

MINUTES

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

April 24, 2024

The Higher Education Student Assistance Authority (HESAA) Board held a remote teleconference meeting on April 24, 2024 at 10:00 am via Zoom. Forty people logged into the meeting.

PRESENT: HESAA Board Members: Dr. Brian Bridges, Secretary of Higher Education; Ms. Margo Chaly; Ms. Beatrice Daggett; Ms. Jean McDonald Rash; Ms. Shernelle Pringle; Mr. Scott Salmon; Ms. Ivona Szaro; Mr. Robert Tighue, Treasurer's Designee; Ms. Christy Van Horn, Chair; and Mr. Byron Ward.

ABSENT: Ms. Alya Nassrallah and Dr. Nelson Turcios.

CALL TO ORDER

Christy Van Horn called the meeting to order at 10:01 am. Margo Chaly 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 Michael Lombardi, Deputy Attorney General from the New Jersey Division of Law and Alexis Franklin, Associate Counsel from the Governor's Authorities Unit.

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

CONSIDERATION OF THE MINUTES OF THE JANUARY 17, 2024 MEETING

A motion to approve the minutes of the January 17, 2024 meeting was made by Brian Bridges and seconded by Byron Ward. The minutes were approved unanimously with one abstention Ivona Szaro who was not present at this meeting.

CONSIDERATION OF THE MINUTES OF THE MARCH 27, 2024 MEETING

A motion to approve the minutes of the March 27, 2024 meeting was made by Jean McDonald Rash and seconded by Brian Bridges. The minutes were approved unanimously.

Scott Salmon joined the meeting at this time.

CHAIR TO ANNOUNCE NOMINATING COMMITTEE APPOINTMENTS

Christy Van Horn announced that Jean McDonald Rash has agreed to chair, and Alya Nassrallah and Nelson Turcios 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 1st. She thanked the members for agreeing to be on the Committee.

RESOLUTION 05:24 ADOPTING A SCHEDULE OF MEETINGS FOR FISCAL YEAR 2025

Marnie Grodman presented Resolution 05:24 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 2025 the Board meetings be scheduled on Wednesday, July 24, 2024; Wednesday, October 23, 2024; Wednesday, January 22, 2025; and Wednesday, April 16, 2025. All of these meetings will take place at 10:00 am.

In addition, HESAA may call additional meetings, including telephone conference meetings and online Zoom 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 05:24 was made by Robert Tighue and seconded by Byron Ward.

The motion passed unanimously.

RESOLUTION 06:24 APPROVING THE FIRST EXTENSION OF THE CONTRACT WITH DILWORTH PAXSON LLP, SPECIAL COUNSEL NJBEST 529 PLANS

Marnie Grodman presented Resolution 06:24 to the Board.

HESAA engages Special Counsel to assist in the review of materials related to the 529 Plans as well as to provide general tax advice as questions arise. As a result of the RFQ issued on December 9, 2021, HESAA engaged Dilworth Paxson LLP as Special Counsel NJBEST 529 Plans to serve for a term of two years with three optional one-year extensions. During the initial term of engagement, Dilworth responded to HESAA's requests for legal advice promptly, providing well researched opinions. Additionally, Dilworth is currently assisting HESAA in negotiating a contract with Franklin Templeton as the NJBEST Investment Manager.

Based on Dilworth's successful performance during the initial term of its agreement with HESAA, staff recommends exercising the first option to extend Dilworth's contract for one year.

A motion to approve Resolution 06:24 was made by Jean McDonald Rash and seconded by Brian Bridges.

The motion passed unanimously.

RESOLUTION 07:24 APPROVING A CONTRACTOR TO PROVIDE MANAGED SECURITY SERVICES

Khary Nickson presented Resolution 07:24 to the Board.

Good Morning, members of the Board. I appreciate the opportunity to discuss Resolution 07:24. With your approval, 07:24 will authorize the appointment of Aspire Technology Partners, LLC as the Authority's managed security services provider and partner. The contract with Aspire will have a term of two years plus two optional one-year extensions at the Authority's discretion.

As noted in the memo to the Board, this past March, HESAA issued an RFP seeking proposals from companies interested in serving as the Authority's computer and network security partner. In response, HESAA received four proposals from interested companies.

A selection committee, including HESAA's Deputy Chief Information Officer, Assistant Manager to the Deputy Chief Information Officer, Information Technology Security Specialist, Network Administrator, and Server Administrator, convened to review and rate the four proposals based on the quality of each response, each company's relevant experience, the ability to meet the Authority's needs, and the proposed fee. The committee's evaluation scores ranked Aspire Technology Partners' proposal considerably higher than the other three companies that submitted bids.

All four companies, and their respective staff, maintain relevant experience in network, computer and internet security. However, Aspire stands out due to its unique ability to secure HESAA's on-premise and cloud-based infrastructure from day one, offering a range of CISCO-based products at no additional cost. This includes CISCO Umbrella, a cloud-based internet and network security solution that HESAA currently utilizes. Carahsoft does not provide firewall management, and ePlus does not specifically work with the CISCO Umbrella product. VTech has the capability to work with CISCO Umbrella, but HESAA would have to pay additional costs to continue using the CISCO Umbrella solution through VTech.

Additionally, HESAA requires its managed security services partner to maintain its logs for over twelve months, which Aspire will do without additional fees. Carahsoft only provides twelve months of data retention, after which HESAA would have to pay extra. ePlus and VTech did not note their data retention policies during bidding.

Aspire is headquartered in New Jersey and has satellite offices throughout the state, which allows it to provide on-site services if needed. The other three companies are based in different states and have no offices in New Jersey.

Aspire's proposal not only offers superior services but also proves to be the most cost-effective, providing all services that HESAA requires for a proposed \$220,560.00 per year.

Given these compelling reasons, it is recommended that the Board approve Resolution 07:24, which appoints Aspire Technology Partners, LLC, as the Authority's managed security services provider and partner.

Thank you.

A motion to approve Resolution 07:24 was made by Robert Tighue seconded by Byron Ward.

The motion passed unanimously.

RESOLUTION 08:24 APPROVING PROPOSED NEW RULES GOVERNING SUMMER TAG

Jennifer Martin presented Resolution 08:24 to the Board.

Good morning. Thank you for the opportunity to present Resolution 08:24 approving the Proposed New Rules Governing the Summer Tuition Aid Grant, otherwise known as Summer TAG.

On April 5, 2023, Governor Murphy signed P.L. 2023, c. 34 into law authorizing the Higher Education Student Assistance Authority (“HESAA” or the “Authority”) to award summer tuition aid grants (“Summer TAG”) in the summer of 2023, and on January 16, 2024 Governor Murphy signed P.L. 2023, c. 283 (together the “Acts”) into law authorizing HESAA to award Summer TAG awards every year going forward, subject to available funding. The Acts provide eligible students with tuition aid grants that are applied toward students’ tuition costs for summer terms. Students who enroll part-time in the summer are eligible for Summer TAG awards pro-rated to the value of their full-time TAG awards.

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 17, 2024 New Jersey Register for public comment and once the comment period expires the rules will be brought back to the Board for adoption.

With that, it is recommended that the Board approve Resolution 08:24 approving the Proposed New Rules Governing Summer TAG.

A motion to approve Resolution 08:24 was made by Brian Bridges and seconded by Jean McDonald Rash.

Chairwoman Van Horn asked when the adoption of these rules will be presented to the Board. Marnie Grodman advised based on the public comment period end date, the adoption will be presented at either the October 2024 or January 2025 Board meeting.

The motion passed unanimously.

RESOLUTION 09:24 APPROVING PROPOSED AMENDMENTS TO THE REGULATIONS GOVERNING THE NURSING FACULTY LOAN REDEMPTION PROGRAM

Marnie Grodman presented Resolution 09:24 to the Board.

On January 8, 2024, Governor Murphy signed P.L. 2023, c. 244 (the “Act”), which both amends and supplements the Nursing Faculty Loan Redemption Program in order to address New Jersey’s critical nursing shortage and improve the program’s effectiveness as a tool to recruit nursing faculty.

The amendments extend the program to part-time faculty and to nurses who earned their degree more than a year prior to becoming nursing faculty. These changes are intended to provide qualified nurses an incentive to incorporate teaching into their other nursing duties.

The proposed regulatory amendments implement the statutory amendments and are included in the materials. Upon the Board's approval today, the proposed amendments will be published in the June 17, 2024 New Jersey Register for public comment and once the comment period expires the rules will be brought back to the Board for adoption.

Thank you.

A motion to approve Resolution 09:24 was made by Brian Bridges and seconded by Ivona Szaro.

The motion passed unanimously.

RESOLUTION 10:24 APPROVING THE HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY 2023 ANNUAL REPORT PURSUANT TO EXECUTIVE ORDER 37 (2006)

Jennifer Azzarano presented Resolution 10:24 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 2023 Annual Report, which is a comprehensive resource describing all of the funding, support, and guidance that HESAA provides while advancing Governor Murphy's vision of making a postsecondary education more affordable in the Garden State.

With the full support of this Board, HESAA staff worked to introduce new initiatives and expanded several existing programs to support New Jersey students – from grades K-12 all the way through their undergraduate studies and then beyond, once they enter the workforce. This collective effort to champion students is reflected in this 2023 Annual Report, entitled "Promoting Student Success at Every Level."

Through NJBEST 529 savings accounts, HESAA enables families to begin saving for their child's higher education from the moment they are born. These tax-advantaged savings accounts help loved ones save and accrue money for a student's qualified education expenses – such as tuition, housing, and fees to attend college. In 2023, there were 627 new NJBEST accounts that qualified for matching grants from the State – grants that help families jump start their college savings plans by matching their initial contribution dollar-for-dollar up to \$750.

HESAA also supported the Murphy Administration's comprehensive efforts to address the ongoing K-12 teacher workforce and recruitment efforts 2023 by working to bolster the educator workforce on two fronts. To help financially support *aspiring* teachers during their unpaid student-teaching experience, HESAA introduced a one-time Student-Teacher Scholarship of \$3,000 for

each college student completing their full-time clinical practice semester in the Fall. To help recruit and retain *current* teachers in high-need areas, HESAA also expanded student loan redemption to eligible teachers working in select schools and preparing our State's primary and secondary students in the areas of science, math, Career and Technical Education, ESL, world languages and special education.

HESAA's efforts to improve affordability and increase access to higher education is a hallmark of our work every year. In 2023, however, we excelled at supporting more students than ever before by expanding the New Jersey College Promise Programs with a third tier of eligibility to families with annual household adjusted gross incomes of up to \$100,000. Students and families who were once outside the realm of financial aid eligibility are now in a position to receive tuition assistance from the State.

We didn't just expand support for students benefitting from the College Promise, but also expanded our support for recipients of our State's premier financial aid program, the Tuition Aid Grant. The award amounts for Tuition Aid Grant recipients with the greatest need were also increased last year.

While HESAA's support for workforce development did not begin in 2023, we both introduced and expanded several career-based loan redemption programs last year to benefit professionals and employers, which helped strengthen our State's innovative economy. These programs provide student loan debt-relief to eligible professionals in exchange for their service in specific, high-demand sectors here in New Jersey. Experts in fields such as behavioral health, STEM, and education all benefited from our loan redemption programs last year.

These are only a few highlights of HESAA's accomplishments last year, but I want to emphasize that none of them would have been possible without the leadership of David Socolow. His expertise in putting policy into action for the benefit of New Jersey students and families will have a long-lasting impact on access and affordability of postsecondary education here in our state. We thank David for his hard work and tireless commitment to leading the Authority in 2023 and over the past six years.

With your approval today of Resolution 10:24, 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 10:24 was made by Brian Bridges and seconded by Jean McDonald Rash.

Chairwoman Van Horn thanked David for his work and stated her hope that he will be able to attend a future meeting to thank him in person. Chairwoman Van Horn commended the staff for all of their hard work in implementing the many programs HESAA offered for New Jersey's students.

The motion passed unanimously.

RESOLUTION 11:24 APPROVING THE TRANSFER OF FISCAL YEAR 2024 CAPITAL FUNDS FOR GRANT SYSTEM MODIFICATIONS

Heidi Hunt presented Resolution 11:24 to the Board.

Thank you Chairwoman Van Horn and members of the Board for your attention to Resolution 11:24, addressing re-purposing capital funds.

The Higher Education Student Assistance Authority allocated \$80,000 in the Fiscal Year 2024 (FY24) Capital Budget to “Grant System Development”, specifically for modifications related to the New Jersey Financial Aid Management System, or NJFAMS. NJFAMS is the system HESAA uses for its Grants and Scholarships programs. This system is maintained by Gold Bridge Partners Inc., a third-party vendor.

The ongoing federal changes to the Free Application for Federal Student Aid, or FAFSA, for Academic Year 2024-2025 require extensive modifications to NJFAMS. Specifically, updates to all current fields and functions need to be made in order to be compatible with the new federal Institutional Student Information Report or ISIR templates. This includes how the ISIRs migrate into, and calculate individual student financial information within NJFAMS. These modifications impact forward-facing displays, back-end processing and data submissions from financial aid administrators as well as students.

In order to implement all of the required modifications to NJFAMS, a transfer of funds, not to exceed \$220,000, is required. Unexpended balances from the FY24 Technology Equipment Replacement capital budget line can be re-purposed to cover this additional amount needed. This funding is currently available as the originally budgeted replacement of a computer room air conditioner is not needed at this time.

It is recommended that the Board approve Resolution 11:24, approving the transfer of up to \$220,000 within the Authority’s FY24 capital budget, reallocating funds originally designated to replace a computer room air conditioner to be used for Grant System Development. Thank you.

A motion to approve Resolution 11:24 was made by Robert Tighue and seconded by Brian Bridges.

The motion passed unanimously.

REPORT OF THE PROGRAM REVIEW AND QUALITY CONTROL COMMITTEE

Jill Schmid, Director of Audits and Quality Assurance, provided the following report:

Good morning Chairwoman Van Horn and members of the board– as Director of HESAA’s Audits and Quality Assurance unit I am pleased to report on my unit’s progress and plans for the upcoming year.

New Jersey Statute defines HESAA’s power to perform audit and review functions, including campus level State student financial aid program reviews and State-mandated annual internal control reviews. To ensure HESAA’s programs are in compliance with federal and State statutes, regulations, policies, and procedures, the Audits & Quality Assurance unit conducts 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.

On April 18th, HESAA's Audits and Quality Assurance unit met with the Program Review and Quality Control Committee to discuss its accomplishments and progress during the 2023-2024 review cycle, as well as the proposed review schedule for the 2024-2025 cycles. The Audits and Quality Assurance unit has had a successful year and I would like to share some highlights from our meeting:

- The Audits and Quality Assurance unit 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 identified six full-scale reviews and five limited reviews. Three of those reviews were closed with refunds totaling \$119,000. Issues identified during the reviews have been corrected as a result of the reviews to prevent recurrences in future years. Six more reviews are in progress, with four in the report stage and two in the final stage of analysis. Three reviews are in the document gathering stage and one more review will be announced by the end of the quarter. The 2024-2025 review schedule includes 5 full and 4 limited management reviews. New components have been and will continue to be added to the review process as programs, statutes, and regulations go into effect. Examples of these additions are 3+1 programs checks and review and the addition of the Garden State Guarantee program.
- Speaking of the Garden State Guarantee program, also referred to as GSG, in addition to adding a review component for GSG, the Audits and Quality Assurance unit performs analysis on data provided by participating institutions of higher education that offer GSG awards. This analysis helps ensure that the institutions comply with the GSG Maintenance of Effort policy, or MOE. The GSG program guarantees students a specified net price of tuition and fees, with the amount of each individual student's GSG awards determined through a "last-dollar" calculation. GSG awards are only applied toward the amounts of students' costs of tuition and mandatory fees that are not already covered by federal, State, institutional, or outside grants or scholarships. Participating institutions are required to maintain levels of institutional aid at a minimum per-student average amount that they had been offering before the implementation of GSG. The target aid amounts for each year are compared to the academic year 2020-2021 baseline calculations, within a 5% allowable variance. The Audits and Quality Assurance team performs multiple analyses, with the first being at the end of the fall semester. This first semester analysis is intended to give a preliminary review of the institution's compliance to date, as well as an estimate for the penalty if they do not come into compliance by the end of the academic year. All penalties are detailed in the MOE policy. We perform a second analysis in the spring, the due date for data submission is in a few weeks, with the same intent to give the institutions an awareness of where they fall in regard to compliance. At this point, there still have not been any penalties. The intent of the analyses during the semesters is to have the institutions make adjustments so the final academic year analysis shows compliance in all categories. We continue to work with the schools to improve this analysis process, as well as guarantee proper and maximized distribution of GSG funds and full compliance with the rules of the program.

- Moving on to attorney reviews, 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. One attorney review closed at the end of 2023, one review is in the final stage of the review, and one review is in the analysis stage. An additional attorney review is planned to be announced before the end of the year.
- HESAA completed the 2023 annual internal control self-assessment as required by OMB and submitted its certified internal control assessment report in June 2023. No significant weaknesses were identified during this process. The 2024 internal control assessment is currently underway with the certified report being due by June 30th.
- HESAA continues to review New Jersey institutions' Single Audit Reports annually. This process helps identify potential issues that may impact State programs. In addition to reviewing the reports, we are responsible for updating Treasury's Grantee Single Audit System with our review results. No special audits were required as a result of this past year's single audit report review process.
- The Audits and Quality Assurance unit is involved with monitoring compliance with various laws. This includes reviewing and tracking school certifications of compliance as well as financial aid award letters and shopping sheets. As new laws are passed, the Audits & Quality Assurance unit will continue to monitor institutions' compliance with all applicable laws.
- Additionally, as new programs are introduced or modified, we will adapt the review testing to include any additions and changes to ensure the schools are administering all grants and scholarship programs correctly.
- I am pleased to report this last update that we recently hired a new employee to join the Audits and Quality Assurance unit. Dominique Kenley comes to HESAA with audit experience and has already proven to be a valuable member of the unit. She is quickly learning the details of HESAA's management review processes and procedures and we are thrilled to welcome her to the team.

This past year was very productive for the Audits and Quality Assurance unit. We continued to perform management reviews, attorney counsel reviews, single audit report reviews, and assisted various HESAA units with a number of internal projects in our effort to ensure compliance across multiple programs and projects. The proposed 2023-2024 review schedule, which has been provided in your board materials, adds nine new management reviews, while still allowing flexibility for ad-hoc reviews, new programs, adjustments, and special projects as needed.

The proposed review schedule was approved by the Program Review and Quality Control committee on April 18th and it is requested that the board approves the schedule today. Please let me know if you have any questions. Thank you.

A motion to accept the Program Review and Quality Control Report and the review schedule for FY 2025 was made by Robert Tighue and seconded by Brian Bridges.

Chairwoman Van Horn commented on the amount of work the team puts into this essential function at HESAA which strengthens all of financial aid in the State.

The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Margo Chaly gave the following report:

Thank you Chairwoman Van Horn and members of the Board, for your engagement and actions today. It is now my pleasure to review the plans for HESAA programming as recommended in Governor Murphy's Fiscal Year 2025 budget, as well as share several important updates on our work here at the Authority since we last met.

Fiscal Year 2025 Budget Proposal

In Fiscal Year 2025, Governor Murphy's proposed budget will uphold the State's unparalleled record of reducing the financial burdens of New Jersey students through continued investment in the New Jersey *College Promise*, which is comprised of the Community College Opportunity Grant (CCOG) and the Garden State Guarantee (GSG). These two programs work in tandem to reassure families with incomes up to \$100,000 that they will pay a net price that is lower than the official tuition sticker price at public colleges and universities in the Garden State. With the proposed \$134 million in funding for Fiscal Year 2025, we estimate that New Jersey College Promise will continue supporting approximately 34,000 students in the upcoming academic year.

The Governor's Fiscal Year 2025 budget proposal includes \$455 million in *Tuition Aid Grant (TAG)* funding to provide grant awards during the 2024-2025 academic year to nearly 66,000 students from families with low incomes, as well as \$13.5 million in funding through a new line-item for *Summer TAG* during the summer term of 2025. Summer TAG launched in 2023 with awards issued to more than 11,000 students during that pilot summer term. Summer TAG awards for this upcoming summer term, which will begin in the next few weeks, will be funded from the Fiscal Year 2024 TAG appropriation and we anticipate 2024 Summer TAG will support the same level of enrollment as last summer. I thank this Board for your action today to approve the proposed new rules governing Summer TAG.

The Fiscal Year 2025 budget proposal maintains \$10 million in funding for the *Student-Teacher Scholarship*, which supports future educators during their semester of full-time clinical practice, commonly known as student-teaching, while in an approved Educator Preparation Program (EPP) at one of New Jersey's colleges and universities. The Fiscal Year 2025 budget also recommends an increase of \$4 million in funding for the *New Jersey Teacher Loan Redemption Program* to support the retention of teachers hired between 2009 and 2023 in addition to maintaining the \$1 million in funding for newly-hired teachers by paying down their student loan balance in exchange

for service in high-need fields at designated schools. With a total of \$15 million dollars proposed by Governor Murphy, HESAA will continue to implement these key initiatives to help grow New Jersey's pre-K through 12th grade educator workforce.

The Governor's Fiscal Year 2025 budget proposal further invests in existing HESAA initiatives to attract and retain health care professionals in high-need fields by supporting them in paying down the student loan debt they incurred on their academic journey to accreditation. This includes an additional \$2 million, for a total of \$7 million, in funding for the ***Behavioral Healthcare Provider Loan Redemption Program***, which supports Governor Murphy's broader efforts to increase mental health care supports for New Jersey residents, especially our youth. The program offers eligible participants up to \$150,000 in loan redemption for up to six years of service as a community-based behavioral healthcare provider. Providers who work primarily with children and adolescents are eligible for an additional \$5,000 stipend per year.

The proposed Fiscal Year 2025 budget includes an additional \$5 million in funding to address the nursing shortage through various programs administered by HESAA. This includes an additional \$2 million, for a total of \$3.875 million, in funding for the ***Primary Care Practitioner Loan Redemption Program***, which offers up to \$200,000 in loan redemption to eligible participants, including nurse practitioners and nurse midwives, who agree to serve low-income patients in medically underserved primary care settings for up to four years. The budget recommends an additional \$1 million, for a total of \$1.625 million, in funding for the ***Nursing Faculty Loan Redemption Program***, which offers up to \$50,000 in student loan redemption to faculty with qualifying degrees who serve up to five years as a professor of nursing. Earlier in today's meeting this Board approved the proposed amendments to regulations governing this program, specifically expanding eligibility requirements, which we anticipate will increase participation in this program, expanding capacity for instruction, and therefore growing the nurse pipeline into the workforce. The Fiscal Year 2025 budget proposes an additional \$1.787 million, for a total of \$4.287 million, in funding for the first-in-the-nation ***Pay It Forward Program*** to expand beyond its current single nursing program to support aspiring nurses in other regions of the State with zero-interest, zero-fee, forgivable loans and wraparound supports.

The Governor's Fiscal Year 2025 proposed budget ***maintains level funding*** for NJSTARS, NJSTARS II, part-time TAG, the World Trade Center Scholarship, and the STEM Loan Redemption Program. While the budget reduces funding for the Governor's Urban Scholarship, the CCOG for County Vo-Tech students, and the Tuition Assistance for Thomas Edison State University students, unexpended balances from the current Fiscal Year 2024 will keep expenditures for these programs level for the upcoming Academic Year 2024-2025.

Academic Year 2024-2025 FAFSA Processing

That brings me to the much-discussed processing delays by the U.S. Department of Education of the Free Application for Federal Student Aid, which we know as the FAFSA. The FAFSA for award year 2024-2025 was completely overhauled to provide a streamlined application process and reformed federal needs analysis that is expected to provide additional federal aid dollars to

thousands of New Jersey students. Unfortunately, after a three-month delay in making the new “simpler” FAFSA available to students who will begin or continue their college journey next Fall, the federal Department of Education did not begin sending completed FAFSA files to HESAA and New Jersey institutions of higher education until late last month. This delay was further complicated when the federal Department of Education identified and announced, almost daily, errors and inconsistencies with the FAFSA files they sent (such as inaccurate calculation of the Student Aid Index or incorrect merging of data from the IRS), which required reprocessing of all files and, disturbingly, additional delay in transmittal of accurate Institutional Student Information Records (ISIR) to HESAA.

The HESAA team spent months analyzing, modifying and testing the New Jersey Financial Aid Management System (NJFAMS) specifications to be compatible with the new FAFSA so that data would properly populate into the correct fields within NJFAMS and then accurately calculate the New Jersey Eligibility Index (NJEI) formula to determine estimated student award amounts. In fact, earlier this morning you all approved a transfer of funds within our Capital Budget to support these modifications to NJFAMS. It was a monumental undertaking and I applaud Jean Hathaway and her team for their focus and attention to detail in this effort. Throughout their initial testing phases our Grants team used sample ISIRs provided by the federal government with the expectation to complete final testing and sign-off to our vendor, Gold Bridge, upon receipt of real data from completed FAFSAs. As I already said, real data arrived, corrupted, in fits and starts, frustrating the timeline of HESAA staff to test the new functionality and back-end processing. At this time, barring any additional federal modifications, we expect NJFAMS to be available to financial aid personnel at institutions and to students by April 30, 2024.

Given the technical issues in the transmittal of ISIRs from the U.S. Department of Education, as well as the advisory they issued last week indicating that many students are unable to submit corrections to their FAFSA and the lower FAFSA completion numbers compared to this time last year, on Monday of this week we announced the renewal deadline for New Jersey student aid is extended to June 1, 2024. It is critical to remember that students are urged to begin, and complete, the FAFSA as soon as possible given the ongoing glitches that applicants are experiencing. While the extension of renewal deadline is equitably applicable to the Alternative Application for Financial Aid for New Jersey Dreamers, the Alt App is available 24/7 without issue in NJFAMS and students are advised not to delay submission of the application.

Despite the delays and persistent problems with the FAFSA platform, our focus on students never wavered. I commend Jen Azzarano, André Maglione and their entire Outreach team for the incredible schedule of events they maintained throughout the fall semester and continuing beyond today to ensure students and families have the tools they need to navigate the 2024-2025 FAFSA. April is Financial Literacy Awareness Month, so this is a perfect opportunity to spotlight the efforts of this team: they conduct at least 25 FAFSA completion outreach events per week; partner with congressional representatives and state legislators to host FAFSA Workshops in their constituent districts; our teams receive up-to-date alerts, advisories and workarounds from the federal Department of Education and share this information out through trainings to high school counselors and financial aid officers at institutions of higher education; we are partnering with

New Jersey Treasury to amplify Financial Literacy Month; and we maintain the existing schedule of hosting free webinars (no registration required) in English and Spanish for the public. The HESAA Outreach team was and is prepared to support the 2024-2025 FAFSA cycle with no less enthusiasm or expertise than in prior years. Well done!

Fiscal Year 2024 Programing Update

While much attention is on the upcoming academic year, I must highlight a successful program currently underway. The Fiscal Year 2024 Appropriations Act allocated \$5 million to fund a second cycle of the Behavioral Healthcare Provider Loan Redemption Program, for which the application period was open from October 1 to October 31, 2023. When this Board met in January we were still reviewing more than 1,300 completed applications that reflected more than \$108 million in outstanding student loan balances, which far exceeded the available funding. I want to thank Karen Parker and her exceptional team for their diligent review of applications and supporting documentation, which ultimately identified 43 eligible providers for participation in the Program. All participants are also eligible for the additional \$5,000 annual stipend because they work primarily with youth and adolescents.

Statewide awareness campaign: A College Degree is Affordable in the Garden State

At our January meeting, this Board unanimously approved the transfer of funds to support a statewide awareness campaign to amplify a clear message that a postsecondary degree is valuable and to highlight the benefits of enrolling at a New Jersey college with a net price that is manageable due to State assistance in paying for tuition and fees. I'm pleased to share that in direct partnership with the Office of the Secretary of Higher Education (OSHE) and the Office of Innovation, we jointly retained MarketSmith as the media and marketing agency to support the development of creative and execution of the campaign. This week we launched the first prong of the outreach campaign: a paid search based on entering key terms and phrases into Google so that the public is seamlessly directed to New Jersey financial aid resources catalogued and maintained online by HESAA. Furthermore, before we blanket the State with communications about an affordable degree in New Jersey, MarketSmith is now testing four creative concepts to determine which language generates the most relatable and impactful response among student financial aid-eligible high school seniors and adult learners, those who previously started working toward a degree but stopped prior to graduating. We will keep the Board updated as we advance these efforts.

HESAA Staff Updates

Since we provided a staffing update in January, HESAA welcomed seven employees to six different units, enhancing our capacity to efficiently administer and audit our Grant, Scholarship, and Loan Redemption Programs as well as build and maintain the technical infrastructure that supports our programming.

Also in January, HESAA formed its inaugural Diversity, Equity & Inclusion Committee. The DEI committee, which is comprised of one employee from each HESAA unit, helped organize HESAA's Sixth Annual Black History Month Speaker Series event featuring keynote speaker, Lt. Governor Tahesha Way and moderated by HESAA's Amaris Horton. To commemorate Women's History Month, the DEI committee hosted a Women in Higher Education Panel and HESAA's

Taira Holley-Mayfield moderated an empowering conversation with panelists Dr. Deborah Preston, President of Mercer County Community College, Dr. Lovell Pugh-Bassett, President of Camden County Community College, and the HESAA Board's own Jean McDonald-Rash, Associate Vice President of Enrollment Services at Rutgers University. Both events were well attended by an engaged HESAA staff. The DEI committee also distributes a monthly newsletter and is planning additional events for the future. I want to recognize Marnie Grodman, HESAA's Chief Diversity Officer, for her leadership and counsel with the DEI Committee.

In February, Ronald Leven retired after 11 years of service to the State of New Jersey, seven of which were with HESAA as Deputy Chief Information Officer of Technical Services. His responsibilities included the communications network, mainframe and servers, all desktop equipment, telephones, and mail services. At the start of the pandemic, Ron worked diligently to procure equipment, sourcing many vendors, to ensure HESAA employees were able to work from home, stay safe, and flatten the curve. Ron is a devoted family man and will be spending more time with his wife, daughters, and grandchildren. Also, he and his wife are looking forward to cruising and vacations in Florida.

And of course, in March, after six years of leadership, sharing infinite wisdom, and unwavering support for college students in New Jersey we wished a fond farewell to former Executive Director David Socolow as he embarked on his next professional adventure, which will be equally rewarding and successful as his tenure at HESAA. As Jen Azzarano mentioned earlier during her presentation: the 2023 Annual Report serves as a recent – but not comprehensive – highlight reel of the policy and program enhancements HESAA advanced or launched under David's direction to implement the higher education priorities of the Murphy Administration. Not once did David ever hesitate or say “we can't do that” when HESAA was tasked with a new initiative from the Governor or Legislature. Now I am honored to take the baton and lead the HESAA team as we make a post-secondary degree in the Garden State affordable and accessible to all New Jerseyans. We will continue, as David always said, to prioritize students as the center of all we do.

As I step into this new role I can assure you this is a busy time for the Authority: budget hearings next week; ongoing enhanced support and outreach to students and financial aid officers for the 2024-2025 FAFSA cycle; announcing new rates for the NJCLASS student loan program next month; and working to launch a statewide awareness campaign reaching student aid-eligible residents to assure them that we are here with the financial aid resources to support them in their pursuit of a degree beyond high school. All of this while HESAA units continue the daily operations of administering half a billion-dollars in student financial aid programs in the current academic year, servicing our supplemental loan portfolio, and overseeing the NJBEST 529 college savings program. I am so proud of this entire team. Each and every person working at this Authority contributes to our mission and profoundly changes the lives of the beneficiaries of HESAA programming. Thank you, HESAA colleagues, for your tremendous efforts every day, and thank you to the Board for your attention this morning.

NEW BUSINESS

Financial Disclosure Statements

Chairwoman Van Horn reminded the Board members that the Financial Disclosure Statements and Conflict of Interest Forms filing deadline is May 15, 2024.

ADJOURNMENT

Ms. Van Horn advised that the next regularly scheduled Board meeting is Wednesday, July 24, 2024 at 10:00 am.

A motion to adjourn was made by Brian Bridges and seconded by Robert Tighue. The motion passed unanimously.

The meeting adjourned at 11:08 am.



PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

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www.hesaa.org

MARGO CHALY, ESQ.
Executive Director

MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

THROUGH: Margo Chaly, Esq. ^{MC}
Executive Director

FROM: Marnie B. Grodman, Esq. ^{MBG}
Director, Legal and Governmental Affairs

SUBJECT: Resolution 05:24 - Adopting a Schedule of Meetings for Fiscal Year 2025

DATE: April 24, 2024

Attached for your review is Resolution 05:24 recommending dates for the Fiscal Year (“FY”) 2025 HESAA Board meetings. The following dates were chosen after polling the Board members regarding their availability.

Wednesday, July 24, 2024
Wednesday, October 23, 2024
Wednesday, January 22, 2025
Wednesday, April 16, 2025

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 online or 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 05:24 – Adopting a Schedule of Meetings for Fiscal Year 2025.

Attachment

RESOLUTION 05:24

**ADOPTING A SCHEDULE OF MEETINGS
FOR FISCAL YEAR 2025**

Moved By: Mr. Robert Tighue
Seconded By: Mr. Byron Ward

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 2025 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 2025:

Wednesday July 24, 2024
Wednesday October 23, 2024
Wednesday January 22, 2025
Wednesday April 16, 2025

April 24, 2024



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MARGO CHALY, ESQ.
Executive Director

MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

THROUGH: Margo Chaly, Esq. 
Executive Director

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

SUBJECT: Resolution 06:24 Approving the First Extension of the Contract with Dilworth Paxson LLP, Special Counsel NJBEST 529 Plans

DATE: April 24, 2024

Background

The Higher Education Student Assistance Authority (HESAA) administers the New Jersey Better Educational Savings Trust (NJBEST) program, New Jersey's State qualified tuition program under Section 529 of the Federal Internal Revenue Code of 1986, as well as the Franklin Templeton 529 College Savings Plan ("529 Plans"). On December 9, 2021, HESAA issued a Request for Qualifications (RFQ) seeking proposals from qualified law firms for the appointment of Special Counsel to assist in the review of materials related to the 529 Plans as well as to provide general tax advice as questions arise.

As a result of the RFQ issued on December 9, 2021, HESAA engaged Dilworth Paxson LLP as Special Counsel NJBEST 529 Plans to serve for a term of two years with three optional one-year extensions. During the initial term of engagement, Dilworth responded to HESAA's requests for legal advice promptly, providing well researched opinions. Therefore, staff recommends exercising the first option to extend Dilworth's contract for one year.

Recommendation

It is recommended that the Board approve Resolution 06:24 Approving the First Extension of the Agreement with Dilworth Paxson LLP as Special Counsel to assist in the review of materials related to 529 Plans and to provide general tax advice.

Attachments

RESOLUTION 06:24

**APPROVING THE FIRST EXTENSION OF THE CONTRACT WITH DILWORTH
PAXSON LLP, SPECIAL COUNSEL NJBEST 529 PLANS**

Moved by: Ms. Jean McDonald Rash

Seconded by: Dr. Brian Bridges

WHEREAS: The Higher Education Student Assistance Authority (HESAA) administers the New Jersey Better Educational Savings Trust (NJBEST) program, New Jersey's State qualified tuition program under Section 529 of the Federal Internal Revenue Code of 1986, as well as the Franklin Templeton 529 College Savings Plan ("529 Plans"); and

WHEREAS: On December 9, 2021, HESAA issued a Request for Qualifications (RFQ) seeking proposals from qualified law firms for the appointment of Special Counsel to assist in the review of materials related to the 529 Plans as well as to provide general tax advice as questions arise; and

WHEREAS: As a result of the RFQ issued on December 9, 2021, HESAA engaged Dilworth Paxson LLP as Special Counsel NJBEST 529 Plans to serve for a term of two years with three optional one-year extensions; and

WHEREAS: During the initial term of engagement, Dilworth responded to HESAA's requests for legal advice promptly, providing well researched opinions.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves the first one-year extension of the contract with Dilworth Paxson LLP as Special Counsel to advise on 529 Plans as well as to provide general tax advice as questions arise.

April 24, 2024



PHILIP D. MURPHY
Governor

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MARGO CHALY, ESQ.
Executive Director

MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

THROUGH: Margo Chaly, Esq. ^{MC}
Executive Director

FROM: Dr. Khary J. Nickson ^{KJN}
Deputy Chief Information Officer

SUBJECT: Resolution 07:24 Approving a Contractor to Provide Managed Security Services

DATE: April 24, 2024

Background

On March 13, 2024 the Higher Education Student Assistance Authority (HESAA) issued a Request for Proposals (RFP) for a contractor to provide managed security services. Through the RFP, HESAA solicited proposals from qualified bidders to provide comprehensive managed cybersecurity services to protect HESAA's digital environment and ensure the confidentiality, integrity and availability of its data. The selected vendor must provide cyber protection via digital threat monitoring and neutralization 24 hours per day, seven days per week for HESAA and its stakeholders.

HESAA issued the RFP by sending it to four vendors known to provide these services, posting it on HESAA's website, and advertising it in the State's NJ Advance Media and Gannett newspapers.

HESAA received a total of four proposals from: Aspire Technology Partners, LLC (Aspire); Carahsoft Technology Corporation (Carahsoft); ePlus Technology Services, Inc. (ePlus); and VTech Solution, Inc. (vTech).

Selection Process

An evaluation committee made up of HESAA's Deputy Chief Information Officer, Assistant Manager to Deputy Chief Information Officer, Information Technology Security Specialist, Information Technology Specialist, and Program Specialist reviewed and scored the proposals based on the following selection criteria:

- (a) The relevant experience of the Contractor and staff assigned to the Authority;
- (b) The quality of the response to the RFP, including but not limited to the level of detail of the response;
- (c) The ability to meet the needs of the Authority as detailed in this RFP; and
- (d) The fee proposed.

Based on the scores of each proposal, the evaluation committee recommends selecting Aspire Technology Partners, LLC to provide managed security services for HESAA.

All four companies, and their respective staff, maintain relevant experience in both cybersecurity and managed security services. However, Aspire differs from the rest in that it is already fully capable of securing HESAA's cloud-based infrastructure, CISCO, at no additional cost, which also includes CISCO Umbrella, a cloud-based firewall that HESAA utilizes. Carahsoft does not provide firewall management at all, and ePlus does not specifically work with CISCO Umbrella. VTech has the capability to work with CISCO Umbrella, but HESAA would have to pay for additional software and equipment for VTech to provide this service.

Additionally, HESAA requires its managed security services contractor to maintain its logs for longer than 12 months, which Aspire will do without additional fees. Carahsoft only provides 12 months of data retention, after which HESAA would have to pay extra. It is unclear how long ePlus and VTech retain their data, and what, if any, the cost would be to retain afterwards.

Aspire is also headquartered in New Jersey and has satellite offices throughout the state, thus making it capable of providing onsite services, if needed. The other three companies are based out of other states with no offices in New Jersey.

Aspire's proposal also illustrates its services to be the most cost-effective as it provides all services that HESAA requires for a proposed \$220,560 per year.

Recommendation

It is recommended that the Board approve Resolution 07:24 approving the appointment of Aspire Technology Partners, LLC to provide Managed Security Services for HESAA for a term of two (2) years with two (2) optional one-year extensions.

RESOLUTION 07:24

APPOINTING A CONTRACTOR TO PROVIDE MANAGED SECURITY SERVICES

Moved by: Mr. Robert Tighue

Seconded by: Mr. Byron Ward

WHEREAS: On March 13, 2024 the Higher Education Student Assistance Authority (HESAA) issued a Request for Proposals for a contractor to provide managed security services (the “RFP”); and

WHEREAS: Through the RFP, HESAA solicited proposals from qualified bidders to provide comprehensive managed cybersecurity services to protect HESAA’s digital environment and ensure the confidentiality, integrity and availability of its data; and

WHEREAS: HESAA sent the RFP to four vendors known to provide these services, posted it on HESAA’s website, and advertised it in the State’s NJ Advance Media and Gannett newspapers; and

WHEREAS: HESAA received four responsive proposals in response to the RFP; and

WHEREAS: An Evaluation Committee comprised of HESAA’s Deputy Chief Information Officer, Assistant Manager to Deputy Chief Information Officer, Information Technology Security Specialist, Information Technology Specialist, and Program Specialist reviewed all of the proposals; and

WHEREAS: Aspire Technology Partners LLC received the highest score as a result of such evaluation.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves the appointment of Aspire Technology Partners LLC, to provide Managed Security Services for HESAA for a term of two (2) years with two (2) optional one-year extensions.

April 24, 2024

EVALUATION SCORE SHEET	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY (Managed Security Services)	
BIDDER Aspire Technology Partners, LLC	DATE	<u>Aprill 15, 2024</u>
<p>SUMMARY OF EVALUATION TEAM'S COMMENTS: Aspire has been in the managed security services business for 10 years, and maintains a consistency and familiarty with its customers (i.e., keeps the same group of techs working with each customer). It is U.S.-based, with local offices approximately an hour away, so would be able to provide onsite services, if needed. This company also installs, configures, and manages firewalls, and it already works with Cisco and Crowdstrike Falcon (The other bidders would require HESAA to purchase additional software and hardware in order to work with Cisco and Crowdstrike Falcon). The proposal was well-written, illustrating a reasonable price and flexibility. The cost for what this bidder is providing is a good value.</p>		

Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response							
CRITERIA	Score 1	Score 2	Score 3	Score 4	Score 5	WEIGHT	TOTAL
The relevant experience of the Contractor and staff assigned to the Authority	9	8	8	9	9	20	860
The quality of the response to the RFP, including but not limited to, the level of detail of the response	9	10	10	10	10	30	1470
The ability to meet the needs of the Authority as detailed in the RFP	9	10	10	10	10	30	1470
The fee proposed	10	10	10	10	8	20	960
Total	37	38	38	39	37	100	4760

EVALUATION SCORE SHEET	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY (Managed Security Services)						
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BIDDER Carahsoft Technology Corporation	DATE	4/15/2024					
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SUMMARY OF EVALUATION TEAM'S COMMENTS: The pricing appeared to be good, but it is not clear if the pricing would be monthly, quarterly, or annual. It is an overall well-written proposal, and the company provides a live chat feature. Still, the bidder would not be able to address all of HESAA's needs (i.e., this company doesn't provide firewall management). It provides twelve months of data retention at no cost, but afterwards HESAA would need to pay. This was not discussed in other proposals. HESAA has requirements to maintain data for longer than one year.

Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response

CRITERIA	Score 1	Score 2	Score 3	Score 4	Score 5	WEIGHT	TOTAL
The relevant experience of the Contractor and staff assigned to the Authority	6	7	7	7	5	20	640
The quality of the response to the RFP, including but not limited to, the level of detail of the response	7	10	10	7	5	30	1170
The ability to meet the needs of the Authority as detailed in the RFP	9	7	7	10	1	30	1020
The fee proposed	5	2	7	2	2	20	360
Total	27	26	31	26	13	100	3190

EVALUATION SCORE SHEET	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY (Managed Security Services)	
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BIDDER ePlus Technology Services, inc.	DATE	4/15/2024
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SUMMARY OF EVALUATION TEAM'S COMMENTS: This company is not local. It has been in business since 2010, manages and installs firewalls, is aligned with NIST, and knows DNS monitoring. It recommends that HESAA use Cisco Umbrella, but it does not work with it. It can manage Crowdstrike Falcon, but HESAA would have to purchase additional software and equipment (explains the separate components of what it would provide, but assumes that HESAA already has the necessary equipment). This bidder subcontracts out for cybersecurity, using a third-party company called Proficio to assist with installation and configurations of deployed firewalls. The RFP is well-written, but it does not state what the company does with its logs after 12 months.

Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response

CRITERIA	Score 1	Score 2	Score 3	Score 4	Score 5	WEIGHT	TOTAL
The relevant experience of the Contractor and staff assigned to the Authority	8	7	6	7	9	20	740
The quality of the response to the RFP, including but not limited to, the level of detail of the response	8	8	7	7	10	30	1200
The ability to meet the needs of the Authority as detailed in the RFP	9	7	7	8	9	30	1200
The fee proposed	9	4	6	5	8	20	640
Total	34	26	26	27	36	100	3780

EVALUATION SCORE SHEET	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY (Managed Security Services)	
BIDDER vTech Solution, Inc.	DATE	4/15/2024
<p>SUMMARY OF EVALUATION TEAM'S COMMENTS: This company has 18 years of experience, 14 of which are in cybersecurity (distinguishes between managed security services and cybersecurity). It provides DNS monitoring, and manages and installs firewalls. HESAA would still need to purchase software and equipment for Cisco Umbrella services. The proposed quote is very expensive with the grand total being approximately \$1.1 million annually. The company has the experience, but much of what HESAA requires would be at added cost, rather than included.</p>		

Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response							
CRITERIA	Score 1	Score 2	Score 3	Score 4	Score 5	WEIGHT	TOTAL
The relevant experience of the Contractor and staff assigned to the Authority	7	7	8	7	6	20	700
The quality of the response to the RFP, including but not limited to, the level of detail of the response	9	10	10	8	9	30	1380
The ability to meet the needs of the Authority as detailed in the RFP	9	9	8	7	9	30	1260
The fee proposed	4	4	5	5	1	20	380
Total	29	30	31	27	25	100	3720

Vendor	Score	Rank
Aspire Technology Partners, LLC	4760	1
Carahsoft Technology Corporation	3190	4
ePlus Technology Services, inc.	3780	2
vTech Solution, Inc.	3720	3



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MARGO CHALY, ESQ.
Executive Director

MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

THROUGH: Margo Chaly, Esq. 
Executive Director

FROM: Jennifer Martin 
Legislative Liaison

SUBJECT: Resolution 08:24 Approving Proposed New Rules Governing Summer TAG

DATE: April 24, 2024

Background

On April 5, 2023, Governor Murphy signed P.L. 2023, c. 34 into law authorizing the Higher Education Student Assistance Authority (“HESAA” or the “Authority”) to award summer tuition aid grants (“Summer TAG”) in the summer of 2023, and on January 16, 2024 Governor Murphy signed P.L. 2023, c. 283 (together the “Acts”) into law authorizing HESAA to award Summer TAG awards every year going forward, subject to available funding. The Acts provide eligible students with tuition aid grants that are applied toward students’ tuition costs for enrollment outside of the academic year, as “academic year” is defined in N.J.S.A. 18A:71B-4. Furthermore, N.J.S.A. 18A:71B-19 authorizes HESAA to adopt the rules and regulations to administer State tuition aid grants.

The proposed new rules governing the policy, administration, and procedures for Summer TAG are summarized below.

Pursuant to Section 2. of P.L. 2023, c. 283, proposed N.J.A.C. 9A:9-3.6 (a) provides that summer tuition aid grants shall be applied toward the tuition costs outside of the academic year, as “academic year” is defined in N.J.S.18A:71B-4 and that the receipt of a summer tuition aid grant shall not reduce the amount of a tuition aid grant awarded to the student during the academic year.

Proposed N.J.A.C. 9A:9-3.6(b) provides the eligibility criteria for a student to receive a summer tuition aid grant pursuant to Section 1 of P.L. 2023, c. 34. (C.18A:71B-20 d.)

Proposed N.J.A.C. 9A:9-3.6(c) provides that students enrolling part-time in summer terms shall be eligible for summer tuition aid grant amounts that shall be pro-rated to the value of full-time tuition aid grant semester award amounts pursuant to Section 2.c. of P.L. 2023, c. 34 (C.18A:71B-20a).

Pursuant to Section 2 of P.L.2023, c.34 (C.18A:71B-20a), proposed N.J.A.C. 9A:9-3.6(d) provides that summer tuition aid grant payments to eligible students shall not be included when determining the student's maximum number of tuition aid grant awards. Additionally, proposed N.J.A.C. 9A:9-3.6(e) specifies that the general provisions of N.J.A.C. 9A:9-2 shall apply to receiving summer tuition aid grants, except N.J.A.C. 9A:9-2.11 Payments.

Recommendation

It is recommended that the Board approve Resolution 08:24 Approving Proposed New Rules Governing Summer TAG.

Attachment

Full text of the proposed new rules follows:

9A:9-3.6 Summer Tuition Aid Grants

(a) Summer tuition aid grants shall be applied toward the student’s tuition costs outside of the academic year, as “academic year” is defined in N.J.S.18A:71B-4. The receipt of a summer tuition aid grant shall not reduce the amount of a tuition aid grant awarded to the student during the academic year.

(b) An eligible student shall:

- 1. Be enrolled for six or more credits in the summer term;**
- 2. Be enrolled in courses leading to an undergraduate degree at the same institution at which the student was enrolled during the student’s most recent semester of enrollment in the preceding academic year;**
- 3. Be enrolled in courses for which the credits may be applied toward the student’s graduation or academic major requirements;**
- 4. Have received a tuition aid grant award in the preceding academic year.**

(c) An eligible student enrolled in a summer term with six to eight credits shall receive one-half of the value of a full-time tuition aid grant semester award, and an eligible student enrolled with nine to 11 credits shall receive three-quarters of a full-time tuition aid grant semester award.

(d) Summer tuition aid grant payments to eligible students shall not be included when determining the maximum number of semester payments for tuition aid grant awards for which students are eligible.

(e) The provisions of N.J.A.C. 9A:9-2 shall apply to receiving summer tuition aid grants, except N.J.A.C. 9A:9-2.11 Payments. As certified by the Authority, payments for eligible

students will be made by the Department of the Treasury directly to institutions on behalf of student recipients. The Authority shall provide each institution the corresponding list of eligible students' accounts to be credited.

RESOLUTION 08:24

PROPOSED NEW RULES GOVERNING SUMMER TAG

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

WHEREAS: On April 5, 2023, Governor Murphy signed P.L. 2023, c. 34 into law authorizing the Higher Education Student Assistance Authority (“HESAA” or the “Authority”) to award summer tuition aid grants (“Summer TAG”) in the summer of 2023; and

WHEREAS: On January 16, 2024 Governor Murphy signed P.L. 2023, c. 283 (together the “Acts”) into law authorizing HESAA to award Summer TAG awards every year going forward, subject to available funding; and

WHEREAS: The Acts provide eligible students with tuition aid grants that are applied toward students’ tuition costs for enrollment outside of the academic year, as “academic year” is defined in N.J.S.A. 18A:71B-4; and

WHEREAS: N.J.S.A. 18A:71B-19 authorizes HESAA to adopt the rules and regulations to administer State tuition aid grants.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves the proposed new rules Governing Summer TAG so that the proposed new rules can be published in the New Jersey Register.

April 24, 2024



PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

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MARGO CHALY, ESQ.
Executive Director

MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

THROUGH: Margo Chaly, Esq. ^{MC}
Executive Director

FROM: Marnie Grodman, Esq. ^{MBG}
Director, Legal & Governmental Affairs

SUBJECT: Resolution 09:24 Approving Proposed Amendments to the Regulations Governing the Nursing Faculty Loan Redemption Program

DATE: April 24, 2024

Background

The Higher Education Student Assistance Authority (“Authority” or “HESAA”) is statutorily responsible for the administration of New Jersey’s Nursing Faculty Loan Redemption Program (“Program”), and for the promulgation of all rules to that effect, pursuant to N.J.S.A. 18A: 71C-57. On January 8, 2024, Governor Murphy signed P.L. 2023, c. 244 (the “Act”), which both amends and supplements the Program in order to address New Jersey’s critical nursing shortage and improve the program’s effectiveness as a tool to recruit nursing faculty. The Act provides that the Higher Education Student Assistance Authority (“Authority” or “HESAA”) shall adopt rules necessary for the administration of the Act.

The proposed amended rules govern the policy, administration, and procedures of the Program, and are summarized below.

Pursuant to N.J.S.A. 18A:71B-51a. New Jersey is experiencing a critical shortage in the nursing workforce and insufficient numbers of nursing faculty hinder schools’ efforts to increase the capacity of their nursing schools to train future nurses. The proposed amendment at N.J.A.C. 9A:10-4.1 clarifies that the purpose of the Program is to address the critical shortage of nurses in the State by providing an incentive for individuals with advanced degrees to serve as teaching

faculty for undergraduate nursing education programs in New Jersey. Additionally, the proposed amendment extends Program eligibility to part-time faculty pursuant to Section 1. of the Act.

Section 3a. of the Act defines full-time faculty employment as a teaching load of 24 or more credits over the course of an academic year. A proposed amendment at N.J.A.C. 9A:10-4.2 revises the definition of “full-time faculty employment” to align with the statutory definition in the Act.

Due to the extension of Program eligibility to part-time faculty, an additional amendment is proposed at N.J.A.C. 9A:10-4.2 providing a definition for part-time faculty employment. Part-time faculty employment is defined as employment with a minimum teaching load of three credits over the course of an academic year to provide qualified nurses an incentive to incorporate teaching into their other nursing duties.

Pursuant to Section 2 of the Act, the proposed amendment at N.J.A.C. 9A:10-4.3(a)2. deletes the requirement that an applicant must have obtained a degree from an approved graduate program within a one-year period prior to commencing full-time faculty employment at an eligible institution.

An additional proposed amendment at N.J.A.C. 9A:10-4.3(a), pursuant to Section 2 of the Act, repeals N.J.A.C. 9A:10-4.2(a)3. thereby deleting the requirement that an applicant have been initially hired for faculty employment on or after January 16, 2010.

Due to the proposed amendment repealing N.J.A.C. 9A:10-4.3(a)3, amendments are proposed to recodify 4.3(a) 4, 5, and 6 as 3, 4, and 5 respectively.

The proposed amendment at the renumbered N.J.A.C. 9A:10-4.3(a)3, extends the requirement that a participant remain continuously employed to part-time faculty employment pursuant to Section 1 of the Act.

The proposed amendments at N.J.A.C. 9A:10-4.4(a) and N.J.A.C. 9A:10-4.4(a) notify potential applicants that applications are to be submitted to the Authority, not the Student Loan Office. Additionally, the proposed amendment at N.J.A.C. 9A:10-4.4(a) provides notice that application deadlines shall be posted on the Authority’s website.

Pursuant to Section 1. of the Act, the proposed amendment at N.J.A.C. 9A:10-4.4(a)2. requires an applicant’s employer to certify to the applicant’s start date for faculty employment, instead of the applicant’s start date for full-time faculty employment.

The proposed amendments at N.J.A.C. 9A:10-4.4(b) and (c) revise the application procedure to assist the Authority in directing program funding to provide the greatest increase in the number of faculty for nursing education programs. Instead of selecting applicants for program participation on a first-come, first-served basis, the proposed amendments allow the Authority to post an application deadline on its website and require the Authority to select applicants based on predetermined scoring evaluation criteria, which will be posted on the Authority’s website.

Section 3a. of the Act sets the amount of the loan redemption at \$10,000 for each year of full-time faculty employment at an eligible institution. The proposed amendment at N.J.A.C. 9A:10-4.4-5(b) implements the statutory loan redemption amount.

Pursuant to Section 3a. of the Act, loan redemption amounts for part-time participants shall be awarded on a pro-rata basis. To provide qualified nurses with an incentive to teach at least one course during an academic year, proposed new subsection N.J.A.C. 9A:10-4.5(c) provides that loan redemption amounts for part-time participants shall be pro-rated by setting the loan redemption at an amount not to exceed \$5,000 per year for teaching 3 to 17 credits and an amount not to exceed \$8,000 per year for teaching 18 to 23 credits.

Due to the proposed addition of the new subsection N.J.A.C 9A:10-4.5(c), amendments are proposed to recodify N.J.A.C. 9A:10-4.5(b)1. and 4.5(c) as 4.5(d) and 4.5(e), respectively.

The proposed amendment at the re-codified N.J.A.C. 9A:10-4.5(e) provides that Program participants are required to submit an annual certification of employment that must certify to either full-time or part-time continuous employment. Additionally, the amendment specifies that Program participants shall submit the certification to the Authority.

N.J.A.C. 9A:10-4.8 is proposed for repeal, so that rather than creating a waitlist for the Program, the Authority will determine annually how to direct each year's appropriation to provide the greatest increase in the faculty for nursing education programs based on the ranking of applications according to the scoring metrics for that year.

Recommendation

It is recommended that the Board approve Resolution 09:24 Approving Proposed Amendments to the Regulations Governing the Nursing Faculty Loan Redemption Program.

Attachment

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

9A:10-6.1 Purpose

The rules established by this subchapter provide the policies and procedures for participation in the Nursing Faculty Loan Redemption Program administered by the Higher Education Student Assistance Authority. This program is intended to address the current and projected critical shortage of [nurse faculty] **nurses** in the State by providing an incentive [to enter graduate nursing education programs] **for individuals with advanced degrees to serve as teaching faculty for undergraduate nursing education programs in New Jersey.** This program provides redemption of eligible student loan expenses incurred by program participants in exchange for full-time faculty **or part-time faculty** employment at a school of nursing in the State for a five-year period following completion of the approved graduate degree program.

9A:10-4.2 Definitions

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

...

“Full-time faculty employment” means [appointment as such, and occupying a full-time faculty position with academic rank or other equivalent title whose primary employment is directly related to teaching, research and/or other aspects of the educational programs of institutions] **employment with a teaching load of 24 or more academic credits over the course of an academic year.**

...

“Part-time faculty employment” means employment with a minimum teaching load of three credits over the course of an academic year.

...

9A:10-4.3 Eligibility requirements for program participation

(a) To be eligible for participation in the program, an applicant must:

1. (No change.)
2. Have obtained a degree from an approved graduate degree program [within a one-year period prior to commencing full-time faculty employment at an eligible institution];
3. [Have been initially hired for full-time faculty employment at an eligible institution on or after January 16, 2010, which is the date of program enactment;
4.] After being initially hired for full-time **or part-time** faculty employment at an eligible institution, maintained continuous full-time **or part-time** faculty employment at an eligible institution;
- [5.]**4.** (No change.)
- [6.] **5.** (No change).

9A:10-4.4 Application Procedures

(a) In order to apply for participation in the program, an applicant must complete a loan redemption program application and submit it to the [Student Loan Office postmarked on or after July 1 of the year for which the applicant is applying] **Authority by the deadline the Authority posts on its website.**

1. (No change.)
2. Inclusive within the program application, an applicant must also have his or her employer, or potential employer, certify the applicant's start date for [full-time] faculty

employment at an eligible institution before submitting the application to the [Student Loan Office] **Authority**.

3. (No change.)

(b) The Authority will consider applications for approval of program participation [in the date order they are received] **from among those applicants who meet the eligibility criteria established pursuant to N.J.A.C. 9A:10-4.3**, subject to available funding.

(c) [The Authority will determine the applicant's eligibility for the program based upon the information submitted and will provide notification to the applicant of his or her acceptance into the program.] **In the event there are insufficient funds to select all of the applicants who meet the eligibility criteria, the Authority will rank all of the applications received during the application submission period using predetermined scoring evaluation criteria. The scoring evaluation criteria will be posted on the Authority's website no later than one month prior to the date on which applications will be available online each year.**

9A:10-4.5 Terms for loan redemption

(a) (No change.)

(b) For each year of full-time faculty employment at an eligible institution, loan redemption shall not exceed [the following amounts] **\$10,000** of principal and interest of eligible student loan expenses[: first year: \$ 5,000; second year: \$ 7,000; third year: \$ 10,000; fourth year: \$ 13,000; and fifth year: \$ 15,000]. The total loan redemption amount for a program participant shall not exceed \$50,000. No amount of loan redemption shall be provided for service performed for less than a full year. Loan redemption will be applied first to outstanding State loans and then to outstanding Federal loans.

(c) For each year of part-time faculty employment at an eligible institution, loan redemption shall not exceed \$5,000 of principal and interest of eligible student loan expenses for teaching three (3) to 17 credits per year and shall not exceed \$8,000 of principal and interest of eligible student loan expenses for teaching 18 to 23 credits per year.

[1.](d) 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 \$ 50,000 of program funds as necessary to provide for the redemption of the participant's eligible student loan expenses.

([c] e) In order to continue eligibility for loan redemption under the program, a participant must submit certification, prior to the annual redemption of loan indebtedness, of his or her continuous employment as a full-time **or part-time** faculty member at an eligible institution to the [Student Loan Office]Authority. A participant may change employment to another eligible institution, as long as he or she remains continuously employed as a full-time **or part-time** faculty member at an eligible institution.

N.J.A.C. 9A:10-4.8 [Waiting list for eligible applicants if program funds are exhausted]

(a) In the event program funds are exhausted in a given fiscal year, eligible applicants will be placed on a waiting list for loan redemption in the date order in which the Authority received their applications.

1. The number of people on the waiting list will be limited to an amount equal to the number of participants newly funded in that fiscal year. Applicants who are not accepted into the program, or onto the waiting list, may reapply the following fiscal year.

(b) If program funds become available in a given fiscal year, the next eligible applicant on the waiting list will be notified of the availability of said funds and his or her potential eligibility for program participation.

(c) If program funds do not become available in a given fiscal year, eligible applicants on the waiting list will carry over to the next fiscal year for potential eligibility for program participation, subject to program funding.

(d) While an applicant may change employment to another eligible institution, he or she must be continuously employed as a full-time faculty member at an eligible institution to remain on the waiting list.

(e) When an eligible applicant on the waiting list is notified of his or her potential eligibility for program participation, the applicant shall submit certification of continuous employment as a full-time faculty member at an eligible institution to the Student Loan Office.] **Reserved**

RESOLUTION 09:24

**PROPOSED AMENDMENTS TO THE REGULATIONS GOVERNING THE NURSING
FACULTY LOAN REDEMPTION PROGRAM**

Moved by: Dr. Brian Bridges
Seconded by: Ms. Ivona Szaro

WHEREAS: On January 8, 2024, Governor Murphy signed P.L. 2023, c. 244 (the “Act”), which both amends and supplements the Nursing Faculty Loan Redemption Program; and

WHEREAS: The purpose of the Act is to address New Jersey’s critical nursing shortage and improve the Program’s effectiveness as a tool to recruit nursing faculty; and

WHEREAS: The Act provides that the Higher Education Student Assistance Authority shall adopt rules necessary for the administration of the Act.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves the proposed amendments to the regulations governing the Nursing Faculty Loan Redemption Program so that the proposed new amendments can be published in the New Jersey Register.

April 24, 2024



PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

State of New Jersey
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY
4 QUAKERBRIDGE PLAZA
PO BOX 545
TRENTON, NJ 08625-0545
1-800-792-8670
www.hesaa.org

MARGO CHALY, ESQ.
Executive Director

MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

THROUGH: Margo Chaly, Esq. 
Executive Director

FROM: Jennifer Azzarano 
Director of Outreach & Communications

SUBJECT: Resolution 10:24 - Approving the Higher Education Student Assistance Authority 2023 Annual Report Pursuant to Executive Order 37 (2006).

DATE: April 24, 2024

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 2023 Annual Report in compliance with Executive Order 37.

Recommendation

It is recommended that the Board approve Resolution 10:24 approving the Higher Education Student Assistance Authority 2023 Annual Report pursuant to Executive Order 37 (2006) and that the Board authorize staff to submit the 2023 Annual Report to the Governor's Authorities Unit and post it on HESAA's website.

Attachments

RESOLUTION 10:24

**APPROVING THE HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY
2023 ANNUAL REPORT PURSUANT TO EXECUTIVE ORDER 37 (2006)**

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

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 2023 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 2023 Annual Report; and be it further

RESOLVED: That the attached Higher Education Student Assistance Authority 2023 Annual Report shall be submitted to the Governor's Authorities Unit and posted on the HESAA website.

April 24, 2024



PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

State of New Jersey

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY
4 QUAKERBRIDGE PLAZA
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MARGO CHALY, ESQ.
Executive Director

MEMORANDUM

TO: Members, Higher Education Student Assistance Authority Board

THROUGH: Margo Chaly, Esq. 
Executive Director

FROM: Heidi Hunt 
Director of Budgeting & Financial Analysis

SUBJECT: Resolution 11:24 Approving the Transfer of Fiscal Year 2024 Capital Funds for Grant System Modifications

The Higher Education Student Assistance Authority (“HESAA” or the “Authority”) allocated \$80,000 in the Fiscal Year 2024 (FY24) Capital Budget under the heading “Grant System Development” to be used for modifications to the New Jersey Financial Aid Management System (NJFAMS). The NJFAMS system is used to administer HESAA Grants and Scholarships programs. The NJFAMS system is maintained by third-party vendor Gold Bridge Partners Inc. (Gold Bridge).

The ongoing federal changes to the Free Application for Federal Student Aid (FAFSA) for Academic Year 2024-2025 require extensive modifications to NJFAMS. Specifically, the FAFSA revisions require HESAA to submit modified specifications to Gold Bridge that change all current fields and functions in NJFAMS to be compatible with the new federal Institutional Student Information Report (ISIR) templates including how the ISIRs migrate into, and calculate individual student financial information within, NJFAMS. The modifications impact forward-facing displays and back-end processing, tasks, and data submissions accessed by financial aid administrators at institutions as well as students.

As the ongoing FAFSA revisions require such extensive modifications to NJFAMS, the Authority requires a supplemental appropriation, not to exceed \$220,000, to implement all of the modifications. Unexpended balances from the Technology Equipment Replacement line of the FY24 capital budget can be re-purposed to cover the additional amount needed for NJFAMS modifications. HESAA encumbered the Technology Equipment Replacement funding to replace a computer room air conditioner. That funding is available as HESAA does not need to replace a computer room air condition at this time.

Recommendation

It is recommended that the Board approve Resolution 11:24 approving the transfer of up to \$220,000 within the Authority's FY24 capital budget, reallocating funds originally designated to replace a computer room air conditioner to be used for Grant System Development.

Attachment

RESOLUTION 11:24

**APPROVING THE TRANSFER OF FISCAL YEAR 2024 CAPITAL FUNDS FOR
GRANT SYSTEM MODIFICATIONS**

Moved by: Mr. Robert Tighue
Seconded by: Dr. Brian Bridges

- WHEREAS:** The Higher Education Student Assistance Authority (“HESAA” or the “Authority) allocated \$80,000 in the Fiscal Year 2024 (FY24) Capital Budget under the heading “Grant System Development” to be used for modifications to the New Jersey Financial Aid Management System (NJFAMS); and
- WHEREAS:** The ongoing federal changes to the Free Application for Federal Student Aid (FAFSA) require extensive modifications to NJFAMS; and
- WHEREAS:** The Authority requires a supplemental appropriation, not to exceed \$220,000, to implement all of the modifications; and
- WHEREAS:** Unexpended balances from the Technology Equipment Replacement line of the FY24 capital budget can be re-purposed to cover the additional amount needed for NJFAMS modifications.

NOW, THEREFORE, LET IT BE:

- RESOLVED:** That the Board approves the transfer of up to \$220,000 within the Authority’s FY24 capital budget, reallocating funds originally designated to replace a computer room air conditioner to be used for Grant System Development.

April 24, 2024

Audits and Quality Assurance 2024 Annual Report to the Program Review and Quality Control Committee

Introduction

To ensure that the New Jersey Higher Education Student Assistance Authority (“HESAA” or the “Authority”) 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 grant and scholarship programs, special counsel reviews of the Authority’s contracted collection attorneys, internal control evaluations, reviews of New Jersey institutions’ single audit reports, and quality assurance reviews of Authority programs.

Institutional Management Reviews

HESAA conducts institutional management reviews to verify that New Jersey institutions of higher education (IHE) administer state grant and scholarship programs in accordance with all applicable federal and state statutes, regulations, policies, and procedures. The management reviews are also designed to provide IHEs with recommendations on how to improve the operations of the business offices that have a part in the administration of their student 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 2023-2024 scheduled reviews:

Full-scale reviews: A&QA identified six (6) full-scale reviews so far during Fiscal Year 2024. One of these reviews closed with a refund of \$119,000 issued back to the State. Three reviews are in the report stage and two are in the final stage of analysis. One more full-scale review will be announced by the end of the quarter.

Limited reviews: A&QA identified two (2) limited reviews so far during Fiscal Year 2024. One review was closed with no refund due back to the State and one review is in the report stage. Three additional limited reviews were recently announced.

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 counsels to verify compliance with regulations for administering defaulted loans.

A&QA closed one attorney review at the end of 2023, is in the final stages of a second attorney review, and a third attorney review is in the analysis stage. An additional attorney review is scheduled to commence before the end of 2024.

Garden State Guarantee (GSG) Maintenance of Effort (MOE) Analysis

The Garden State Guarantee (GSG) program was first introduced in Fiscal Year 2023 and administered by IHEs as institutional student aid funded through the Outcomes Based Allocation of the State operating aid appropriation. After the FY 2024 Appropriations Act was signed into law, HESAA became solely responsible for administering GSG as a student financial aid program. A&QA performs data analysis on each participating institution's awarded aid to ensure compliance with the terms of the Garden State Guarantee handbook, specifically the maintenance of effort (MOE) requirements.

A&QA performed a mid-year analysis on Fall 2023 data to help identify any potential non-compliant areas to be addressed, and will perform the final, determinative MOE analysis at the end of Academic Year 2023-2024 to ensure institutional compliance with the Garden State Guarantee handbook.

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 senior staff members. The results of the internal control evaluations are analyzed, summarized, and reported to HESAA's Executive Director and Chief Financial Officer in a report detailing the review requirements, reviews conducted, and any weaknesses identified, along with recommendations for remediation.

On June 29, 2023, HESAA's Executive Director and Chief Financial Officer sent a letter to the Director of OMB confirming that HESAA performed the 2023 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 2024 assessment which is due to OMB by July 1, 2024.

New Jersey Institution Single Audit Report Reviews

As of academic year end 2016, HESAA has audit cognizance over New Jersey's IHEs. In accordance with state policy, OMB Circular Letter 15-08, HESAA must obtain and review the annual single audit reports for IHEs 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 2023 and is currently reviewing the institutions' most recent audit reports to update the GSA system by the 2024 deadline.

Compliance monitoring

When Public Law 2021, chapter 53 was enacted in April 2021, HESAA, in coordination with the Office of the Secretary of Higher Education (OSHE), took on the responsibility of monitoring the compliance of New Jersey IHEs with the new legislation. A joint directive from HESAA and OSHE was issued in June 2021 requiring schools to certify compliance with the law. HESAA requires this certification annually. A&QA reviewed and tracked the certifications required in 2023. A request for this year's certification will be sent in June 2024 and A&QA will ensure receipt of the certification from the institutions.

Personnel

A&QA is pleased to report that we recently hired a new employee to join the review team. Dominique Kenley comes to HESAA with audit experience and has already proven to be a valuable member of the unit. She is quickly learning the details of HESAA's management review processes and procedures and we are thrilled to welcome her to the team.

Conclusion

HESAA's Audits and Quality Assurance team is on target to complete the reviews listed on the 2023-2024 review schedule, and plans to continue with a similar pace as proposed in the 2024-2025 review schedule. The proposed schedule has the flexibility to address additional needs as they arise. The details of the 2024-2025 plan are listed in the attached review schedule.

**Higher Education Student Assistance Authority
Compliance and Audits & Quality Assurance Unit**

Proposed Review Schedule for 2024-2025

Type of Review	Auditee	Description	Review Date / Status
Collection Counsel Review	Attorney	Review of compliance with regulations for administering defaulted loans	In Progress
Limited Review (23/24 – L2)	2023-2024 Community College Limited Review #2	State Grants and Scholarship Program Review	In Progress
Limited Review (23/24 – L3)	2023-2024 Community College Limited Review #3	State Grants and Scholarship Program Review	In Progress
Limited Review (23/24 – L4)	2023-2024 Independent Institution Limited Review #4	State Grants and Scholarship Program Review	In Progress
Annual Internal Control Evaluation 2024	HESAA	Assessment of Internal Accounting and Administration Controls	April – June 2024
Single Audit Reports	All institutions for which HESAA has audit cognizance	Review institutions’ single audit reports and update Treasury’s Grantee Single Audit System	Ongoing through June 2024
Full Review (23/24 – F4)	2023-2024 Senior Public Institution Full Review #4	State Grants and Scholarship Program Review	June – September 2024

**Higher Education Student Assistance Authority
Compliance and Audits & Quality Assurance Unit**

Proposed Review Schedule for 2024-2025

Type of Review	Auditee	Description	Review Date / Status
Garden State Guarantee	Compliance review of GSG implementation at Senior Public Institutions	State Grants and Scholarship Program Review	June – July 2024
Compliance	All NJ institutions certifying students for State aid	Annual certifications for compliance with Public Law 2021, chapter 53	June – September 2024
Full Review (24/25 – F1)	2024-2025 Community College Full Review #1	State Grants and Scholarship Program Review	July 2024 – October 2024
Limited Review (24/25 – L1)	2024-2025 Community College Limited Review #1	State Grants and Scholarship Program Review	August – November 2024
Full Review (24/25 – F2)	2024-2025 Senior Public Institution Full Review #2	State Grants and Scholarship Program Review	October 2024 – February 2025
Collection Counsel Review	Attorney Review	Review of compliance with regulations for administering defaulted loans	November 2024 – May 2025
Limited Review (24/25 – L2)	2024-2025 Independent Institution Limited Review #2	State Grants and Scholarship Program Review	November 2024 – March 2025

**Higher Education Student Assistance Authority
Compliance and Audits & Quality Assurance Unit**

Proposed Review Schedule for 2024-2025

Type of Review	Auditee	Description	Review Date / Status
Single Audit Reports	All institutions for which HESAA has audit cognizance	Review institutions' single audit reports and update Treasury's Grantee Single Audit System	January - June 2025
Full Review (24/25 – F3)	2024-2025 Community College Full Review #3	State Grants and Scholarship Program Review	January – May 2025
Limited Review (24/25 – L3)	2024-2025 Independent Institution Limited Review #3	State Grants and Scholarship Program Review	February – June 2025
Full Review (24/25 – F4)	2024-2025 Community College Full Review #4	State Grants and Scholarship Program Review	March – July 2025
Annual Internal Control Evaluation 2025	HESAA	Assessment of Internal Accounting and Administration Controls	April – June 2025
Limited Review (24/25– L4)	2024-2025 Community College Limited Review #4	State Grants and Scholarship Program Review	April – August 2025
Full Review (24/25 – F5)	2024-2025 Independent Institution Full Review #5	State Grants and Scholarship Program Review	May – September 2025

Executive Director Report
April 24, 2024

- I. Governor Murphy's Fiscal Year 2025 Budget
- II. Academic Year 2024-2025 FAFSA processing by the federal Department of Education
- III. FY24 Programming Update
 - a. BHPLRP
 - b. Student-Teacher Scholarships
- IV. Statewide awareness campaign: A College Degree is Affordable in the Garden State
- V. HESAA Staff Updates

Tentative outline as of April 17, 2024.