ADVERTISING FOR CREDIT REPORTING PRODUCTS AND SERVICES

Moved by: Dr. Jon Larson
Seconded by: Dr. Brian Bridges

WHEREAS: HESAA’s current contract for credit reporting services is expiring; and

WHEREAS: HESAA needs to enter a new contract with a credit reporting agency to provide credit scores, credit history reports, background reports, fraud warnings, Office of Foreign Assets Control (OFAC) checks, identity theft Red Flag alerts, e-signature identity authentication Military Lending Act status checks, and additional credit reporting services as they arise; and

WHEREAS: The HESAA Board can authorize a bid waiver when it is determined pursuant to N.J.S.A. 52:34-10(c) that there is a sole source of supply; and

WHEREAS: Equifax is the sole source of the credit scores that HESAA relies on to determine the creditworthiness of borrowers and provides to the credit ratings agencies for stress case cash-flow analyses of HESAA’s bond issuances based on delinquency and default assumptions; and

WHEREAS: Due to the proprietary products and systems used by credit reporting agencies, HESAA developed systems for which Equifax is now the sole compatible source.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves a waiver of bid advertising for credit reporting products and services, thereby permitting HESAA to enter a five-year contract with Equifax for a total amount not to exceed $1.5 million.

April 20, 2022
Pricing Proposal for New Jersey Higher Education
Student Assistance Authority

March 22, 2022
March 23, 2022

NJ Higher Education Student Assistance Authority
PO Box 545
Trenton, NJ 08625

Thank you for allowing Equifax the opportunity to provide information regarding Equifax products and services.

Equifax understands the competitive environment and we are prepared to meet the goals and objectives of the NJ Higher Education Student Assistance Authority (HESAA). Equifax considers HESAA to be a highly valued customer and a client of strategic importance. Our goal is to positively impact your bottom line through cost reduction and optimized processes. We believe you will find this proposal for continuing services with us is a demonstration of our commitment and dedication to continuing a very successful, long-term partnership with HESAA.

We have provided information on the current solutions we provide to HESAA. We look forward to a continued partnership.

Any questions please contact me

Marianne Poelvoorde
Account Manager
Direct: 470.364.5522
Cell: 470.653.9749
marianne.poelvoorde@equifax.com
EXECUTIVE SUMMARY

Equifax is a global leader in consumer, commercial and workforce information solutions, providing businesses of all sizes and consumers with information they can trust. We organize and assimilate data on more than 500 million consumers and 81 million businesses worldwide and use advanced analytics and proprietary technology to create and deliver customized insights that enrich both the performance of businesses and the lives of consumers. Having a strong heritage of innovation and leadership, Equifax continuously delivers distinctive solutions with the highest integrity and reliability. Businesses—large and small—rely on us for consumer and business intelligence, portfolio management, fraud detection, decisioning technology, marketing tools and much more. We empower individual consumers to manage their personal credit information, protect their identities and maximize their financial well-being.

Headquartered in Atlanta, Georgia, Equifax operates or has investments in 25 countries and is a member of Standard & Poor's (S&P) 500® Index. Its common stock is traded on the New York Stock Exchange (NYSE) under the symbol EFX.

Equifax Government Services Group delivers government agencies the industry's most reliable and comprehensive data assets and analytical insights for greater transparency in the areas of waste, fraud and abuse. We provide a unique, 360-degree view of businesses and individuals' fiscal health to assist government agencies solve with confidence a number of key areas including workforce management, vendor/credit assessment, identity management, investigative services and loan modification. Using our proprietary and proven solutions, we can help government agencies drive greater transparency; mitigate risk across a number of key areas:

- **Workforce Management** – Equifax assists with on-boarding, background checking and ongoing monitoring for fraud, waste and other unfavorable attributes of your employees. We possess the largest database of employer-provided income and employment, with records on approximately 185 million consumers. Additionally, through our 260 million consumer credit records, 40 million employment and income records and a unique database with over $12 trillion in consumer wealth and asset information, Equifax can construct a 360-degree view of fiscal activity.

- **Credit Assessment (Consumer)** – Equifax helps clients leverage the most relevant consumer information to gain unprecedented insight into your customer base. Understanding a consumer’s credit capacity, character and collateral issues are vital to making sound risk decisions in today’s economy.
  - **Identity Management** – Equifax assists government organizations with fraud detection, user provisioning and federated identity or authentication of third parties to conduct business online by providing affordable and adaptive strong authentication, multi-factor authentication and identity management solutions.
  - **Investigative Services** – Equifax utilizes powerful data assets and technology to create a 360-degree view of an individual or business entity. With this view, Equifax provides your agency with the insight to proactively identify and manage waste, fraud and abuse from those with whom you do business from the initial eligibility assessment, to ongoing risk profile monitoring, to loss recovery.
SOLUTION OVERVIEW

We currently offer HESAA the following solutions:

ACROFILE is a consumer credit report that provides complete credit information in a clear, concise format. ACROFILE delivers current and comprehensive credit information by searching a national, online database of over 220 million consumer credit files. Straightforward reporting format with 24-month payment history and financial totals by trade type provides complete credit-granting decision support that's easy to use. Over 1.6 billion tradelines are updated monthly.

- Product content/output:
  - Consumer referral section: credit repository address and telephone number
    - Benefit / Purpose – must be used in adverse action or declination letters
  - Identification section: consumer name, current address, former address, previous former address, birth date, AKA (also known as) and former names, Social Security number
    - Benefit / Purpose – confirm application information; valuable for skip tracing
  - Employment section: consumer current employment information, former employment and previous former employment
    - Benefit / Purpose – confirm application information; valuable for skip tracing
  - Summary line: overview of report contents such as oldest date of information, number of accounts, range of high credit and delinquency history
    - Benefit / Purpose – quick reference for timely decisions
  - Public record section: public records such as bankruptcies, judgments, tax liens and garnishments from courthouses
    - Benefit / Purpose – easily spot consumers who have seriously delinquent financial obligations or who may have filed bankruptcy
  - Collection items section: collection accounts from collection agencies
    - Benefit / Purpose – separated from the public record section for quicker recognition; easily spot consumers who have seriously delinquent financial obligations
  - Trade section: name and customer number of reporting company, tape trade indicator, date reported, date opened, high credit, terms, balance, past due amount, type of account, current status, months reviewed, ECOA indicator, account number, delinquency history, date of last activity and 24-month payment history (also known as a payment grid); accounts are grouped according to type – revolving, installment and open; totals for credit limit, high credit, balance, past due and terms are sub-totaled by type of account and summed in grand total columns
    - Benefit / Purpose – efficiently assess the financial stability, indelbsenedness and payment history of credit applicants; valuable information for skip tracing; payment grid makes it easier to spot delinquencies; grouped accounts and sub-totals are for faster decisioning and to calculate an applicant's balance to high credit ratio
  - Inquiries: customer name, customer number and date of inquiry; may include an alert if three or more inquiries have occurred within 90 days
    - Benefit / Purpose – quickly identify consumers who are potentially at risk of becoming overextended with new accounts that have not reported yet; valuable for skip tracing
FICO 10 is a generic risk score that is co-developed with Fair, Isaac. Developed using recent credit bureau data and designed to be backward compatible, FICO® Score 10 provides a streamlined path to a higher level of consumer credit risk analysis. The updated model based on recent data reflects the evolving credit landscape and consumer behavior, yielding more predictive insight than previous scores. Because the type of data used is consistent with prior FICO® Scores, FICO® Score 10 can be seamlessly implemented. FICO Score 10 provides the same trusted user and consumer experience as prior versions.

Product Content/Output: Score: A three-digit score ranging from 300 to 850 without industry options and from 250 to 900 with industry options (auto, bankcard, finance and installment).

- Benefit / Purpose: The higher the score, the lower the risk. Credit grantors use the score for credit decisions to determine product pricing, product offer, credit limits, terms and termination. Score cut-offs are set, determining the score at which the account is declined or manually reviewed.
  - Reason Codes: Up to four reason codes are returned with each score.
    - Benefits / Purpose: Explains the most significant elements as to why the consumer’s score is not higher. There are 40 two-digit reason codes available.

DTEC is a verification and location service, which uses a consumer’s Social Security number to search the Equifax database to deliver identification information.

- DTEC is available in "Full" and "Limited" versions:
  - Full DTEC returns all ID information available;
  - Limited DTEC does not return age or employment.
  - Auto-DTEC automatically triggers a Limited DTEC transaction when the original ACROFILE, ACROFILE PLUS, ACROSELECT or FINDERS search results in a 'no record found' and the original inquiry contains a Social Security number [SSN]. Using the inquiry SSN, Auto-DTEC automatically transmits a
    - Limited DTEC transaction – the customer does not re-enter a second request to access the DTEC.
      - Product Content/Output: Full DTEC Identification Information: consumer name, current address, former address, Social Security number, telephone number (If listed on report), date of birth and age and employment
      - Benefit/Purpose: for skip tracing and to confirm application information Warning Messages Automatically includes the following Social Security number

OFAC Alert provides an automated, user-friendly information service designed to facilitate compliance with laws and regulations administered by, or whose administration is to be delegated to, the U.S. Treasury Department’s Office of Foreign Assets Control (—OFAC]). Available for either point-of-sale transactions, batch processing or offline in prescreen and account management projects or as a standalone project, OFAC Alert compares new or existing account information to Compliance Data Center’s (CDC) comprehensive database of SDNs (Specially Designated Nationals) and Blocked Persons. Consumers as well as businesses and charities can be screened using OFAC Alert.

- Content/Output: OFAC Alert indicates when a submitted name matches a name on a government watch list, but it provides additional information such as match codes, issue source, comment and problem code
  - Benefit/Purpose: The additional information is provided to assist in the manual review process - returns hit no hit and error record or hit and message received record.
Identity Scan leverages more than a dozen up-to-date public and proprietary database sources to effectively identify potential or known identity theft and application fraud, in real-time. Identity Scan quickly identifies fraud victim alerts, misused socials, hot addresses, suspicious phone numbers and other tracked potential risk factors. Customers need a comprehensive fraud solution and effective screening -- Identity Scan is an important first step in leveraging the Equifax Identity Suite to further interrogate and identify suspicious applications. Identity Scan has 28 possible alerts, covering issues including, but not limited to: fraud alerts, active duty alerts, SSN issues, suspicious addresses, and suspicious telephone numbers.

elDcompare, part of the Equifax Fraud Solutions, is an economical identity validation solution for lower-risk (or low-dollar value) Internet transactions. With just a few pieces of information, elDcompare can validate that an identity, of itself, is legitimate or if the identity is associated with any potential fraudulent activities.

elDverifier, part of the Equifax Fraud Solutions, is a patented, online authentication process for Internet transactions that takes identification beyond fraud checks and data matching. elDverifier presents multiple-choice questions based upon — shared secret information that should only be known by the actual consumer and Equifax. This patented interactive session binds the applicant to the identity information entered — providing the highest level of authentication available on the Internet.

- **Product Content/Output: Risk Assessment Score:** A score ranging from 1-8 fraud index. Score based on identity validation and interactive query.
  - Benefit/Purpose: A general-purpose Fraud Index delivered with elDverifier and elDcompare that determines the likelihood of a consumer application presenting a fraudulent identity
  - Reason Codes: 2-digit codes that highlight discrepancies between the consumer’s application information and what is found in our data sources
  - Benefit/Purpose — Provide important details on potential suspicious attributes.

Military Lending Act/ MLA helps dealers and lenders determine the military status of a borrower and attain safe harbor from liability from the current interpretation of the MLA
- Returns an applicant’s status giving dealers and lenders insight needed to determine any limitations, terms and fees, or contract restrictions to help facilitate transactions

### PROJECT INVESTMENT

Based on the products described, Equifax is offering the following pricing structure. The proposed pricing is based on another 5-year commitment between Equifax and NJ Higher Education Student Assistance Authority (HESAA). Equifax will review the actual quantity purchased on a quarterly basis and if it is determined that the quantity being purchased is significantly below or above the estimate, an adjustment to these rates may be necessary.

<table>
<thead>
<tr>
<th>Product</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acrofile /Credit File</td>
<td>$1.49 per search</td>
</tr>
<tr>
<td>DTEC/Location Service</td>
<td>$1.46 per search</td>
</tr>
<tr>
<td>Fico Credit Score</td>
<td>$1.05 per search</td>
</tr>
<tr>
<td>MLA/Military Lending Act</td>
<td>$0.21 per search</td>
</tr>
<tr>
<td>Identity Scan</td>
<td>$0.19 per search</td>
</tr>
<tr>
<td>OFAC Alert</td>
<td>$0.29 per search</td>
</tr>
<tr>
<td>Regulatory Recovery Fee</td>
<td>$0.16 per search</td>
</tr>
</tbody>
</table>
eIDverifier Transaction Fees: Client will pay to Equifax a Completed Fee for each completed eIDverifier transaction and an Incomplete Fee for each incomplete transaction, as set forth below:

<table>
<thead>
<tr>
<th>Price Tier</th>
<th>Annualized Transaction Volume</th>
<th>Fees Per Transaction Completed</th>
<th>Fees Per Transaction Incomplete</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0-25,000</td>
<td>$1.75</td>
<td>$0.30</td>
</tr>
<tr>
<td>2</td>
<td>25,001-50,000</td>
<td>$1.50</td>
<td>$0.30</td>
</tr>
<tr>
<td>3</td>
<td>50,001-150,000</td>
<td>$1.25</td>
<td>$0.30</td>
</tr>
</tbody>
</table>

eIDcompare Transaction Fees: Client will pay to Equifax a Completed Fee for each completed eIDcompare transaction and an Incomplete Fee for each incomplete transaction, as set forth below:

<table>
<thead>
<tr>
<th>Price Tier</th>
<th>Annualized Transaction Volume</th>
<th>Fees Per Transaction Completed</th>
<th>Fees Per Transaction Incomplete</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0-25,000</td>
<td>$0.65</td>
<td>$0.30</td>
</tr>
<tr>
<td>2</td>
<td>25,001-50,000</td>
<td>$0.55</td>
<td>$0.30</td>
</tr>
<tr>
<td>3</td>
<td>50,001-150,000</td>
<td>$0.45</td>
<td>$0.30</td>
</tr>
</tbody>
</table>

Currently set at price tier 1.

ADDITIONAL COSTS

Fees and Surcharges. When applicable, Client will pay Equifax all fees and surcharges related to the services. Regulatory Recovery Fee.

- The Regulatory Recovery Fee is $0.16 per credit report and applies to the following online consumer report products, for each report ordered by Clients who are required to comply with the Fact Act Risk Based Pricing rules: ACROFILE, ACROFILE PLUS, ACROSELECT, Decision Power, Decision Power Express and ID Report with score. For Clients who are not required to comply with Fact Act Risk Based Pricing rules, the Regulatory Recovery Fee is $0.16 per credit report ordered.
- Colorado Surcharge. A surcharge of $0.74 will apply to each request for Information Services ordered regarding a resident of the State of Colorado in order to satisfy the requirements of the Colorado Fair Credit Reporting Act.
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow
Executive Director

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

SUBJECT: Resolution 06:22 Approving Proposed New Rules Governing the Teacher Loan Redemption Program

DATE: April 20, 2022

Background

On January 18, 2022, Governor Murphy signed P.L. 2021, c. 384, establishing a loan redemption program for newly hired teachers in high-need fields who are employed in low-performing schools (the “Act”). The Act provides that the Higher Education Student Assistance Authority (Authority), in consultation with the Department of Education, shall adopt rules necessary for the administration of the Act.

The Act authorizes redemptions of 25% of the outstanding principal and interest amount of a Program participant’s loan from the New Jersey College Loans to Assist State Students (NJCLASS) program, in an amount up to $5,000, in return for each consecutive full year of service teaching in a high-need field in a low-performing school. The total amount of a participant’s outstanding NJCLASS loan principal and interest balance which may be redeemed under the Program, for a Participant who completes four full school years of service, shall not exceed $20,000. The Program will provide State-funded loan redemption only to teachers who were initially hired after the Act’s January 18, 2022 effective date and meet all other eligibility requirements.
The proposed new rules govern the policy, administration, and procedures of the Loan Redemption Program for Teachers in High-Need Fields Employed in Low-Performing Schools (the "Program"), and are summarized below:

The subchapter heading establishes the name of the program for which these proposed new rules will be promulgated, as the Loan Redemption Program for Teachers in High-Need Fields Employed in Low-Performing Schools.

Pursuant to the Act, proposed new N.J.A.C. 9A:10-8.1 provides that the purpose of the proposed new subchapter is to provide redemptions of 25% of principal and interest of a Program participant's NJCLASS loan amounts up to $5,000 in return for each consecutive full year of service teaching in a high-need field in a low-performing school and that the total amount of NJCLASS loan amounts which may be redeemed under the program by a program participant, for four full school years of service, shall not exceed $20,000.

Proposed new N.J.A.C. 9A:10-8.2 provides the definitions for words and terms as used within this subchapter, which include “Authority,” “Department,” “Executive Director,” “Low-performing school,” “High-need field,” “Program,” “Program participant,” “Public school,” “Teacher,” and “total and permanent disability.”

Proposed new N.J.A.C. 9A:10-8.3 provides the eligibility requirements that an applicant must meet in order to participate in the Program pursuant to subparagraph 2.a of the Act.

Proposed new N.J.A.C. 9A:10-8.4 establishes the application procedures that an applicant must follow to participate in the Program. N.J.A.C. 9A:10-8.4(a) provides the minimum information required by the application, specifically the applicant's identification and contact information, certification of full-time employment from the applicant's current or anticipated employer, including the start date, and the account numbers for the applicant's outstanding NJCLASS loans.

Proposed N.J.A.C. 9A:10-8.4(b) establishes that applications will be considered in the order they are received, subject to available funding.

Proposed N.J.A.C. 9A:10-8.4(c) provides eligibility is based solely on the information submitted on the application and that the Authority will notify applicants of their acceptance into the program.

Proposed new N.J.A.C. 9A:10-8.5 provides the terms that participants must meet in order for the Authority to release funds for loan redemption. Pursuant to subparagraph 2.a of the Act, proposed new N.J.A.C. 9A:10-8.5(a) provides that the process of establishing eligibility for loan redemption funds is initiated by a written contract between the participant and the Authority. The contract specifies the duration of the participant's approved employment service obligation, not to exceed four school-years, and the total amount of NJCLASS loans to be redeemed by the Authority in return for service.

Pursuant to subparagraph 2.d of the Act, proposed new N.J.A.C. 9A:10-8.5(b) specifies that the loan redemption under the Program shall amount to 25% of principal and interest of a Program participant's outstanding NJCLASS loan amount, not exceed $5,000, in return for each
consecutive full school-year of approved employment service successfully completed by the Program participant and that the total loan redemption amount for a Program participant shall not exceed $20,000. Proposed new N.J.A.C. 9A:10-8.5(b)1. provides that the Authority will encumber up to $20,000 of Program funds as necessary to provide for the redemption of the participant's outstanding NJCLASS loans upon the applicant’s acceptance into the program and execution of the written contract with the Authority.

To verify that Program participants meet the employment requirements for loan redemption, proposed new N.J.A.C. 9A:10-8.5(c) requires participants to submit to the Authority certification, in the form approved by the Authority, of full-time employment.

Pursuant to subparagraph 2.c., proposed new N.J.A.C 9A:10-8.5(d) provides that a program participant may remain in the program in the event that either the public school in which the teacher is employed loses its designation as a low-performing school or the teacher is transferred to a school in the district that is not a low-performing school; or the high-need field in which the Program participant is teaching pursuant to the Program service obligation subsequently loses its designation as a high-need field, and the Program participant continues to teach in the same field in accordance with the Program participant’s contractual agreement with the Authority.

N.J.A.C. 9A:10-8.5(e) establishes that Program participants are not eligible for any benefits under the Program for less than a full school year of service pursuant to subparagraph 2.d of the Act.

Pursuant to subparagraph 2.f, proposed new N.J.A.C. 9A:10-8.6 outlines the conditions for termination or suspension of the participant’s participation contract. Proposed new N.J.A.C. 9A:10-8.6(a) provides that the Authority will terminate a participant’s contract if: the participant is totally and permanently disabled; the participant is deceased; continued enforcement of the employment service obligation may result in an extreme hardship for the participant; the participant is no longer teaching in a high-need field at a low-performing school; the participant’s license has been revoked; the participant has been convicted of a felony or a high misdemeanor or has committed an act of gross negligence in the performance of the participant’s employment service obligation; or the participant has not provided the documentation required prior to annual redemption of loan indebtedness within 60 days of written request for the required documents by the Authority.

Proposed new N.J.A.C. 9A:10-8.6(b) provides that the Authority will suspend the participant's participation contract if continued enforcement of the employment service obligation may result in extreme hardship for the participant. The proposed new subsection defines extreme hardship to include temporary disability, active duty military service, or temporary suspension of the participant’s professional license pending the outcome of an investigation. The rule further provides that the contract may be suspended for up to two years, but that it may be extended under exceptional circumstances.

Proposed new N.J.A.C. 9A:10-8.6(c) provides that the participant can nullify the participation contract by notifying the Authority in writing. Proposed new N.J.A.C. 9A:10-8.6(d) establishes that the Authority has final decision making-authority to terminate a participation contract.
Proposed new N.J.A.C. 9A:10-8.6(e) advises participants that if a participation agreement is terminated or nullified, the participant is not eligible to reapply to participate in the Program.

Proposed new N.J.A.C. 9A:10-8.7 outlines the procedures that an applicant must follow in order to appeal a notification of ineligibility for Program participation from the Authority and also requires the Authority to be responsible for providing the Authority’s final decision on the appeal to the applicant within 30 days of receipt of the appeal.

**Recommendation**

It is recommended that the Board approve Resolution 06:22 Proposing New Rules Governing the Teacher Loan Redemption Program.

Attachment
SUBCHAPTER 8 LOAN REDEMPTION PROGRAM FOR TEACHERS IN HIGH-NEED FIELDS EMPLOYED IN LOW PERFORMING SCHOOLS

9A:10-8.1 Purpose and scope
The rules established by this subchapter provide the policies and procedures for participation in the Loan Redemption Program for Teachers in High-Need Fields Employed in Low-Performing Schools administered by the Higher Education Student Assistance Authority. This Program shall provide redemptions of 25% of the outstanding principal and interest balance of a program participant's New Jersey College Loans to Assist State Students (NJCLASS) loan amounts, up to $5,000, in return for each consecutive full year of service teaching in a high-need field in a low-performing school. The total amount of NJCLASS loan amounts which may be redeemed under the program by a program participant, for four full school years of service, shall not exceed $20,000.

9A:10-8.2 Definitions
The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

“Authority” means the Higher Education Student Assistance Authority.

“Department” means the Department of Education.

"Executive Director" means the Executive Director of the Higher Education Student Assistance Authority.

“Low-performing school” means any public school at which, among all students in that school to whom a State assessment was administered, the sum of the percent of students scoring in the not-yet-meeting expectations and partially meeting expectations categories in both the language arts and mathematics subject areas of the State assessments exceeded 40% in each of the prior two school years; or in either the language arts or mathematics subject areas of the State assessment exceeded 65% in each of the prior two school years. A school shall continue to be designated a low-performing school until such time that the sum of the percent of students scoring in the not-yet-meeting expectations and partially meeting expectations categories in both the language arts and mathematics subject areas of the State assessments is less than or equal to the sum of the Statewide percent of students scoring in the not-yet-meeting expectations and partially meeting expectations categories on the corresponding Statewide assessments. The term low-performing schools is defined solely for the purposes of this loan redemption Program. For all other purposes, the Department of Education uses the term comprehensive and targeted schools, which should not be conflated with this definition.

“High-need field” means a subject area or field of expertise in which there is a shortage of qualified teachers in the State as determined by the Department of Education and reported to the United States Department of Education. The Department shall reassess its designation of high-need fields at least every five years. The Authority shall provide a link to the list of high-need fields that is posted on the United States Department of Education’s website.
"Program" means the Loan Redemption Program for Teachers in High-Need Fields Employed in Low Performing Schools established pursuant to P.L. 2021, c. 384.

"Public school" means a school located within a district board of education or within a charter or a renaissance school board of trustees.

"Program participant" means an undergraduate student borrower under the New Jersey College Loans to Assist State Students (NJCLASS) Loan Program established pursuant to N.J.S.18A:71C-21 who, after the January 18, 2022 effective date of P.L. 2021, c. 384, is initially hired by a school district to work as a teacher in a high-need field in a low-performing school, and who is employed in a high-need field in a low-performing school at the time of application.

"Teacher" means a person who holds an instructional certification or educational services certification from the Department.

"Total and permanent disability" means a physical or mental disability that is expected to continue indefinitely or result in death and renders a Program participant unable to perform that person's employment obligation, as determined by the Executive Director or the Executive Director’s designee.

9A:10-8.3 Eligibility requirements for Program participation
(a) To be eligible for participation in the Program, an applicant must:
   1. Be a New Jersey resident and maintain residency in the State during Program participation;
   2. Have an outstanding balance on an NJCLASS loan and not be in default on any NJCLASS loans;
   3. Be certified by the Department to teach in New Jersey;
   4. Have been initially hired to teach in a high-need field in a low-performing school on or after January 18, 2022 and be employed in a high-need field in a low-performing school at the time of application; and
   5. Not previously have been selected for participation in the Program.

9A:10-8.4 Application procedures
(a) In order to apply for participation in the Program, an applicant must complete a Program application and submit the complete application to the Authority.
   1. The Program application includes, but is not limited to:
      i. The applicant’s identification and contact information;
      ii. Certification of full-time employment for a full school year from the applicant’s current employer or anticipated employer, including the start date;
      iii. The account numbers for the applicant’s outstanding NJCLASS loans.

(b) The Authority will consider applications for approval of Program participation in the date order they are received, subject to available funding.
(c) The Authority will determine the applicant's eligibility for the Program based upon the information submitted on the application and will provide notification to the applicant of their acceptance into the Program.

9A:10-8.5 Terms for Loan Redemption
(a) An applicant who has been selected for participation in the Program shall enter into a written contract with the Authority. The contract shall specify the duration of the participant's approved employment service obligation, not to exceed four school-years, and the total amount of NJCLASS loans to be redeemed by the Authority in return for service.

(b) Loan redemption under the program shall amount to 25% of principal and interest of a Program participant's outstanding NJCLASS loan amount, not to exceed $5,000, in return for each consecutive full school-year of approved employment service successfully completed by the Program participant. The total loan redemption amount for a Program participant shall not exceed $20,000.

1. At the time an applicant is accepted as a Program participant and has entered into a written contract with the Authority, the Authority will encumber up to $20,000 of Program funds as necessary to provide for the redemption of the participant's outstanding NJCLASS loans.

(c) In order for a participant to qualify for an annual redemption payment the Program participant shall submit to the Authority certification, in the form approved by the Authority, of full-time employment in a high-need field at a low-performing school for the school-year; and

(d) A Program participant who has entered into a contract with the Authority shall remain eligible for loan redemption under the contract in the event that:

1. The public school in which the teacher is employed loses its designation as a low-performing school or the teacher is transferred to a school in the district that is not a low-performing school; or
2. The high-need field in which the Program participant is teaching pursuant to the Program service obligation subsequently loses its designation as a high-need field, and the Program participant continues to teach in the same field in accordance with the Program participant's contractual agreement with the Authority.

(e) No amount of loan redemption shall be provided for service performed for less than a full school-year.

9A:10-8.6 Termination or suspension of the participant's participation contract
(a) The Authority shall terminate the participant's participation contract if it determines:

1. On the basis of a sworn affidavit of a qualified physician, that the participant is totally and permanently disabled;
2. On the basis of a death certificate, or other evidence of death that is conclusive under State law, that the participant has died;
3. On the basis of substantiating documentation as may be deemed necessary by the Authority upon specific case review, that continued enforcement of the employment service obligation may result in extreme hardship for the participant;
4. That the participant is no longer teaching in a high-need field at a low-performing school, except as permitted by N.J.A.C. 9A:10-8.5(d);
5. That the participant’s certification has been revoked;
6. That the participant has been convicted of a felony and/or a high misdemeanor, as defined at N.J.S.A. 2C:1-4.d, has committed an act of gross negligence in the performance of his or her employment service obligation or that the participant has not met the employer’s performance standards; or
7. The participant has not submitted the certification required pursuant to N.J.A.C. 9A:10-8.5(c) to receive the loan redemption within 60 days of written request for the required documents by the Authority.

(b) The Authority may suspend the participant's participation contract if the Authority determines, on the basis of substantiating documentation as may be deemed necessary by the Authority upon specific case review, that continued enforcement of the employment service obligation may result in extreme hardship for the participant. Extreme hardships include, but are not limited to, temporary disability, active duty military service, or temporary suspension of the participant’s professional license pending the outcome of an investigation.

1. The Authority may suspend the participant’s participation contract for a period of up to two calendar years from the date the suspension commences. At the end of the first year of suspension, the participant must provide the Authority with substantiating documentation, as defined in this subsection, to renew the suspension for a second year.
2. The suspension, as stipulated at (b)1 above, may be extended beyond two years for exceptional circumstances at the discretion of the Authority on the basis of substantiating documentation, as defined in this subsection.

(c) A participant may nullify the participation contract by notifying the Authority in writing.

(d) The Authority shall have final decision making authority to terminate a participant's participation contract.

(e) Participants who nullify their participation agreement, or whose participation agreements are terminated by the Authority, are not eligible to reapply to participate in the Program.

9A:10-8.7 Appeals process
(a) When an applicant has received a notification of ineligibility for Program participation, the applicant may submit a written appeal to the Authority within 30 days of the date of the notification. The written appeal must include the following:
   1. A copy of the notification of ineligibility received by the applicant from the Authority; and
   2. The reason(s) why the applicant feels the applicant is eligible to participate in the Program along with any documentation that the applicant has obtained to support the appeal, if applicable.

(b) Within 30 days of the receipt of the appeal, the Authority shall provide the applicant with the Authority’s final determination of the appeal. Final decisions of the Authority can be appealed to the Appellate Division of the Superior Court.
RESOLUTION 06:22

PROPOSED NEW RULES GOVERNING THE TEACHER LOAN REDEMPTION PROGRAM, N.J.A.C. 9A:10-8

Moved by: Dr. Jon Larson
Seconded by: Ms. Jean McDonald Rash

WHEREAS: On January 18, 2022, Governor Murphy signed P.L. 2021, c. 384, establishing a loan redemption program for newly hired teachers in high-need fields who are employed in low-performing schools (the “Act”); and

WHEREAS: The Act provides that the Higher Education Student Assistance Authority (Authority), in consultation with the Department of Education, shall adopt rules necessary for the administration of the Act; and

WHEREAS: The Act authorizes redemptions of 25% of the outstanding principal and interest amount of a Program participant’s loan from the New Jersey College Loans to Assist State Students (NJCLASS) program, in an amount up to $5,000, in return for each consecutive full year of service teaching in a high-need field in a low-performing school; and

WHEREAS: The total amount of a participant’s outstanding NJCLASS loan principal and interest balance which may be redeemed under the Program, for a Participant who completes four full school years of service, shall not exceed $20,000.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves the proposed new rules Governing the Teacher Loan Redemption Program so that the proposed new rules can be published in the New Jersey Register.

April 20, 2022
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow  
Executive Director

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

SUBJECT: Resolution 07:22 Approving the Readoption with Amendments of N.J.A.C. 9A:9  
Regulations Governing the Grant and Scholarship Programs

DATE: April 20, 2022

Background

Pursuant to N.J.S.A. 18A:71A-1 et seq., the Higher Education Student Assistance Authority (“HESAA” or the “Authority”) is statutorily responsible for the administration of State scholarship and tuition aid programs and for the promulgation of all rules to that effect. Pursuant to N.J.S.A. 52:14B-5.1.b, the rules governing the grant and scholarship programs were scheduled to expire November 6, 2021. At its October 20, 2022 meeting the Board approved the proposed Readoption with Amendments, thereby extending the expiration date to May 5, 2022.

The proposed Readoption with Amendments, PRN 2021-114, were published in the December 6, 2021 New Jersey Register at 53 N.J.R. 1974(a), 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 January 2, 2022, with no comments received. The public comment period expired on February 4, 2022, and the Authority received public comments from ten individuals:

1. David R. Smedley, Director of Financial Aid, Essex County College;
2. Chanie Jacobowitz, Vice President, Government Affairs and Compliance, Beth Medrash Gevoha;
3. Joseph Marbach, President, Georgian Court University;
4. Sarah Sternbach, Social Services Division, Lakewood Resource & Referral Center;
5. David Rousseau, Vice President, Independent Colleges & Universities of New Jersey;
6. Laura Winters, Superintendent of Schools, Lakewood Board of Education;
7. Shoshana Devor, Labor & Delivery Nurse, former Tuition Aid Grant (TAG) recipient;
8. Moshe Selengut, former TAG recipient;
9. Shifra Shenker, RN-BSN; and
10. Shani Siegfried, Georgian Court graduate, former TAG recipient.

The comments, along with the Higher Education Student Assistance Authority’s responses, are summarized below:

COMMENT: Chanie Jacobowitz, Joseph Marbach, Sarah Sternbach, David Rousseau, Laura Winters, Shoshana Devor, Moshe Selengut, Shifra Shenker, and Shani Siegfried oppose removing Medicaid from the list of acceptable public means-tested benefits that HESAA uses to verify eligibility for need-based State financial aid in cases where students/families have no documented verifiable income. The commenters posit that Medicaid is the one “basic need” support that students are most likely to qualify for and actually be able to access. Further, the commenters explain that many low-income students are income-eligible for Tuition Aid Grants but not able to qualify to receive the acceptable benefits listed in the regulation as proposed to be amended. The commenters explain that SSI is only for disabled people; WIC is only for families who are expecting or have young children; there is a years-long waiting list for HUD; WorkFirst NJ, General Assistance, and cash assistance have lower income thresholds than TAG; and SNAP is not a viable long-term option because other than under the current temporary COVID waiver’s relaxed SNAP eligibility rules, college students are generally not eligible for SNAP unless they work at least 20 hours per week and meet other onerous requirements.

RESPONSE: The Authority agrees with the commenters that many low-income students who may be income-eligible for TAG may not be eligible for any government sources of aid except for Medicaid. Therefore, the Authority is not adopting the deletion of “Medicaid” from the list of acceptable public means-tested benefits that HESAA uses to verify eligibility for need-based State financial aid in cases where students/families have no documented verifiable income.

COMMENT: David R. Smedley suggests that the Authority amend N.J.A.C. 9A:9-2.4(a) to eliminate the term “award” and replace it with “In order to receive any student aid administered by the Authority.” He comments that in 2019 the U.S. Department of Education issued recommendations to discontinue to use of the term “award,” per https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2019-04-15/general-subject-recommendations-what-postsecondary-institutions-should-work-avoid-when-issuing-financial-aid-offers. Further, Mr. Smedley notes that policy advocates have urged financial aid professionals to use “clear, transparent terminology as it relates to ‘grants,’ ‘loans’, and ‘work-study’ and the relationship to tuition billing and crediting to accounts.”

RESPONSE: The Authority appreciates this comment and agrees with the commenter that financial aid information should be communicated to students using clear, transparent terminology. However, the commenter is taking the U.S. Department of Education’s guidance out of context. The cited guidance provides recommendations for institutions when issuing financial aid offers to
inform students of all forms of financial aid for which they may be eligible. These financial aid offers include student loans, which are not awards because they must be repaid; work-study, which is not an award because the funding must be earned through the student’s wages at a work-study job; and grants and scholarships, which are awards because they do not have to be repaid. It is clear that the U.S. Department of Education did not intend to discourage the use of the term “award” when referring to grants and/or scholarships because the U.S. Department of Education has continued to use the term “award” when referring to Federal grants. (See for example, https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2021-01-22/2021-2022-federal-pell-grant-payment-and-disbursement-schedules). As the rules being readopted pertain to a grants and scholarships that do not have to be repaid, “award” is the correct term of art.

COMMENT: Further, the comment from David R. Smedley suggests that HESAA revise the section to state that “an applicant must apply for all other forms of Federal, State and institutional aid by filing the application for Federal student aid.” The commenter states that “Federal should be listed first as a student aid office first assesses eligibility for Federal student aid. The Authority needs to make clear its definition of what constitutes applying for aid as this is not the same as eligibility for aid. This is especially important for the Community College Opportunity Grant Program whereby the requirement of the applicant is to apply for all other available forms of federal and state need-based grants and merit scholarships’ and that this ‘includes the student satisfying all requirements to determine his or her eligibility to receive payments of these state and federal grants and scholarships within established state deadlines’ as the Authority notes in its Q&A on the CCOG program. A student could decline any such Federal or State need-based aid or merit scholarships after applying, and the statute does not contemplate assessing CCOG eligibility based on what the applicant would have been eligible for regarding such declined funds. It has been suggested that this is the definition of such ‘free college’ programs but, in fact, definitions are based on statute and implementing regulations.”

RESPONSE: The Authority believes this comment is referencing N.J.A.C. 9A:9-9.4(a) because the comment is about the Community College Opportunity Grant Program. The Authority appreciates the commenter’s suggestion but does not agree that these revisions are necessary. The rule unambiguously provides that students must apply for all other available forms of both State and Federal grants and scholarships. As CCOG is a State program it is appropriate to list “State” before “Federal.” The amount of the CCOG award, as it relates to other State and Federal aid is defined in N.J.A.C. 9A:9-9.6(a)1., which provides that the “The full amount of State, Federal, and institutional grants and scholarship aid received by the student for the purpose of paying tuition and approved educational fees shall be applied to the tuition and approved educational fee charges first, to reduce the amount of the CCOG award.”

COMMENT: David R. Smedley also commented that the Authority could consider whether to address military education benefits to clarify that the terms “federal” and “State” refer to military education benefits from those respective governmental levels.

RESPONSE: While the Authority appreciates the comment, it believes it is unnecessary to specify one type of grant and scholarship aid, when the intent of the rule to be all-encompassing.
COMMENT: David R. Smedley commented that "references to "State deadlines" might be strengthened by including a direction to where such deadlines are disclosed by the Authority.

RESPONSE: The Authority appreciates the commenter's suggestion but does not agree that this revision is necessary in the regulation. The State deadlines are widely publicized through emails, the Authority's website, and the New Jersey Financial Aid Management System portal.

COMMENT: David R. Smedley requests that the Authority revise N.J.A.C. 9A:9-4(a)3 [sic] to read, "achieve or maintain minimum level of satisfactory academic progress" rather than "academic success." The commenter states that "all Federal and State student aid is based on review of satisfactory academic progress. The "term 'academic success' could be misunderstood to mean academic program standards and not satisfactory academic progress requirements, which sometimes are different."

RESPONSE: The Authority disagrees with this recommendation. Unlike other State and federal student aid programs, students' CCOCG eligibility is not solely based on the standard definition of satisfactory academic progress. Section 3(b)(2) of the Act creating the Community College Opportunity Grant Program (P.L. 2021, c. 26, codified at N.J.S.A. 18A:71B-113(b)(2)) specifically provides that eligibility for CCOCG may be renewed for a student who "meets the standards for...satisfactory academic progress...or, in the semester immediately prior to receiving an award, attains a minimum level of academic success as determined by the authority." This statutory provision establishes "minimum level of academic success" as an alternative measure of CCOCG eligibility that can apply to certain students who do not meet the standard measure of "satisfactory academic progress." Therefore, the term "minimum level of academic success" is specifically defined in N.J.A.C. 9A:9-2 to ensure that this alternative eligibility requirement for CCOCG is not confused with "satisfactory academic progress."

COMMENT: David R. Smedley comments that the programs in N.J.A.C. 9A:9 have different names, some being grants and some being scholarships. He suggests that the Authority "pursue avenues to rationalize programs' names or, perhaps, combining programs to establish better understanding, with the overall understanding all are applied by a school towards approved charges."

RESPONSE: N.J.A.C. 9A:9 administers programs established by statute. The Authority does not have the power to rename or combine the programs.

COMMENT: David R. Smedley states that the regulations should be as "camera ready" as possible so that schools can simply include them verbatim to reiterate the Authority's programs, policies and procedures."

RESPONSE: The Authority agrees that it is important for participating institutions to share the program policies and procedures with their students and does not believe any revisions are necessary to achieve this goal.

As discussed above, in response to multiple comments, the Authority is not adopting the deletion of "Medicaid" from the list of acceptable public means-tested benefits that HESAA uses to verify
eligibility for need-based State financial aid in cases where students/families have no documented verifiable income.

**Full text** of the rule as adopted follows (additions to proposal indicated in boldface with asterisks *thus*; deletions from proposal indicated in brackets with asterisks *[thus]*):

9A:9-2.7 Verification of family financial data
Students upon request must provide the Higher Education Student Assistance Authority with documentation including, but not limited to, Internal Revenue Service tax return transcripts and/or State income tax returns for themselves, and in the case of dependent students, for their parents, for verification purposes. In the limited circumstances when students or parents are unable to obtain transcripts from the Internal Revenue Service, the Authority may accept a signed copy of the Federal income tax return. If no tax returns were filed for the year requested, students must provide the Authority with documented proof, received through a Federal or State agency, of taxable and/or untaxed income, including, but not limited to, an IRS tax and wage transcript, receipt of unemployment payments, child support, alimony, welfare payments, Social Security benefits, or at least [two benefits] **one benefit** from any of the following Federal or State programs: [Medicaid,]*Medicaid* SSI, SNAP, TANF, **WorkFirst NJ, General Assistance, cash assistance, housing and rental assistance subsidies**, or WIC. Financial data provided on the financial aid form may be verified by the Authority and/or institution through the comparison of information reported on income tax transcripts and returns and other requested documentation. Discrepancies will require the re-evaluation of the student's eligibility. Students, as well as institutions, will be notified if an adjustment in the value of aid is required. If documentation is not received to verify income or resolve discrepancies aid will not be granted.

**Recommendation**

It is recommended that the Board approve Resolution 07:22 the Readoption with Amendments of N.J.A.C. 9A:9, Regulations Governing the Grant and Scholarship Programs.

Attachments
RESOLUTION 07:22

APPROVING THE READOPITION WITH AMENDMENTS OF THE REGULATIONS GOVERNING THE GRANT AND SCHOLARSHIP PROGRAMS, N.J.A.C. 9A:9

Moved By: Dr. Brian Bridges
Seconded By: Ms. Isabella Berdugo-Hernandez

WHEREAS: Pursuant to N.J.S.A. 18A:71A-1 et seq., the Higher Education Student Assistance Authority ("HESAA" or the "Authority") is statutorily responsible for the administration of State scholarship and tuition aid programs and for the promulgation of all rules to that effect; and

WHEREAS: The rules governing the grant and scholarship programs were scheduled to expire November 6, 2021; and

WHEREAS: At its October 20, 2021 meeting the HESAA Board approved the proposed Readoption with Amendments, thereby extending the expiration date to May 5, 2022; and

WHEREAS: The proposed new rules, PRN 2021-114, were published in the December 6, 2021 New Jersey Register at 53 N.J.R. 1974(a), 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 January 2, 2022, with no comments received; and

WHEREAS: The public comment period for this rule expired on February 4, 2022 with ten sets of comments received; and

WHEREAS: In response to the comments, the Authority is not adopting the deletion of "Medicaid" from the list of acceptable public means-tested benefits that HESAA uses to verify eligibility for need-based State financial aid in cases where students/families have no documented verifiable income.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves the Readoption with Amendments of the Regulations Governing the Grant and Scholarship Programs, N.J.A.C. 9A:9.

April 20, 2022
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow
Executive Director

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


DATE: April 20, 2022

Background


The Act authorizes student loan redemptions in the amount of $1,000 each year for up to four years for eligible graduates of certain STEM degree programs at New Jersey colleges and universities. To establish eligibility for the program, a participant must have remained employed in a STEM occupation in New Jersey for at least four years after the December 14, 2018 effective date of the Act. An eligible program participant may receive State-funded loan redemption, which must be matched by the participant’s employer, for each year of employment commencing after December 14, 2022 in a designated high-growth STEM occupation in New Jersey, for up to four subsequent years.

At its October 20, 2021 meeting the Board approved the proposed New Rules Governing the STEM Loan Redemption Program, N.J.A.C. 9A:10-5. The proposed new rules, PRN 2021-113, were published in the December 6, 2021 New Jersey Register at 53 N.J.R. 1978, 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 January 2, 2022, with no comments received. The public comment period expired on February 4, 2022, and the Authority received one comment from Robert Heinrich, Ed. D., Chief Enrollment Management Officer of Stockton University, who expressed no concerns with the proposed new rules and described his institution’s plans to promote the program through its Admissions, Academic Schools, and Alumni Relations departments. The Authority appreciates Stockton University’s support.

Recommendation

It is recommended that the Board approve Resolution 08:22 Adopting the New Rules Governing the STEM Loan Redemption Program, N.J.A.C. 9A:10-5.

Attachments
III. Waive any right, forum, or procedure afforded to the student, including any right to file and pursue a civil action, class action, or a complaint with, or otherwise notify, any State agency, other public prosecutor, law enforcement agency, or any court or other governmental entity of any alleged violation of the student's rights; or
IV. Be prohibited from disclosing, discussing, describing, or commenting upon the terms of the student's enrollment agreement, or any violation of the student's enrollment agreement.

(c)-(d) (No change.)

9A:9-2.2 Residency
(a) Students shall be legal residents of New Jersey for a period of not less than 12 consecutive months immediately prior to the academic period for which aid is being requested. The residence of a student is defined in terms of domicile. Domicile is defined as the place where a person has his or her true, fixed, permanent home and principal establishment, and to which, whenever he or she is absent, he or she has the intention of returning.

1. A dependent student, as defined in N.J.A.C. 9A:9-2.6, shall be presumed to be a legal resident of the state in which he or she resides. A dependent student whose parent(s) has not established a domicile in New Jersey shall be presumed to be in the State for the temporary purpose of obtaining an education and shall be ineligible for State student financial aid. A student may rebut both of these presumptions by submitting evidence to the Authority establishing that he or she is a legal resident of New Jersey notwithstanding the residency of his or her parent(s). Any dependent student who continues to reside in this State and who has previously received at least one semester of payment of a State grant or scholarship shall continue to be eligible for State student financial aid during the course of each academic year at an eligible institution of higher education in New Jersey, despite his or her parent's subsequent change of domicile to another State. I considered domiciled in this State for the purposes of determining eligibility for a State student grant or scholarship if the student meets the following criteria:
   I. The student is a United States citizen or an eligible noncitizen, as determined at 20 U.S.C. § 1091;
   II. The student and the student's parent(s) have resided in the State for a period of not less than 12 consecutive months immediately prior to the academic period for which State student assistance is being requested; and
   III. The student's parent(s) or guardian provides the Higher Education Student Assistance Authority, upon request, with documentation to verify income and assets.
(b)-(g) (No change.)

9A:9-2.4 Eligibility and repayments
(a) In order to receive a need-based award, students must have demonstrated need through submission of a financial aid form approved by the Higher Education Student Assistance Authority in accordance with annually established deadline dates.
(b) Parents of students who meet the definition of "dependent" at N.J.A.C. 9A:9-2.6, shall provide the information necessary to complete the student's financial aid application, including documentation requested for verification in accordance with annually established deadline dates. Parents who knowingly and willfully refuse to provide the required information will be subject to a civil penalty of not more than $300.00, to be collected in proceedings in accordance with the Penalty Enforcement Law of 1999, P.L. 1999, c. 274 (N.J.S.A. 2A:58-10 et seq.).
(b)-(d) (No change.)

9A:9-2.6 Dependent/independent student defined
(b) For purposes of State student financial aid programs, an independent student does not include students who are emancipated minors, or were emancipated minors upon reaching the age of majority in [his or her] the state in which the student resided at that time, or are either currently, or when they were a minor were, in a guardianship status in which a parent retained legal parental rights or is, or were, obligated to pay child support.
(c) The term independent also includes a student for whom a financial aid administrator makes a calculated determination of independence by reason of other unusual circumstances as provided under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1087v, and its implementing regulations and rules. For purposes of receiving State financial assistance as an independent student due to unusual circumstances, the following conditions apply:
1. (No change.)
   2. Individual determinations of independent student status for State student aid programs shall be made in a manner consistent with the institutional policies regarding the awarding of all need-based financial aid, including Federal and State aid, [and]
3. Individual determinations of independent student status shall not be made on the basis of any of the following:
   i. The parent(s) refusing to contribute to the student's education;
   ii. The parent(s) being unwilling to provide information on the financial aid application or for verification;
   iii. The parent(s) not claiming the student as a dependent for income tax purposes;
   iv. The student demonstrating self-sufficiency; or
   v. The student not living with the parent(s); and
   v. The student not living with the parent(s);
   [3] 4. (No change in text.)
   (d)-(e) (No change.)

9A:9-2.7 Verification of family financial data
Students, upon request, must provide the Higher Education Student Assistance Authority with documentation including, but not limited to, Internal Revenue Service tax return transcripts and/or State income tax returns for themselves, and in the case of dependent students, for their parents, for verification purposes. In the limited circumstances when students or parents are unable to obtain transcripts from the Internal Revenue Service, the Authority may accept a signed copy of the Federal income tax return. If no tax returns were filed for the year requested, students must provide the Authority with documented proof, received through a Federal or State agency, of taxable and/or untaxed income, including, but not limited to, an IRS tax and wage transcript, receipt of unemployment payments, child support, alimony, welfare payments, Social Security benefits, or at least [two] one benefit[s] from any of the following Federal or State programs: [Medicaid,] SSI, SNAP, TANF, WorkFirst NJ, General Assistance, cash assistance, housing and rental assistance subsidies, or WIC. Financial data provided on the financial aid form may be verified by the Authority and/or institution through the comparison of information reported on income tax transcripts and returns and other requested documentation. Discrepancies will require the re-evaluation of the student’s eligibility. Students, as well as institutions, will be notified if an adjustment in the value of aid is required. If documentation is not received to verify income or resolve discrepancies, aid will not be granted.

(a)

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY
Student Loan and College Savings Programs
STEM Loan Redemption Program
Authorized By: Higher Education Student Assistance Authority, Christy Van Horn, Chairperson.

(CITE 53 N.J.R. 1978)

NEW JERSEY REGISTER, MONDAY, DECEMBER 6, 2021
Proposed new N.J.A.C. 9A:10-5.4(c) provides that eligibility is based solely on the information submitted on the application and that the Authority will notify applicants of their acceptance into the Program.

Proposed new N.J.A.C. 9A:10-5.5 provides the terms that participants must meet in order for the Authority to release funds for loan redemption. Pursuant to N.J.S.A. 18A:7IC-70, proposed new N.J.A.C. 9A:10-5.5(a) provides that the process of creating eligibility for loan redemption funds is initiated by a written contract between the participant and the Authority. The contract specifies the dates of required employment by the Program participant in a designated high-growth STEM occupation and requires the Program participant to serve at least one year in a designated high-growth STEM occupation after entering into the contract with the Authority.

Pursuant to N.J.S.A. 18A:7IC-73.b, proposed new N.J.A.C. 9A:10-5.3(c) requires participants to submit to the Authority certification, in the form approved by the Authority or, of full-time employment. Additionally, N.J.S.A. 18A:7IC-70.d requires participants to meet “performance standards established by the executive director or his designee.” As the employer is best equipped to determine the performance standards required for a specific occupation, the executive director has designated the employers to establish the minimum performance standards participants shall meet. Therefore, N.J.A.C. 9A:10-5.3(b) also requires participants to submit certification from their employer that they have adhered to the employer’s performance standards prior to the annual redemption of loan indebtedness. The subsection also requires the employer of a program participant to pay their annual matching contribution to the Authority, as required pursuant to N.J.S.A. 18A:7IC-70.b.

Proposed new N.J.A.C. 9A:10-5.5(c) provides the requirements for a participant to remain in the Program in the event that the participant changes employers while participating in the Program. To ensure participants meet the eligibility requirements for the Program, the proposed new rule requires participants to change to either the same occupation for which the participant was approved to participate in the Program or change to an occupation for which a designated high-growth STEM occupation at the time the participant begins the new occupation, provide the Authority with a certification, in the form approved by the Authority, from the previous employer containing the termination date from that position, and provide the Authority with a certification, in the form approved by the Authority, from the new employer agreeing to annually provide the matching contribution, and verifying the participant’s start date in the new position, as well as the participant’s continued employment and satisfactory performance. The participant must provide the certificates at the end of the year of service in order to receive the loan redemption.

N.J.S.A. 18A:7IC-71.a authorizes that participants are not eligible for any benefits under the Program for less than a full calendar year of service. Recognizing that participants may have a gap in service if they change occupations or positions, proposed new N.J.A.C. 9A:10-5.5(d) provides that if there is a gap in full-time service between employment in designated high-growth STEM occupations, the service obligation will be extended a commensurate amount of time to complete a full year of service. Further, a gap of longer than six months will nullify the agreement if the Authority has not suspended the participant’s participation contract.

Pursuant to N.J.S.A. 18A:7IC-70.c, proposed new N.J.A.C. 9A:10-5.5(c) provides that upon receipt of all required documentation from the participant, the Authority will combine the employer matching contribution and the State appropriated funds into a single payment. The proposed new rules further provide that the Authority will make the payment directly to the participant’s lender(s) to redeem a portion of the participant’s student loans.

Pursuant to N.J.S.A. 18A:7IC-71, proposed N.J.A.C. 9A:10-5.6 outlines the conditions for termination or suspension of the participant’s participation contract. N.J.A.C. 9A:0-5.6(a) provides that the Authority will terminate the participant’s contract if the participant is totally and permanently disabled; the participant is deceased; continued enforcement of the employment service obligation may result in an extreme hardship for the participant; the participant is no longer employed in a designated high-growth STEM position; the participant has been convicted of a felony or a high misdemeanor; or has committed an act of gross negligence.

NEW JERSEY REGISTER, MONDAY, DECEMBER 6, 2021 (CITE 53 N.J.R. 1979)
in the performance of the participant's employment service obligation, the participant has not met the employer's performance standards; or the participant has not provided the documentation required prior to annual redemption of loan indebtedness within 60 days of the written request for the required documents by the Authority.

Proposed new N.J.A.C. 9A:10-5.6(b) provides that the Authority will suspend the participant's participation contract if continued enforcement of the employment service obligation may result in extreme hardship for the participant. The proposed new subsection defines extreme hardship to include temporary disability, active duty military service, or temporary suspension of the participant's professional license pending the outcome of an investigation. The proposed new rule further provides that the contract may be suspended for up to two years, but that it may be extended under exceptional circumstances.

Proposed new N.J.A.C. 9A:10-5.6(c) provides that the participant can nullify the participation contract by notifying the Authority in writing. Proposed new N.J.A.C. 9A:10-5.6(d) establishes that the Authority has the final decision-making authority to terminate a participation contract. Proposed new N.J.A.C. 9A:10-5.6(e) advises participants that if a participation agreement is terminated or nullified, the participant is not eligible to reapply to participate in the Program.

Proposed new N.J.A.C. 9A:10-5.7 outlines the procedures that an applicant must follow in order to appeal a notification of ineligibility for Program participation from the Authority and also requires the Authority to be responsible for providing the Authority's final decision on the appeal to the applicant within 30 days of receipt of the appeal.

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

Social Impact

The proposed new rules are intended to provide an incentive for graduates of STEM degree programs at New Jersey colleges and universities to become and remain employed in high-growth STEM occupations in New Jersey. These incentives are intended to encourage talented graduates of New Jersey's institutions of higher education to put down roots in this State in order to provide the skilled workforce needed to grow New Jersey's innovation economy.

Economic Impact

It is anticipated that these proposed new rules will provide participants with economic relief from the cost of their education. Additionally, the Program is intended to create an incentive for New Jersey residents with STEM degrees to work within the State of New Jersey. While the Program will cost participating employers $4,600 over four years, it is anticipated that the proposed new rules will be a boon to New Jersey's ability to attract and retain the skilled talent in scientific and technical fields that New Jersey businesses require to succeed. A State appropriation will be necessary to fund the loan redemptions and to administer the Program. The amount of the State's share of the loan redemption is capped at $4,000 per participant over four years; therefore, the number of participants will depend on the amount of the appropriation.

Federal Standards Statement

A Federal standards analysis is not required since the proposed new rules are not subject to any Federal requirements or standards.

Jobs Impact

The proposed new rules will not result in the loss or generation of jobs but will attract and retain scientific and technical talent in New Jersey.

Agriculture Industry Impact

The proposed new rules will have no impact on the agriculture industry.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required because the proposed new rules do not impose reporting, recordkeeping, or other compliance requirements on small businesses as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed new rules address the need for the State's economy to attract and retain scientific and technical talent.

Housing Affordability Impact Analysis

The proposed new rules will have an insignificant impact on the affordability of housing in New Jersey and there is an extreme likelihood that the proposed new rules would evoke a change in the average costs associated with housing because the proposed new rules concern loan redemptions for people who work in STEM occupations.

Smart Growth Development Impact

The proposed new rules will have an insignificant impact on smart growth and there is an extreme likelihood that the proposed new 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 because the proposed new rules concern loan redemptions for people who work in STEM occupations.

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 proposed new rules follows (additions indicated in boldface; deletion indicated in brackets [thus]):

SUBCHAPTER 5. [RESERVED] STEM LOAN REDEMPTION PROGRAM

9A:10-5.1 Purpose and scope

The rules established by this subchapter provide the policies and procedures for participation in the STEM Loan Redemption Program administered by the Higher Education Student Assistance Authority. This Program shall provide $1,000 to Program participants for each year of employment in a designated high-growth STEM occupation, up to a maximum of four years, for the redemption of a portion of their eligible qualifying loan expenses.

9A:10-5.2 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Approved STEM degree program" means an undergraduate or advanced degree program required for a participant to engage in a designated high-growth STEM occupation.

"Authority" means the Higher Education Student Assistance Authority.

"Designated high-growth STEM occupation" means the designated list of occupations, to be posted on the Authority's website and updated every two years by the Authority, in consultation with the Department of Labor and Workforce Development. The list shall include occupations with projected growth in New Jersey of at least 10 percent, based on the most recently reported data from the United States Bureau of Labor Statistics, or occupations the Authority deems important to the State's strategic economic goals. Medical doctor and teaching professions are not high-growth STEM occupations. The initial list of designated high-growth STEM occupations is as follows:

1. Operations research analyst;
2. Statistician;
3. Mathematician;
4. Software developer, applications;
5. Web developer;
6. Computer systems analyst;
7. Biomedical engineer;
8. Computer and information systems manager;
9. Geological and petroleum technician;
10. Geoscientist, except hydrologist and geographer;
11. Environmental engineer;
12. Hydrologist;
13. Actuary;
14. Software developer/systems software;
15. Physiologist; and
16. Biochemist and biophysicist.
"Eligible qualifying loan expenses" means the cumulative outstanding balance of qualifying student loans, including interest paid or due, covering the cost of attendance at an institution of higher education for an undergraduate or advanced degree from an approved STEM degree program.

"Executive Director" means the Executive Director of the Higher Education Student Assistance Authority.

"Program" means the STEM Loan Redemption Program established pursuant to N.J.S.A. 18A:71C-66 et seq.

"Program participant" means a person who contracts with the Authority to maintain employment in a designated high-growth STEM occupation in exchange for the redemption of eligible qualifying loan expenses provided under the Program.

"Qualifying student loan" means a State or Federal loan for the actual costs paid for tuition and reasonable education and living expenses relating to obtaining an academic degree in an approved STEM degree program.

"STEM" means science, technology, engineering, and math.

"Total and permanent disability" means a physical or mental disability that is expected to continue indefinitely or result in death and renders a Program participant unable to perform that person's employment obligation, as determined by the Executive Director, or designee.

9A:10-5.3 Eligibility requirements for Program participation
(a) To be eligible for participation in the Program, an applicant must:
1. Be a New Jersey resident and maintain residency in the State during Program participation;
2. Be a graduate of an approved STEM degree program at an institution of higher education located in New Jersey;
3. Have an outstanding balance on a qualifying student loan and not be in default on any qualifying student loan;
4. Have been employed full-time in a designated high-growth STEM occupation in the State for a minimum of four years prior to initial application to the program and be employed thereafter for an additional one to four years in a designated high-growth STEM occupation in the State;
5. Not have previously been selected for participation in the Program; and
6. Provide certification from the applicant's employer agreeing to make a payment to the Authority of at least a 100 percent match of the State-funded loan redemption benefit under the Program at the conclusion of each year of employment completed by the applicant in a designated high-growth STEM occupation.

9A:10-5.4 Application procedures
(a) In order to apply for participation in the Program, an applicant must complete a Program application and submit the complete application to the Authority.
1. The Program application includes, but is not limited to:
   i. The applicant's identification and contact information;
   ii. Identification and contact information for the applicant's employer;
   iii. Documentation proving that at the time of the application, the applicant had been employed for a minimum of four years in a designated high-growth STEM occupation in New Jersey. Acceptable documentation includes, but is not limited to: certifications from all employers attesting to start and end dates in a previous position, W-2 forms, or other substantiating documentation, as may be deemed acceptable by the Authority upon specific case review; and
   iv. Certification, in the form approved by the Authority, from the applicant's employer verifying the participant's start date and continuous employment with the employer and agreeing to make a payment to the Authority of at least a 100 percent match of the State-funded loan redemption benefit under the Program at the conclusion of each year of employment completed by the applicant in a designated high-growth STEM occupation.
(b) The Authority will consider applications for approval of Program participation in the date order they are received, subject to available funding.

(c) The Authority will determine the applicant's eligibility for the Program based upon the information submitted on the application and will provide notification to the applicant of their acceptance into the Program.

9A:10-5.5 Terms for loan redemption
(a) An applicant who is selected for participation in the Program shall enter into a written participation contract with the Authority. The contract shall specify the dates of required employment by the Program participant in a designated high-growth STEM occupation and shall require the Program participant to serve at least one year in a designated high-growth STEM occupation after the effective date of the contract.

(b) In order for a participant to qualify for an annual redemption payment:
1. The Program participant shall submit to the Authority certification, in the form approved by the Authority, of full-time employment in a designated high-growth STEM occupation for the full-year period; and
2. The employer of the Program participant shall certify, in the form approved by the Authority, that the Program participant met the employer's performance standards and shall pay the annual matching contribution to the Authority in an amount equal to or greater than the $1,000 annual State-funded loan redemption benefit.
(c) If a participant becomes employed by a different employer while participating in the Program, that participant must:
1. Be employed in either the exact same occupation for which the participant was approved to participate in the Program, or in an occupation that is a designated high-growth STEM occupation at the time the participant begins the new occupation;
2. Provide the Authority with a certification, in the form approved by the Authority, signed by the previous full-time employer containing the termination date from that position; and
3. Prior to the annual redemption of loan indebtedness, provide a certification, in the form approved by the Authority, from the new employer:
   i. Agreeing to make a payment to the Authority of at least a 100 percent match of the State-funded loan redemption benefit under the Program at the conclusion of each year of employment completed by the applicant in a designated high-growth STEM occupation, to be prorated to the actual amount of time worked for the new employer;
   ii. Stating the start date for the designated high-growth STEM occupation at the new employer; and
   iii. Verifying the participant's continued employment and satisfactory performance in a designated high growth STEM occupation.

(d) If there is a gap in full-time service between employment in designated high-growth STEM occupations, the participant's service obligation will be extended a commensurate amount of time to complete a full year of service. A gap of longer than six months will nullify the agreement, unless the Authority has suspended the participant's participation contract pursuant to N.J.A.C. 9A:10-5.6(b).

(e) Upon receipt of all required documentation from the participant, the Authority will combine the employer matching contribution and the State appropriated funds into a single payment made directly to the participant's lender(s) to redeem a portion of the participant's student loans.

9A:10-5.6 Termination or suspension of the participant's participation contract
(a) The Authority shall terminate the participant's participation contract if it determines:
1. On the basis of a sworn affidavit of a qualified physician, that the participant is totally and permanently disabled;
2. On the basis of a death certificate, or other evidence of death that is conclusive under State law, that the participant has died;
3. On the basis of substantiating documentation as may be deemed necessary by the Authority upon specific case review, that continued enforcement of the employment service obligation may result in extreme hardship for the participant;
4. That the participant is no longer employed in a designated high-growth STEM position;
5. That the participant has been convicted of a felony and/or a high misdemeanor, as defined at N.J.S.A. 2C:1-4.4, has committed an act of gross negligence in the performance of his or her employment service obligation, or that the participant has not met the employer's performance standards; or
6. The participant has not completed the tasks required pursuant to N.J.A.C. 9A:10-5.5(b) to receive the loan redemption within 60 days of written request for the required documents by the Authority.
(b) The Authority may suspend the participant's participation contract if the Authority determines, on the basis of substantiating documentation as may be deemed necessary by the Authority upon specific case review, that continued enforcement of the employment service obligation may result in extreme hardship for the participant. Extreme hardships include, but are not limited to, temporary disability, active duty military service, changing designated high-growth STEM position, or temporary suspension of the participant's professional license pending the outcome of an investigation.
1. The Authority may suspend the participant's participation contract for a period of up to two calendar years from the date the suspension commences. At the end of the first year of suspension, the participant must provide the Authority with substantiating documentation, as defined in this subsection, to renew the suspension for a second year.
2. The suspension, as stipulated at (b)1 above, may be extended beyond two years for exceptional circumstances at the discretion of the Authority upon the basis of substantiating documentation, as defined in this subsection.
(c) A participant may nullify the participation contract by notifying the Authority in writing.
(d) The Authority shall have final decision-making authority to terminate a participant's participation contract.
(e) Participants who nullify their participation agreement, or whose participation agreements are terminated by the Authority, are not eligible to apply to participate in the Program.
9A:10-5.7 Appeals process
(a) When an applicant has received a notification of ineligibility for Program participation, the applicant may submit a written appeal to the Authority within 30 days of the date of the notification. The written appeal must include the following:
1. A copy of the notification of ineligibility received by the applicant from the Authority;
2. The reason(s) why the applicant feels the applicant is eligible to participate in the Program along with any documentation that the applicant has obtained to support the appeal, if applicable.
(b) Within 30 days of the receipt of the appeal, the Authority shall provide the applicant with the Authority's final determination of the appeal. Final decisions of the Authority can be appealed to the Appellate Division of the Superior Court.

LAW AND PUBLIC SAFETY

DIVISION OF CONSUMER AFFAIRS
STATE BOARD OF MEDICAL EXAMINERS
Radiologist Assistant Performing Procedures
Proposed New Rule: N.J.A.C. 13:35-6.20A
Authorized By: Board of Medical Examiners, Antonia Winstead, Executive Director
Calendar Reference: See Summary below for explanation of exception to calendar requirement.
Proposal Number: PRN 2021-112.

SUBMIT COMMENTS TO:
Antonia Winstead, Executive Director
Board of Medical Examiners
140 East Front Street, 2nd Floor
PO Box 183
Trenton, New Jersey 08625
Or electronically at: http://www.njconsumeraffairs.gov/Proposals/Pages/default.aspx
The agency proposal follows:

Summary
P.L. 2017, c. 281, allows for the licensure of radiologist assistants by the Department of Environmental Protection and permits radiologist assistants to perform delegated fluoroscopic procedures under the supervision of licensed radiologists pursuant to Board of Medical Examiners (Board) rules. The statute defines "delegated fluoroscopic procedures" as "the use of fluoroscopic equipment to perform any of the following procedures to the extent approved by the State Board of Medical Examiners: esophagial study; swallowing function study; upper gastrointestinal study; small bowel study; barium enema lower gastrointestinal study; nasopharyngeal and oropharyngeal tube placement; t-tube cholangiogram; chest fluoroscopy; hysterosalpingogram procedure and imaging; antergrade pyelogram; arthrograp; joint injection and aspiration; cystography or voiding cystourethrography (catheter placement); loopography; lumbar puncture with contrast; myelogram; abscess, fistula sinus tract study; pancreatosis; thoracentesis; venous access ports; tunneled and non-tunneled central venous catheters; tunneled and non-tunneled peripherally inserted central venous catheters; and tunneled and non-tunneled chest and abdominal drainage catheters."
The Board has reviewed this statutory definition and has determined that most of these procedures are within the ability of licensed radiologist assistants to perform. However, the Board has determined that radiologist assistants should not be permitted to perform five of these procedures: (1) hysterosalpingogram procedure and imaging; (2) antergrade pyelogram; (3) lumbar puncture with contrast; (4) myelogram; and (5) tunneled and non-tunneled chest and abdominal drainage catheters. These five procedures require either the specialized education or experience of a physician, and the Board is not confident that licensed radiologist assistants could safely and effectively perform these procedures.
Specifically, hysterosalpingogram procedures and imaging entail the direct injection of contrast material into the uterus, a procedure that should generally be performed by a physician with gynecological training, because of the increased infection risk. Antergrade pyelogram involves injecting contrast material into collecting systems of the kidney, which can carry a high risk of bleeding and kidney infection. Lumbar punctures and myelograms involve inserting a needle into the spinal canal, which, if performed incorrectly, could cause trauma to nerves and result in contrast fluid being inadvertently injected into blood vessels rather than into cerebrospinal fluid. Tunneled and non-tunneled chest and abdominal drainage catheters involve insertion of tubes into abdominal or thoracic cavity walls, an advanced skill shared by radiologists during residency training and employed after surgery or trauma, when risk of complications is already elevated. Additionally, insertion of these drainage catheters is usually aided by CT scan or ultrasound imaging; licensed radiologist assistants' scope of practice and training do not include the reading of such scans or ultrasounds. The Board proposes new rule N.J.A.C. 13:35-6.20A to set forth the procedures that it believes are appropriate for licensed radiologist assistants to perform and the level of supervision licensed radiologists must provide when radiologist assistants are performing these procedures and other related tasks.
The proposed new rule defines "direct supervision," "general supervision," "licensed radiologist," "radiologist assistant," and "personal supervision." Direct supervision requires a licensed radiologist to be on-site and immediately available to provide assistance and direction but does not require the licensed radiologist to be in the room when a procedure is performed. General supervision does not require a licensed radiologist's presence on-site when a procedure is performed. Personal supervision

(CITE 53 N.J.R. 1882) NEW JERSEY REGISTER, MONDAY, DECEMBER 6, 2021
RESOLUTION 08:22

APPROVING THE ADOPTION OF NEW RULES GOVERNING THE STEM LOAN REDEMPTION PROGRAM, N.J.A.C. 9A:10-5

Moved By: Mr. Robert Shaughnessy
Seconded By: Dr. Brian Bridges


WHEREAS: The Act establishes the STEM Loan Redemption Program and provides that the Higher Education Student Assistance Authority (Authority) shall adopt rules necessary for the administration of the Act; and

WHEREAS: To establish eligibility for the program, a participant must have remained employed in a STEM occupation in New Jersey for at least four years after the December 14, 2018 effective date of the Act; and

WHEREAS: An eligible program participant may receive State-funded loan redemption, which must be matched by the participant’s employer, for each year of employment commencing after December 14, 2022 in a designated high-growth STEM occupation in New Jersey, for up to four subsequent years; and

WHEREAS: At its October 20, 2021 meeting, the HESAA Board approved the proposed New Rules Governing the STEM Loan Redemption Program, N.J.A.C. 9A:10-5; and

WHEREAS: The proposed new rules, PRN 2021-113, were published in the December 6, 2021 New Jersey Register at 53 N.J.R. 1978, 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 January 2, 2022, with no comments received; and

WHEREAS: The public comment period for this rule expired on February 4, 2022 with one comment received, which did not require any changes.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves the Adoption of New Rules Governing the STEM Loan Redemption Program, N.J.A.C. 9A:10-5.

April 20, 2022
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow  
Executive Director

FROM: Jennifer Azzarano  
Director of Communications


DATE: April 20, 2022

Background

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

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

The Higher Education Student Assistance Authority (HESAA) has prepared the attached 2021 Annual Report in compliance with Executive Order 37.
Recommendation

It is recommended that the Board approve Resolution 09:22 Approving the Higher Education Student Assistance Authority 2021 Annual Report pursuant to Executive Order 37 (2006) and that the Board authorize staff to submit the 2021 Annual Report to the Governor’s Authorities Unit and post it on HESAA’s website.

Attachments
RESOLUTION 09:22

APPROVING THE HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY
2021 ANNUAL REPORT PURSUANT TO EXECUTIVE ORDER 37 (2006)

Moved by: Mr. Thyquel Halley
Seconded by: Dr. Jon Larson

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

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

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

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

WHEREAS: The Higher Education Student Assistance Authority (HESAA) has prepared the attached 2021 Annual Report in compliance with Executive Order 37.

NOW THEREFORE, BE IT:

RESOLVED: That the Higher Education Student Assistance Authority Board approves the attached Higher Education Student Assistance Authority 2021 Annual Report; and be it further

RESOLVED: That the attached Higher Education Student Assistance Authority 2021 Annual Report shall be submitted to the Governor’s Authorities Unit and posted on the HESAA website.

April 20, 2022
Introduction

To ensure HESAA’s programs are in compliance with federal and State statutes, regulations, policies and procedures, the Audits & Quality Assurance unit (A&QA) is tasked with conducting institutional management reviews focusing on state grants and scholarship programs, special counsel reviews of HESAA’s collection attorneys, internal control evaluations, reviews of New Jersey institutions’ single audit reports, and quality assurance reviews of HESAA’s programs.

Institutional Management Reviews

HESAA conducts institutional management reviews to verify that institutions administer State grants and scholarship programs in accordance with all applicable federal and state statutes, regulations, policies and procedures. The management reviews are also designed to provide institutions with recommendations on how to improve the operations of the business offices that have a part in the administration of their financial aid to ensure compliance with state and federal statutes and regulations. These include the Financial Aid, Admissions, Registrar, Bursar, and Accounting offices.

HESAA conducts two types of reviews. Limited reviews focus on areas with the greatest potential for error, such as reconciliations, certification of student eligibility, dependency overrides, 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 students selected for verification. Several 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, length of time since the last review, recent news or changes at the institution, unexpected trends observed, and findings from single audit reviews.

The following provides a summary of the 2021-2022 scheduled reviews:

Full-scale reviews: A&QA has been working on eight full-scale reviews in the past year. Three of these reviews have been closed with refunds totaling over $166,000 remitted to the State by the institutions. Procedure updates have been implemented at the schools that were required to refund significant amounts. Three reviews are in the final stages and two are in progress in an earlier stage of the review process.

Limited reviews: Five limited reviews have been underway this past year. One review was closed with a refund amount of almost $160,000 due back to the State. This school has implemented changes to its procedures to prevent similar issues from occurring in the future. Two reviews are in the final stages and are expected to close by the end of this quarter. One review is in the early testing phase.
Special Counsel Reviews

HESAA contracts with special counsel to perform collection activities on defaulted NJCLASS loans. The Audits and Quality Assurance unit conducts reviews of these special counsel firms to verify compliance with regulations for administering defaulted loans.

Special counsel reviews were previously on hold due to the pandemic and the unavailability of a dedicated team resource at the beginning of the 2021-2022 review cycle. The Audits and Quality Assurance team re-started working on two open reviews mid-cycle. One review was closed and one is nearing the final report stage. A new attorney review will commence early in the 2022-2023 review cycle.

Annual Internal Control Evaluation

The State Office of Management & Budget (OMB) requires all executive branch agencies to conduct an annual self-assessment of their internal controls. HESAA participates in this process through a series of evaluations and discussions that are conducted during the first and second quarters of each year by the Audits & Quality Assurance unit and HESAA’s senior staff members. The results of the internal control evaluations are analyzed, summarized, and reported to HESAA’s Executive Staff in a report detailing the review requirements, reviews conducted, and any weaknesses identified, along with recommendations for remediation.

On June 28, 2021, HESAA’s Executive Director and Chief Financial Officer sent a letter to the Director of OMB confirming that HESAA performed the 2021 Internal Control Evaluation as required and that HESAA’s system of internal accounting and administrative controls complies with the standards prescribed by the State of New Jersey. HESAA was pleased to report that no significant weaknesses were identified as a result of the review.

A&QA is currently in the process of completing the 2022 assessment which is due to OMB by July 1, 2022.

New Jersey Institution Single Audit Report Reviews

As of academic year end 2016, HESAA has audit cognizance over New Jersey’s institutions of higher education. In accordance with State policy per OMB Circular Letter 15-08, HESAA must obtain and review the annual single audit reports for institutions identified by New Jersey’s Treasury department and update Treasury’s Grantee Single Audit (GSA) system with the review results on an annual basis.

HESAA completed the review of all required single audit reports and updated the GSA in 2021. We are currently reviewing the higher education institutions’ most recent audit reports to update the GSA system by the 2022 deadline.

Compliance monitoring

When Public Law 2021, chapter 53 was passed in April 2021, HESAA, in coordination with OSHE, took on the responsibility of monitoring New Jersey institutions’ compliance with the new legislation. A joint
A communication was sent in June 2021 requiring schools to certify compliance with the law. HESAA will be requiring this certification annually and A&QA will review and track the certifications.

**Conclusion**

HESAA’s Audits and Quality Assurance team is on target to complete the reviews listed on the 2021-2022 review schedule, and plans to continue with a similar pace as proposed in the 2022-2023 review schedule. The proposed schedule has the flexibility to address additional needs as they arise. The details of the 2022-2023 plan are listed in the attached review schedule.
Higher Education Student Assistance Authority
Compliance and Audits & Quality Assurance Units

Proposed Review Schedule for 2022-2023

<table>
<thead>
<tr>
<th>Type of Review</th>
<th>Auditee</th>
<th>Description</th>
<th>Review Date / Status Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Internal Control Evaluation</td>
<td>HESAA</td>
<td>Assessment of Internal Accounting and Administration Controls</td>
<td>February – June 2022</td>
</tr>
<tr>
<td>Collection Counsel Review</td>
<td>Attorney</td>
<td>Review of compliance with regulations for administering defaulted loans</td>
<td>Ongoing – Final Stages</td>
</tr>
<tr>
<td>Limited Review (21/22 – L3)</td>
<td>2021-2022 Independent Institution Limited Review #3</td>
<td>State Grants and Scholarship Program Review</td>
<td>April – August 2022 Recently announced</td>
</tr>
<tr>
<td>Limited Review (21/22 - L4)</td>
<td>2021-2022 Senior Public Institution Limited Review #4</td>
<td>State Grants and Scholarship Program Review</td>
<td>April – August 2022</td>
</tr>
<tr>
<td>Full Review (21/22 – F3)</td>
<td>2021-2022 Community College Full Review #3</td>
<td>State Grants and Scholarship Program Review</td>
<td>May – September 2022</td>
</tr>
<tr>
<td>Full Review (21/22 – F4)</td>
<td>2021-2022 Senior Public Institution Full Review #4</td>
<td>State Grants and Scholarship Program Review</td>
<td>July – November 2022</td>
</tr>
</tbody>
</table>
# Higher Education Student Assistance Authority
## Compliance and Audits & Quality Assurance Units

### Proposed Review Schedule for 2022-2023

<table>
<thead>
<tr>
<th>Type of Review</th>
<th>Auditee</th>
<th>Description</th>
<th>Review Date / Status Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Audit Reports</td>
<td>All institutions for which HESAA has audit cognizance</td>
<td>Review institutions’ single audit reports and update Treasury’s Grantee Single Audit System</td>
<td>Ongoing through June 2022</td>
</tr>
<tr>
<td>Collection Counsel Review</td>
<td>Attorney</td>
<td>Review of compliance with regulations for administering defaulted loans</td>
<td>June – December 2022</td>
</tr>
<tr>
<td>Compliance</td>
<td>All NJ institutions certifying students for State aid</td>
<td>Annual certifications for compliance with Public Law 2021, chapter 53</td>
<td>June – September 2022</td>
</tr>
<tr>
<td>Full Review (22/23 – F1)</td>
<td>2022-2023 Community College Full Review #1</td>
<td>State Grants and Scholarship Program Review</td>
<td>September 2022 – January 2023</td>
</tr>
<tr>
<td>Limited Review (22/23 – L2)</td>
<td>2022-2023 Senior Public Institution Limited Review #2</td>
<td>State Grants and Scholarship Program Review</td>
<td>October 2022 – February 2023</td>
</tr>
</tbody>
</table>
Higher Education Student Assistance Authority  
Compliance and Audits & Quality Assurance Units  

Proposed Review Schedule for 2022-2023

<table>
<thead>
<tr>
<th>Type of Review</th>
<th>Auditee</th>
<th>Description</th>
<th>Review Date / Status Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Review (22/23 – F2)</td>
<td>2022-2023 Senior Public Institution Full Review #2</td>
<td>State Grants and Scholarship Program Review</td>
<td>November 2022 – March 2023</td>
</tr>
<tr>
<td>Limited Review (22/23 – L3)</td>
<td>2022-2023 Community College Limited Review #3</td>
<td>State Grants and Scholarship Program Review</td>
<td>December 2022 – April 2023</td>
</tr>
<tr>
<td>Full Review (22/23 – F3)</td>
<td>2022-2023 Independent Institution Full Review #3</td>
<td>State Grants and Scholarship Program Review</td>
<td>January – May 2023</td>
</tr>
<tr>
<td>Full Review (22/23 – F4)</td>
<td>2022-2023 Community College Full Review #4</td>
<td>State Grants and Scholarship Program Review</td>
<td>March – July 2023</td>
</tr>
<tr>
<td>Limited Review (22/23 – L5)</td>
<td>2022-2023 Independent Institution Limited Review #5</td>
<td>State Grants and Scholarship Program Review</td>
<td>April – August 2023</td>
</tr>
<tr>
<td>Collection Counsel Review</td>
<td>Attorney</td>
<td>Review of compliance with regulations for administering defaulted loans</td>
<td>May – November 2023</td>
</tr>
</tbody>
</table>