MINUTES
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

October 20, 2021

The Higher Education Student Assistance Authority (HESAA) Board held a remote teleconference meeting on October 20, 2021 at 10:00 am via GoTo Meeting.

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

ABSENT: Dr. Jon Larson and Ms. Jean McDonald Rash.

CALL TO ORDER

Christy Van Horn called the meeting to order at 10:04. David Socolow stated that the meeting had been noticed in compliance with the requirements of the Open Public Meetings Act.

Ms. Van Horn welcomed the Board members and advised that since this meeting is being held remotely, Roseann Sorrentino would conduct a roll call for the resolutions.

Ms. Van Horn welcomed Joy Johnson, Associate Counsel from the Governor’s Authorities Unit; Erin Herlihy, Deputy Attorney General from the New Jersey Division of Law; Andrew Lee, Auditor, CliftonLarsonAllen LLP; Tim Webb, Financial Advisor, Hilltop Securities; and Leah Sandbank, Bond Counsel, McManimon, Scotland and Baumann, LLC.

David Socolow honored the passing of Nellie Celli, the late EOF Chair who served as a member of HESAA’s Board.

Ms. Van Horn will introduce Anton Lendor, our new EOF Representative.

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

CONSIDERATION OF THE MINUTES OF THE JULY 21, 2021 MEETING

A motion to approve the minutes of the July 21, 2021 meeting was made by Robert Shaughnessy and seconded by Bea Daggett. The minutes were approved unanimously with one abstention, Anton Lendor, who did not participate in the July meeting.
REPORT OF THE AUDIT COMMITTEE AND RESOLUTION 17:21 ACCEPTING AND ADOPTING THE FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS’ REPORTS FOR FISCAL YEAR 2021

Beatrice Daggett reported that on October 15, 2021 the members of the Board Audit Committee met with HESAA’s Independent Auditors to review and discuss the audited financial statements. Andrew Lee from CliftonLarsonAllen will present their findings to the Board.

Andrew Lee explained the scope of the audit and advised that HESAA received unmodified opinions, which is the best result an organization can receive. Mr. Lee advised that in addition to auditing HESAA’s financial statements for the year end June 30, 2021, CliftonLarsonAllen also provided a required governance communications letter, an internal controls communications letter, consent letters for the Student Loan Revenue Bonds required by the underwriter, and management letters when required. He noted that there were no significant deficiencies or material weaknesses and no issues of non-compliance with HESAA’s internal controls. He further advised that the audit was performed in accordance with Generally Accepted Auditing Standards and Government Auditing Standards. Mr. Lee praised HESAA’s Finance Unit on their preparation of the financial statements as there were no uncorrected, or corrected misstatements identified and no disagreements with management on accounting/auditing matters.

A motion to approve Resolution 17:21 was made by Robert Shaughnessy and seconded by Anton Lendor.

The motion passed unanimously.

REPORT OF THE BUDGET COMMITTEE AND RESOLUTION 18:21 ADOPTING A BOARD BUDGET POLICY STATEMENT FOR FISCAL YEAR 2023

Beatrice Daggett reported that on October 13, 2021 the members of the Board Budget Committee reviewed and discussed with HESAA staff the proposed Fiscal Year 2023 Board Budget Policy Statement. Jean Hathaway, Director of Grants and Scholarships will present the agreed upon statement to the Board.

On October 13, 2021 the Board’s Budget Committee met with staff to review background information and to draft a FY 2023 budget policy statement for consideration by the full Board.

The role of the HESAA Board in the budget process is to advocate policies that advance higher education access, choice, affordability, and academic achievement for New Jersey residents.

- The Board supports, as its funding priority, ensuring protection of the State’s historic commitment to all eligible full-time students under the need-based TAG Program.

- The Board supports continued funding of the Community College Opportunity Grant Program in FY23 for students meeting the current eligibility criteria, as well as increased funding to add a sliding scale of awards that addresses the eligibility “cliff” caused by the current $65,000 income cutoff by gradually phasing out CCOG eligibility for students with an Adjusted Gross Income (AGI) above $65,000.
The Board supports continued funding of the Part-Time TAG Program for County College Students. Future award values, funding, and expenditures for the Part-Time TAG Program for County College Students, are considered separately from those for full-time TAG, because full-time TAG and part-time TAG are required by statute to be separate line items in the State budget.

The Board supports continued support for the Governor’s Urban Scholarship program and encourages expansion of the list of municipalities where residents may be eligible for these awards.

To provide higher education access and affordability for New Jersey families, it is important to maintain the predictability and stability of State grant programs for financially needy students and their families. With this goal in mind, the following specific funding policy are recommended:

**For full-time TAG for Full-Time Students:**

- Fund awards to all eligible students who apply by the application deadlines.

- Provide for a contingency mechanism that ensures sufficient reserves to cover increases in program costs not anticipated in the budget.

- The Board supports increasing TAG funding in FY23 to support targeted improvements to eligibility rules to align with the State’s policy goals of re-engaging working adults in postsecondary education and reducing barriers to access for low-income and first-generation students. The Board notes that more than two-thirds of today’s students work in outside employment for significant hours in addition to attending college, with an increasing share of students working full-time. The Board also supports an across-the-board increase in the FY23 dollar value of individual students’ TAG awards in each need category. Accordingly, the Board recommends applying any available increase in TAG funding in FY23 to the following policy priorities:

  - To align the TAG eligibility rules with the methodology for calculating need for federal aid, stop counting federal Earned Income Tax Credits (EITC) as income in the calculation of students’ need for TAG. The Board applauds the elimination of the burdensome requirement for New Jersey State aid applicants to answer state-specific questions after completing the Free Application for Federal Student Aid (FAFSA) or the New Jersey Alternative Application. However, TAG applicants’ EITC information continues to be ascertained using alternate sources, and is still counted as income in the need calculation. The Board recommends providing additional funding to enable affected students to qualify for higher TAG awards once EITC is no longer treated as income. To reduce the fiscal impact of changing this eligibility policy all at once, the Board supports a phased-out approach whereby each year a declining fraction of EITC would be counted as income, until consideration of EITC can be completely eliminated from the TAG need calculation after several years.
Increase New Jersey’s income protection allowance so as to provide higher TAG award amounts to low-income working independent students.

Increase, by at least 1%, the dollar values of all TAG award amounts for students in each need category in every sector of higher education.

For the Community College Opportunity Grant (CCOG):

The Board recommends increased funding to:

- Fund full CCOG awards to all students attending New Jersey’s 18 community colleges who meet current eligibility criteria, including the existing income threshold of a family AGI between $0 and $65,000.

- Create a sliding scale of gradually declining awards for students with an AGI greater than $65,000 to address the current eligibility cliff, thereby aligning CCOG with the Garden State Guarantee and offering students a four-year, tuition-free pathway to a Bachelor degree.

- For the part-time TAG for Community Colleges:
  - The Part-Time Tuition Aid Grant Program for County College Students has received level funding over the last several years. In FY21 this appropriation fell short of actual expenditures, and in order to fully fund all eligible students HESAA transferred modest levels of unexpended balances from other State financial aid accounts. The Board recommends FY23 funding for this line item that is sufficient to continue providing part-time TAG awards to all eligible county college students who apply by the application deadlines at one-half or three-quarters of the dollar value of full-time awards.

For PT TAG for EOF, the New Jersey STARS programs, and the Governor’s Urban Scholarship Program, it is recommended to keep level funding sufficient to maintain the current programs.

Funding for the NJ STARS and NJ STARS II Programs has been level over the last several years. In FY21 this appropriation fell short of actual expenditures, and in order to fully fund all eligible students HESAA transferred modest levels of unexpended balances from other State financial aid accounts.

The Governor’s Urban Scholarship Program (GUS), created in 2012, provides aid to New Jersey high school students who reside in 14 high-need communities. For FY23, the Board recommends continued funding of $1,000 renewable scholarship awards for New Jersey high school graduates who rank in the top 5% of their class with a GPA of 3.0 or higher and demonstrate financial need, no matter whether they attend a public or non-public high school. In addition, a persistency award of $500 should continue to be provided to students in their final term of the scholarship upon completion of their associate or baccalaureate degree. In addition to continued funding to support
GUS recipients under the program’s current parameters, the Board supports additional funding to expand the program to students residing in other high-need municipalities.

A motion to approve Resolution 18:21 was made by Isabella Berdugo-Hernandez and seconded by Robert Shaughnessy.

Chairwoman Van Horn commented that HESAA serves more than 90,000 students with over half a billion dollars annually.

The motion passed unanimously.

**RESOLUTION 19:21 DECLARING INTENT TO REIMBURSE EXPENDITURES WITH THE PROCEEDS OF TAX-EXEMPT BONDS IN CONNECTION WITH THE ORIGINATION OF STUDENT LOANS UNDER THE NJCLASS LOAN PROGRAM**

Jerry Traino presented Resolution 19:21 to the Board.

Good Morning to the members of the Board and thank you for your consideration of Resolution 19:21 with revisions.

The revision was distributed to the Board this morning and contains clarifying language regarding the continuing relationship between the Authority and its NJCLASS Trustee, Wells Fargo.

With this revised resolution the Authority is seeking your approval to utilize up to $25 million of existing HESAA funds to finance the origination of NJCLASS loans until next spring when the Authority expects to issue a new round of Series 2022 Student Loan Revenue Bonds for the 2022-2023 Academic Year.

As you may recall, last April the Board authorized HESAA to sell nearly $108 million in Student Loan Revenue Bonds, the proceeds of which, along with unused funds from the 2020 Series bond transaction, would finance the originations of roughly $160 million in NJCLASS loans for the 2021-2022 Academic Year. We had carryover funds from the 2020 bonds in part because of the state and national COVID 19 pandemic mitigation responses, which effectively kept college campuses closed to students for onsite living and learning and slowed the demand for student loans for most of the 2020-21 academic year.

As HESAA determined the amount of funding in the 2021 bond Series to finance NJCLASS loans for the current school year, we anticipated origination volume would return to more typical historical levels. The 2021 bond was sized to be commensurate with the larger originations volume experienced in more recent pre-pandemic academic years.

Due to market conditions at the time of the Series 2021 transaction last May, HESAA was able to secure historically low interest rates for all NJCLASS loan products. As noted in the Board memo accompanying this resolution, all three Standard NJCLASS loan options have interest rates well below the federal Parent PLUS rates this year. Similarly, our ReFi+ interest rates are competitive with many third-party refinance lenders.
These attractive rates have resulted in an over-performance of loan volume. Fall 2021 loan originations have exceeded the volume expectations HESAA set for the entire 2021-2022 academic year. Given how early it is in the school year, with many students and families having yet to finalize decisions about the upcoming spring 2022 semester, HESAA would prefer to not turn these families away due to lack of funds to originate NJCLASS loans.

With the Board’s approval, the Authority will use up to $25 million of internal funds to continue offering NJCLASS loans through the remainder of this fall semester and the beginning of the spring 2022 semester. These HESAA funds are recoveries of principal and interest from NJCLASS loans on the Authority’s balance sheet that are free of any pledge to secure the prior bonds or any other obligation of the Authority.

As further detailed in the resolution, the Authority will use some of the proceeds from the sale of 2022 Bonds to reimburse the amount of funds used to originate NJCLASS loans outside of the 2021 Trust, again subject to a $25 million limit. Following the same NJCLASS bond schedule that has been used for many prior years, the Authority anticipates that its annual bond transaction will close in the spring of 2022.

Finally, as revised this resolution clarifies the relationship between the Authority and Wells Fargo, the NJCLASS Trustee. All loans originated with these funds will be held outside the Trust. Therefore the revisions provide authority to HESAA to enter into an agreement with Wells Fargo who will temporarily act as an Account Servicer for the funds, and not the Trustee, for the purposes of disbursing approved loan funds on behalf of HESAA to various institutions of higher education.

As this short-term deployment of HESAA funds will enable the NJCLASS program to remain an affordable educational financing tool for borrowers and families during the current academic year, it is recommended that the Board approve this Resolution.

A motion to approve Resolution 19:21 was made by Beatrice Daggett and seconded by Anton Lendor.

The motion passed unanimously.

RESOLUTION 20:21 APPROVING THE EXTENSION OF THE CONTRACT WITH THE NAUTILUS PUBLISHING COMPANY TO PUBLISH GOING TO COLLEGE IN NEW JERSEY FOR AN ADDITIONAL ACADEMIC YEAR

Jennifer Azzarano presented Resolution 20:21 to the Board.

The Higher Education Student Assistance Authority (HESAA) annually distributes a publication, Going to College in New Jersey, to college-bound students and their families. Going to College in New Jersey promotes awareness of postsecondary opportunities here in the Garden State and also includes details on State and federal financial aid programs. This guide includes degree options, location, and tuition for each higher education institution in New Jersey, as well as information on student financial aid resources – all targeted to college-bound students in the 11th and 12th grades in high schools throughout our State.
At HESAA’s April 17, 2019 meeting the Board appointed Nautilus Publishing Company to publish three academic-year versions of *Going to College in New Jersey*, with the option to renew the agreement for up to two additional academic years. Nautilus Publishing Company has now completed the first three versions of this resource guide and I am pleased to share that HESAA has been satisfied with how Nautilus coordinates, designs, posts, prints, and distributes this New Jersey college resource guide.

It is recommended that the Board approve Resolution 20:21 approving the Extension of the Contract with the Nautilus Publishing Company to Publish *Going to College in New Jersey* for one Additional Academic Year, at a cost of no more than the original cost of $76,550 for 85,000 copies.

A motion to approve Resolution 20:21 was made by Brian Bridges and seconded by Thyquel Halley.

Chairwoman Van Horn commented on what a great advertisement this publication is for the higher education institutions in New Jersey and advised that it is distributed to all 11th and 12th grade students in the State.

Brian Bridges asked if there is an online version of *Going to College in New Jersey*. Jennifer Azzarano responded that the publication is online and a lot of high schools include the link on their websites for their students.

The motion passed unanimously, with one abstention, Scott Salmon, who arrived at the meeting at the end of the discussion on this Resolution.

**RESOLUTION 21:21 APPROVING ADOPTION OF REGULATIONS GOVERNING THE COMMUNITY COLLEGE OPPORTUNITY GRANT PROGRAM, N.J.A.C. 9A:9-9**

Marnie Grodman presented Resolution 21:21 to the Board.

At its April 21, 2021 meeting the HESAA Board approved proposed new rules to administer the student grant provisions of the Community College Opportunity Grant (CCOG) program. The proposed new rules were published in the June 7, 2021 New Jersey Register, and publicized throughout the State. During the public comment period HESAA received one set of comments that did not require any changes to the proposal. A summary of the comments and HESAA’s responses are provided in the materials.

As also shown in the materials, it is necessary to make non-substantive amendments upon adoption to correct a numbering mistake that was made upon publication.

A copy of the proposal, as published in the New Jersey Register, is included in the materials. Upon the Board’s approval, the adoption notice will be published in the December 6, 2021 New Jersey Register, thereby making the adoption effective on December 6, 2021.

A motion to approve Resolution 21:21 was made by Brian Bridges and seconded by Anton Lendor.

The motion passed unanimously.
RESOLUTION 22:21 APPROVING PROPOSED READOPT WITH AMENDMENTS OF N.J.A.C. 9A:9 REGULATIONS GOVERNING THE GRANT AND SCHOLARSHIP PROGRAMS

Marnie Grodman presented Resolution 22:21 to the Board.

The regulations that govern the grants and scholarships programs are scheduled to sunset on January 1, 2022. Staff has reviewed the rules and determined that they continue to be necessary, reasonable, and proper for the purpose for which they were originally promulgated. Additionally, upon review staff determined that a few amendments are necessary upon readoption.

In addition to implementing new laws that have been enacted since the Authority last amended the rules, the proposed readoption revises the membership of the Student Advisory Committee to provide more opportunities for students from each sector to serve; codifies policies regarding dependency determinations that are currently provided on HESAA’s website; and simplifies income verification processes.

The complete rule proposal, as well as a summary of each amendment, are included in the materials. Upon the Board’s approval, the rule proposal will be published in the December 6th New Jersey Register allowing for public comment until February 4, 2022. The Board can anticipate consideration of the final readoption of these rules at its April 2022 meeting, with the goal of putting the rules into effect for the 2022-2023 Academic Year.

A motion to approve Resolution 22:21 was made by Beatrice Daggett and seconded by Robert Shaughnessy.

The motion passed unanimously.


Marnie Grodman presented Resolution 23:21 to the Board.

Resolution 23:21 proposes regulations to administer the Science, Technology, Engineering, and Math (STEM) Loan Redemption Program. This program provides participants with student loan redemptions in the amount of $1,000 each year for up to four years in return for their employment in a defined STEM occupation in New Jersey. The participant’s employer is required to match the annual redemption. Graduates of New Jersey STEM degree programs are eligible to apply for the program if they remained employed in an eligible STEM occupation in New Jersey for at least four years after the December 14, 2018 effective date of the STEM Loan Redemption Program Act.

The proposed regulations set forth the Program’s purpose and scope, definitions, eligibility requirements, application procedures, terms for loan redemption, grounds for termination or suspension of participation, and appeals process.
The complete rule proposal, as well as a summary of each section, are included in the materials. Upon the Board’s approval, the rule proposal will be published in the December 6th New Jersey Register allowing for public comment until February 4, 2022. Thank you.

A motion to approve Resolution 23:21 was made by Robert Shaughnessy and seconded by Beatrice Daggett.

The motion passed unanimously.

EXECUTIVE DIRECTOR’S REPORT

Executive Director David Socolow gave the following report:

Thank you Chairwoman Van Horn and members of the Board for today’s actions to move forward on key initiatives that will help students and families pay for college. I am grateful for the opportunity to brief you on recent developments affecting this crucial public policy goal.

Completion of Financial Aid Applications for Academic Year 2022-2023

One mission-critical priority for HESAA is encouraging as many students as possible to apply for financial aid, to maximize their chances of getting help paying for college from federal, State, and other sources. In New Jersey, 70.6 percent of last year’s high school graduating class of 2021 completed a Free Application for Federal Student Aid (FAFSA) by September 2021. New Jersey ranked third among all states in the nation on this metric, below only the 78 and 74 percent FAFSA completion rates achieved in top-ranked Tennessee and Louisiana, respectively. In addition to the FAFSA, more than 2,100 New Jersey Dreamers completed HESAA’s Alternative Application for Financial Aid by the mid-September deadline. However, although New Jersey’s completion rates did not drop as much as the national average decline of 4.2 percent, we did see a 2.5 percent year-over-year fall-off in high school seniors completing the FAFSA.

We can do better, and we must. Helping students complete these applications not only gets them over the first hurdle toward qualifying for valuable financial aid, but it is also a proven element in a broader strategy leading to positive postsecondary education student outcomes, especially for students facing the greatest barriers to success.

Through coordinated partnerships, over the next few months New Jersey can take further steps to improve on these results. The next cycle already started on October 1, 2021, when students began applying for financial aid for Academic Year 2022-2023. In collaboration with schools and community-based organizations, we are hosting frequent workshops to assist students and families with completing financial aid applications. We are also expanding our initiative that will enable counselors to monitor their school’s progress and target their outreach efforts, through near real-time tracking as each high school’s seniors file their financial aid applications.

Grants and Scholarships Programs in Academic Year 2021-2022

As almost all students prepared to return to campuses for a fully in-person school year, over this past summer and into the early fall our grants and scholarships and client services teams have
served record numbers of students and processed high workloads to respond to the needs of students, family members, and our partners at the financial aid offices of higher education institutions. Our staff has handled crucial activities such as: completing student grant eligibility verification and reevaluations for the current term, processing applications for HESAA’s various scholarship programs, and responding to a large volume of phone calls, emails, and documents submitted by students and college financial aid staff. In all of these efforts, the staff has provided high quality, professional customer service despite the ongoing challenges from the pandemic and their partially-remote hybrid work schedules. I invite the Board to join me in recognizing and appreciating the hard work of these dedicated public servants to ensure that eligible students receive the proper amount of State financial aid in a timely manner, consistent with HESAA’s duties to be a good steward of State funds and preserve program integrity.

NJBEST Program Enhancements
It is my pleasure to report that we have launched the new NJBEST matching grant program authorized by the College Affordability Act that Governor Murphy signed on June 29, 2021. To implement the regulations approved at the July Board meeting, we have overhauled the NJBEST presence on the HESAA website to showcase the exciting new benefits for New Jersey residents who use NJBEST to save for the future. The site includes the application for eligible account holders to receive a dollar-for-dollar grant to match up to $750 of the initial contribution to a newly opened account. The new hub on our website also links to HESAA’s recently expanded NJBEST scholarships for account beneficiaries who enroll at a postsecondary institution in New Jersey, as well as the new tax deduction for contributions and other incentives and benefits of saving for college through an NJBEST 529 savings account. Franklin Templeton, the Authority’s NJBEST service provider, is conducting targeted outreach to raise awareness about these important new savings incentives for our state’s families.

NJCLASS Loan Volume to date for Academic Year 2021-2022
NJCLASS loan applications have soared in the 2021-22 academic year compared with the same period for the prior two years. As the Board discussed earlier today in considering Resolution 19:21, HESAA originated a greater total dollar amount of Standard NJCLASS loans this year than the robust amount in the pre-pandemic summer and fall of 2019. Thousands of New Jersey students and families received assistance through the tremendous efforts of the student loans originations staff, with support from the client services, finance, and information services teams.

This year’s spike in volume may be attributed to two factors. First, thanks to the strong demand for the 2021 student loan revenue bond issue approved by the Board last April, HESAA is offering historically low interest rates for families to finance the costs of college in Academic Year 2021-2022 – with much lower finance charges for NJCLASS loans than for federal Parent PLUS loans. Second, the average amount borrowed per Standard NJCLASS loans is higher this year than in 2020, which may be due to the return to residential enrollment and families’ increased need to finance student dining and housing costs that were not as prevalent last year.

HESAA’s interest rates for ReFi+ loans are also lower than they have ever been, allowing New Jersey borrowers to refinance their existing federal Parent PLUS loans, NJCLASS loans, or other
school-certified private education loans at a reduced interest rate of as low as 2.99%. For many borrowers who are paying off loans from prior years when interest rates were much higher, ReFi\(^+\) loans offer a significant money-saving opportunity. More than twice as many borrowers applied for and received ReFi\(^+\) loans between July and September 2021 than in either 2020 or 2019. Overall ReFi\(^+\) loan volume skyrocketed to more than $23 million just in these three months, compared with $10 million in ReFi\(^+\) loans during the same period in the previous two years.

HESAA remains committed to assisting those who struggle to repay their loans. Even as the vast majority of NJCLASS borrowers remained current on their payments throughout the past year, we have continued to offer pandemic-related relief programs and collections policies to support those who face challenges. We also recently reached out to hundreds of NJCLASS loan borrowers living in the regions impacted by the Tropical Storm Ida emergency, reminding them that our customer service team is here to offer assistance during times of hardship.

**New State Requirements for Financial Aid Shopping Sheet**

Last month, Governor Murphy signed P.L. 2021, c. 211, into law, which now requires the State’s licensed public and private postsecondary degree-granting institutions to provide a customized financial aid “shopping sheet” to every student, including prospective and currently enrolled students, as part of the institution’s financial aid offer to each student. This new law expands the 2019 statute that required the shopping sheet only for prospective students.

Shopping sheets make college costs more transparent, less confusing, and more easily comparable among different institutions. These important disclosures use a clear, easy-to-understand format disclosing the true net price that a student will pay for a year of enrollment. The shopping sheet calculates each student’s net cost by first displaying the total costs of attendance charged to that student and then subtracting all grants and scholarships that the student will not be expected to repay. Crucially, this method does not include in the student’s “aid package” any loans, which must be repaid, or any work-study offers, which provide wages that the student earns by working at a job. Both loans and work-study are examples of the student’s own resources, or those of their family, which should not be described as “financial aid.”

Under the law, institutions can use either the New Jersey Financial Aid Shopping Sheet template, shown on this slide and available on HESAA’s web page under “Publications,” or the most recent “College Financing Plan” format published by the U.S. Department of Education.

**Federal Student Loans: Public Service Loan Forgiveness**

Two weeks ago, the U.S. Department of Education (ED) announced a major overhaul of the federal Public Service Loan Forgiveness (PSLF) Program, which is intended to forgive the remaining federal student loan balances for individuals who worked for 10 years full-time for a qualifying public service employer, such as a governmental or not-for-profit organization. Under this new limited waiver, for the next year all prior and future payments can be counted toward PSLF, regardless of loan program or payment plan, including payments made on older Federal Family Education Loan Program (FFELP) loans. In addition, active duty military service members will be able to count deferments and forbearances toward PSLF, which solves the problem of past denials
of credit toward forgiveness when service members paused payments while on active duty. All federal employees and military service members will automatically get credit toward PSLF by matching federal employment data to the Education Department’s student loan records, without requiring them to file an application. The federal government will also review and reconsider all previously denied PSLF applications.

While this program does not apply to student loans from HESAA or from private lenders, New Jersey is home to thousands of eligible borrowers of federal student loans who will benefit from this long-overdue fix to the federal Public Service Loan Forgiveness program. HESAA still holds a small portfolio of 2,100 FFELP loans issued prior to 2010 – so we reached out to advise these borrowers how they can apply for Public Service Loan Forgiveness by no later than October 31, 2022, including how to certify qualifying employment, request loan forgiveness, and consolidate their FFELP loans into the federal Direct Loan program. We will monitor the implementation of this limited waiver to assist the eligible students with whom HESAA is in contact, so they can make progress toward forgiveness of their federal student loans in recognition of their years of steadfast service to our community and country.

**HESAA Staff Updates**
I would like to take a moment to recognize and thank the members of the HESAA family who have retired since the Board last met.

Tony Kaczoroski, Assistant Director of Finance and Regulatory Reporting, retired after 48 years of service to HESAA. Tony’s precise and methodical approach to his work provided assurance of accurate and detailed financial information. Tony played a vital role in HESAA’s transition leading up to and after the termination of our role as a federal guaranty agency, and he contributed invaluable institutional knowledge about the Authority’s history and legacy systems.

Mike Tychoneckyj, Principal Stock Clerk, retired after more than 34 years of service to HESAA. Mike was an invaluable asset for knowledge of mailroom operations and processing incoming and outgoing mail. His expertise on operating and troubleshooting our mail room machines ensured that correspondence and invoices were processed and sent to students and families accurately and timely.

Finally, I also want to commend the HESAA Staff Engagement Team (HSET) for launching a new support series through our staff intranet. The program is kicking off with Breast Cancer Awareness month, featuring videos of individual staff members sharing their stories of survival and inspiration related to breast cancer. HSET plans to continue with additional programming for other designated awareness months, such as colon cancer, heart disease, and others on this staff support portal, or “sup-portal.”

**Conclusion**
Once again, many thanks to the Board for approving the important items on today’s agenda, and for your ongoing commitment to helping New Jersey’s students and families get the financial resources they need to pursue postsecondary education and success.
Chairwoman Van Horn reiterated how HESAA is supporting students by not only lending money to students but by also providing services to assist borrowers in repaying their loans.

NEW BUSINESS

ADJOURNMENT

Ms. Van Horn advised that the next regularly scheduled Board meeting is Wednesday, January 26, 2022 at 10:00 am.

A motion to adjourn was made by Christy Van Horn and seconded by Robert Shaughnessy. The motion passed unanimously.

The meeting adjourned at 11:00.
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

FROM: HESAA Board Audit Committee

SUBJECT: Report of the Audit Committee and Resolution 17:21 Accepting and Adopting the Financial Statements and Independent Auditors’ Reports for Fiscal Year 2021

DATE: October 20, 2021

Summary

Attached for review, comment and approval is Resolution 17:21 Accepting and Adopting the Financial Statements and Independent Auditors’ Reports for Fiscal Year 2021.

Background

The Higher Education Student Assistance Authority (HESAA) Audit Committee is comprised of Christy Van Horn, Chair; Beatrice Daggett, Vice-Chair; Scott Salmon, Public Member; and Treasurer’s Designee, Robert Shaughnessy as the member of the Board having accounting or related financial experience.

The Committee met with representatives of CliftonLarsonAllen on October 15, 2021 to review and discuss the 2021 Financial Statements and CliftonLarsonAllen’s unmodified reports.

Recommendations

The Audit Committee recommends that the HESAA Board accept and adopt the Financial Statements and Independent Auditors’ Reports for Fiscal Year 2021.

Attachment
RESOLUTION 17:21

ACCEPTING AND ADOPTING THE FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS’ REPORTS FOR FISCAL YEAR 2021

Moved by: Mr. Robert Shaughnessy
Seconded by: Mr. Anton Lendor

WHEREAS: The Higher Education Student Assistance Authority (HESAA) prepared three separate financial statements for Fiscal Year 2021 (“2021 Financial Statements”) which were audited by the independent auditor CliftonLarsonAllen LLP; and

WHEREAS: The members of the Board Audit Committee met with CliftonLarsonAllen LLP on July 23, 2021, prior to the commencement of the audit; and

WHEREAS: The members of the Board Audit Committee have received and reviewed the Financial Statements and the unmodified reports of CliftonLarsonAllen LLP dated for the year ending June 30, 2021; and

WHEREAS: The members of the Board Audit Committee met with representatives of CliftonLarsonAllen LLP on October 15, 2021 to discuss the 2021 Financial Statements and CliftonLarsonAllen’s unmodified reports; and

WHEREAS: The members of the Board Audit Committee recommend that the HESAA Board accept and adopt the Financial Statements and Independent Auditors’ Reports for Fiscal Year 2021.

NOW THEREFORE, BE IT:

RESOLVED: That the HESAA Board accepts and adopts the Fiscal Year 2021 Financial Statements and Independent Auditor’s Reports as attached hereto; and be it further

RESOLVED: That the attached Fiscal Year 2021 Financial Statements and Independent Auditor’s Reports shall be posted on HESAA’s website at www.HESAA.org, and submitted to the State Treasurer and the Governor’s Authorities Unit.

October 20, 2021
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow
Executive Director

FROM: Jean Hathaway
Director, Grants and Scholarships

SUBJECT: Report of the Budget Committee and Resolution 18:21 Adopting a Board Budget Policy Statement for Fiscal Year 2023

DATE: October 20, 2021

Summary

Attached for review, comment, and approval is Resolution 18:21 Adopting a Board Budget Policy Statement for Fiscal Year 2023. Jean Hathaway will summarize the Policy Statement drafted based on the Budget Committee’s discussion.

Background

The members of the Budget Committee of the Authority are Christy Van Horn, Scott Salmon, Beatrice Daggett, Jon Larson and David Socolow.

The Committee met with HESAA staff on October 13, 2021 to develop the attached Board Budget Policy Statement for Fiscal Year 2023.

Recommendations

The Budget Committee recommends adoption of Resolution 18:21 and the attached Budget Policy Statement.

Attachments
RESOLUTION 18:21
ADOPTING A BOARD BUDGET POLICY STATEMENT FOR
STATE FISCAL YEAR 2023

Moved by: Ms. Isabella Berdugo-Hernandez
Seconded by: Mr. Robert Shaughnessy

WHEREAS: The Higher Education Student Assistance Authority (HESAA) Board is responsible for recommending budget policies in support of New Jersey’s student financial aid programs; and

WHEREAS: On October 13, 2021 the Board’s Budget Committee met with staff to review background information and to draft a FY 2023 budget policy statement for consideration by the full Board.

NOW THEREFORE, LET IT BE:

RESOLVED: That the HESAA Board strongly affirms the importance of preserving education access and affordability for all residents of the State of New Jersey and recognizing academic achievement; and be it further

RESOLVED: That the Board hereby adopts the budget policy statement for FY 2023 as advanced by the budget committee and described in the attachment to this resolution; and be it further

RESOLVED: That HESAA shall endeavor to maximize FY 2023 resources available for State-funded student assistance programs in keeping with the attached budget policy statement, subject to refinement of underlying projections.

October 20, 2021
FISCAL YEAR 2023 BUDGET POLICY STATEMENT OF THE HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY BOARD

Pursuant to N.J.S.A. 18A:71A-9f, the Higher Education Student Assistance Authority (HESAA) is the lead State agency in determining policy on student assistance issues. Consequently, the HESAA Board is charged with developing budget recommendations for all postsecondary financial aid programs administered by the Authority. These recommendations are submitted to the Executive Director for review and submission to the Office of Management and Budget.

The Board, on behalf of the students and families served, would like to thank Governor Murphy and the Legislature for their sustained support of New Jersey’s State grant and scholarship programs during these challenging fiscal times. The Board is particularly grateful to the Governor and the Legislature for the $35 million in additional appropriations to the Tuition Aid Grant (TAG) program in Fiscal Year 2022, as this significant funding increase enabled HESAA to redress disparities among the dollar values of TAG awards for equally needy students enrolled at the State’s senior public colleges and universities, while increasing the grant schedules for students at every participating institution in New Jersey. During the 2021-2022 academic year, the State’s financial aid programs are projected to provide more than 92,000 awards to State residents to pursue a postsecondary education, contributing to these students’ individual success and strengthening New Jersey’s economy and society.

The Fiscal Year 2023 (FY23) Budget Policy Statement reflects the Board’s fundamental principles of promoting access to and affordability of postsecondary education for New Jersey residents through need-based student financial aid and merit-based scholarship programs. Over the course of the budget process, and subject to available funding, the Board urges HESAA’s staff to advance the Board’s funding recommendations and priorities expressed in this policy statement.

The Board is mindful of its role as an advocate for students, while also recognizing the fiscal challenges facing the State of New Jersey. The Board is cognizant of the ongoing fiscal impact the global COVID-19 pandemic has had on the State, and has developed the recommendations below balancing these limitations with the increased need of students due to the pandemic. In developing these recommendations, the Board considered several options for funding and policy changes for TAG program, as well as options for other State aid programs. While the Board continues to reaffirm its long-standing commitment to achieving full funding of the full-time TAG Program, and thus promoting affordability, access, and choice for all students, the Board agrees that the funding recommendations outlined below are the most reasonable in light of the financial challenges the State is facing.

General Policy Recommendations

The role of the HESAA Board in the budget process is to advocate policies that advance higher education access, choice, affordability, and academic achievement for New Jersey residents.

- The Board supports, as its funding priority, ensuring protection of the State’s historic commitment to all eligible full-time students under the need-based TAG Program.

- The Board supports continued funding of the Community College Opportunity Grant Program in FY23 for students meeting the current eligibility criteria, as well as increased funding to add a sliding scale of awards that addresses the eligibility “cliff” caused by the current $65,000 income cutoff by gradually phasing out CCOG eligibility for students with an Adjusted Gross Income (AGI) above $65,000.

- The Board supports continued funding of the Part-Time TAG Program for County College Students. Future award values, funding, and expenditures for the Part-Time TAG Program for County College
Students, are considered separately from those for full-time TAG, because full-time TAG and part-time TAG are required by statute to be separate line items in the State budget.

- The Board supports continued support for the Governor’s Urban Scholarship program and encourages expansion of the list of municipalities where residents may be eligible for these awards.

To provide higher education access and affordability for New Jersey families, it is important to maintain the predictability and stability of State grant programs for financially needy students and their families. With this goal in mind, we present the following specific funding policy recommendations:

**FY22 Funding Policy Recommendations**

**TAG for Full-Time Students**

The HESAA Board recommends the following funding policies for the full-time TAG program:

- Fund awards to all eligible students who apply by the application deadlines.

- Provide for a contingency mechanism that ensures sufficient reserves to cover increases in program costs not anticipated in the budget.

- The Board supports increasing TAG funding in FY23 to support targeted improvements to eligibility rules to align with the State’s policy goals of re-engaging working adults in postsecondary education and reducing barriers to access for low-income and first-generation students. The Board notes that more than two-thirds of today’s students work in outside employment for significant hours in addition to attending college, with an increasing share of students working full-time. The Board also supports an across-the-board increase in the FY23 dollar value of individual students’ TAG awards in each need category. Accordingly, the Board recommends applying any available increase in TAG funding in FY23 to the following policy priorities:

  - To align the TAG eligibility rules with the methodology for calculating need for federal aid (e.g., Pell Grants), stop counting federal Earned Income Tax Credits (EITC) as income in the calculation of students’ need for TAG. The Board applauds the elimination of the burdensome requirement for New Jersey State aid applicants to answer state-specific questions after completing the Free Application for Federal Student Aid (FAFSA). However, TAG applicants’ EITC information continues to be ascertained using alternate sources, and is still counted as income in the need calculation. The Board recommends providing additional funding to enable affected students to qualify for higher TAG awards once EITC is no longer treated as income. To reduce the fiscal impact of changing this eligibility policy all at once, the Board supports a phased-out approach whereby each year a declining fraction of EITC would be counted as income, until consideration of EITC can be completely eliminated from the TAG need calculation after several years.

  - Increase New Jersey’s income protection allowance so as to provide higher TAG award amounts to low-income working independent students.

  - Increase, by at least 1%, the dollar values of all TAG award amounts for students in each need category in every sector of higher education.
Community College Opportunity Grant (CCOG) Program

The Board recommends increased funding of CCOG to:

- Fund full CCOG awards to all students attending New Jersey’s 18 community colleges who meet current eligibility criteria, including the existing income threshold of a family AGI between $0 and $65,000.

- Create a sliding scale of gradually declining awards for students with an AGI greater than $65,000 to address the current eligibility cliff, thereby aligning CCOG with the Garden State Guarantee and offering students a four-year, tuition-free pathway to a Bachelor degree.

Part-Time Tuition Aid Grant Program for County College Students

The Part-Time Tuition Aid Grant Program for County College Students has received level funding over the last several years. In FY21 this appropriation fell short of actual expenditures, and in order to fully fund all eligible students HESAA transferred modest levels of unexpended balances from other State financial aid accounts. The Board recommends FY23 funding for this line item that is sufficient to continue providing part-time TAG awards to all eligible county college students who apply by the application deadlines at one-half or three-quarters of the dollar value of full-time awards.

Part-Time Tuition Aid Grants for EOF Students

The Board recommends FY22 funding for the Part-Time TAG for EOF Students Program at a level sufficient to maintain the current program.

NJ Student Tuition Assistance Reward Scholarship/NJ Student Tuition Assistance Reward Scholarship II Programs (NJ STARS/NJ STARS II)

Funding for the NJ STARS and NJ STARS II Programs has been level over the last several years. In FY21 this appropriation fell short of actual expenditures, and in order to fully fund all eligible students HESAA transferred modest levels of unexpended balances from other State financial aid accounts. Based on enrollment trends and annual tuition increases, the Board recommends FY23 funding for this line item that is sufficient to support all students who meet the eligibility requirements of the NJ STARS and NJ STARS II Programs.

Governor’s Urban Scholarship (GUS) Program

The Governor’s Urban Scholarship Program, created in 2012, provides aid to New Jersey high school students who reside in 14 high-need communities. For FY23, the Board recommends continued funding of $1,000 renewable scholarship awards for New Jersey high school graduates who rank in the top 5% of their class with a GPA of 3.0 or higher and demonstrate financial need, no matter whether they attend a public or non-public high school. In addition, a persistency award of $500 should continue to be provided to students in their final term of the scholarship upon completion of their associate or baccalaureate degree. In addition to continued funding to support GUS recipients under the program’s current parameters, the Board supports additional funding to expand the program to students residing in other high-need municipalities.
World Trade Center (WTC) Scholarship Program

Recognizing that the WTC program is committed to funding the majority of the students through 2024, the Board recommends continuation of level funding to support WTC Scholarship recipients. The Board also notes the existence of other revenue sources for the WTC Scholarship Program, including public and private donations.

Primary Care Practitioner Loan Redemption Program and Nursing Faculty Loan Redemption Program

The Board recommends continued level funding for these two loan redemption programs, which support partial redemption of student loans for primary care practitioners who commit to serving in medically underserved areas across the State, as well as student loan redemption for nurses who commit to teach at schools of nursing in order to address the shortage of nurses and nursing faculty.

New Jersey STEM Loan Redemption Program

Although funding will not be necessary in FY23, the Board notes that the enabling statute permits HESAA to begin accepting applications in December 2022 from individuals seeking loan redemption exchange for an eligible employee’s commitment to full-time employment in a designated high-growth STEM occupation at an employer in New Jersey, under the terms of this program. The first expenditures for the STEM Loan Redemption program will commence no later than FY24, and the Board recommends starting now to plan projections for future appropriations.

HESAA Revenue and Fee-Supported Programs Not Funded by State Line-Item Appropriations

The Board notes that although the following services and activities are not funded through HESAA’s State line-item appropriations, they are key elements of the Authority’s overall mission:

- Law Enforcement Officers Memorial Scholarship program
- Survivor Tuition Benefits (STB) program
- New Jersey Governor’s Industry Vocations Scholarship for Women and Minorities (NJ GIVS)
- NJBEST Scholarship program
- New Jersey Better Education Savings Trust (NJBEST) college savings program
- New Jersey College Loans to Assist State Students (NJCLASS) loan programs
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow
Executive Director

FROM: Jerry Traino
Chief Financial Officer

SUBJECT: Resolution 19:21 Authorizing the Use of Certain Proceeds of Defaulted Loan Recoveries Free of Any Pledge to Secure Prior Bonds to Pay for the Costs of Originating New Student Loans in an Amount not to Exceed $25,000,000 and to Further Authorize Reimburse the Expenditure of those Costs with Proceeds of Series 2022 Student Loan Revenue Bonds.

DATE: October 20, 2021

Summary

The Higher Education Student Assistance Authority ("HESAA" or the "Authority") is seeking the Board’s approval to use recoveries of principal and interest on certain defaulted loans, provided that such recoveries are not borrowed funds or pledged to secure any obligation of the Authority including prior bond issuances, to pay for the costs of originating new student loans in an amount not to exceed $25,000,000; and subsequently reimburse the expenditure of originsations costs paid prior to the issuance of new 2022 bonds with the proceeds from the sale of those bonds in conjunction with the 2022 bond transaction.

Background

In April of 2021 the Board authorized HESAA to sell $107,745,000 in Student Loan Revenue Bonds, the proceeds of which, along with unused funds from the 2020 Series bond transaction, would finance the originations of New Jersey College Loans to Assist State Students (NJCLASS) loans for the 2021-2022 Academic Year.
While the COVID 19 pandemic had an impact on loan origination volume during the 2020-2021 Academic Year (2020 Bond Series), HESAA anticipated the volume would return to more typical historical levels for the 2021-2022 Academic Year. The funding included in the 2021 bond was sized to be commensurate with the larger originations volume experienced during the 2019-2020 academic year. However, fall 2021 NJCLASS loan originations have exceeded even those enhanced expectations.

Due to market conditions at the time of the Series 2021 transaction last May, HESAA was able to secure historically low interest rates for all NJCLASS loan products. The NJCLASS 10-year option charges a 2.99% interest rate, nearly 400 basis points lower than the analogous federal Parent PLUS loan option available to student borrower families. All three Standard NJCLASS loan options have interest rates well below the federal Parent PLUS rates this year. Similarly, our ReFi+ interest rates, starting as low as 2.99%, are competitive with many third-party refinance lenders.

These attractive rates have resulted in an over-performance of loan volume for this academic year. Demand for the NJCLASS Standard, Consolidation, and ReFi+ loans have been remarkably strong to date and the Authority has expended nearly all funds that the 2021 bond issuance made available to originate NJCLASS loans.

In years past, HESAA has simply closed off loan options as funds ran out. However, that decision has usually occurred well into the academic year when there is little demand for loans. Given how early it is in the school year, with many students and families having yet to finalize decisions about the upcoming spring semester, HESAA would prefer to not turn these families away.

The Authority is seeking approval to use up to $25 million of existing HESAA funds to finance the origination of NJCLASS 10-year and 15-year Standard Loans, as well as 10-year and 15-year ReFi+ loans, until next spring when the Authority expects to issue a new round of Series 2022 Student Loan Revenue Bonds for the 2022-2023 Academic Year.

The Authority intends to pay for the costs to originate new student loans prior to the issuance of the 2022 Bonds using recoveries of principal and interest from certain defaulted NJCLASS loans on its balance sheet that are free of any pledge to secure the prior bonds or any other obligation of the Authority. Subsequently, the Authority intends to reimburse this expenditure of costs paid prior to the issuance of the 2022 Bonds with the proceeds made available from the sale of the 2022 Bonds, which is expected to occur in the spring of 2022.

**Recommendation**

As this short-term deployment of HESAA funds will enable the NJCLASS program to remain an affordable educational financing tool for borrowers and families during the current 2021-22 academic year, it is recommended that the Board approve the attached Resolution 19:21.

Attachment
RESOLUTION 19:21

RESOLUTION DECLARING INTENT TO REIMBURSE EXPENDITURES WITH THE PROCEEDS OF TAX-EXEMPT BONDS IN CONNECTION WITH THE ORIGINATION OF STUDENT LOANS UNDER THE NJCLASS LOAN PROGRAM

Moved: Ms. Beatrice Daggett
Seconded: Mr. Anton Lendor

WHEREAS: The Higher Education Student Assistance Authority (the "Authority") is a body corporate and politic constituting an instrumentality of the State of New Jersey (the "State") established and created under and by virtue of the provisions of the Higher Education Student Assistance Authority Law, constituting Chapter 46 of the Pamphlet Laws of 1999 of the State of New Jersey, as amended and supplemented and any successor legislation (the "Act"); and

WHEREAS: In accordance with the Act, the Authority has originated or purchased student loans made to finance or refinance post-secondary education ("Student Loans") in accordance with the New Jersey College Loans to Assist State Students Loan Program (the "NJCLASS Loan Program") using the proceeds of its student loan revenue bonds issued prior to the date hereof (collectively, the "Prior Bonds"); and

WHEREAS: The Authority holds certain Student Loans that have been delinquent for more than 180 or 240 days, as applicable, on its balance sheet, free of any pledge to secure the Prior Bonds or any other obligation of the Authority (collectively, the "Defaulted Loans"); and

WHEREAS: It is expected and intended that the Authority will issue its Student Loan Revenue Bonds, Series 2022, in an amount not to exceed $300,000,000 (the "Bonds") and use the proceeds from the sale thereof to originate new Student Loans under the NJCLASS Loan Program and in accordance with the administrative rules of the Authority related thereto ("New Student Loans"); and

WHEREAS: It is expected and intended that the Bonds will be qualified student loan bonds under Section 144(b) of the Internal Revenue Code of 1986, as amended (the "Code") and the New Student Loans will comply with the provisions applicable to student loans thereunder; and

WHEREAS: In order to accomplish the purposes of the Act, the Authority expects and intends to pay for the costs to originate New Student Loans in an amount not to exceed $25,000,000 (the "Costs") prior to the issuance of the Bonds using recoveries of principal and interest on the Defaulted Loans, including interest earned from the investment thereof (the "Defaulted Loan Recoveries"), which Defaulted Loan Recoveries are not borrowed funds or pledged to secure any obligation of the Authority, including the Prior Bonds; and
WHEREAS: The Authority reasonably anticipates that the Bonds, the interest on which will be excluded from gross income under Section 103 of the Code, will be issued to finance the origination of New Student Loans; and

WHEREAS: The Authority desires to preserve its right to treat an allocation of the proceeds of the Bonds to the reimbursement of Costs incurred or paid prior to the issuance of the Bonds as an expenditure for such Costs to be reimbursed for purposes of Sections 103 and 141 through 150, inclusive, of the Code;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY (not less than a majority of a quorum thereof affirmatively concurring) AS FOLLOWS:

Section 1. The recitals set forth above are incorporated herein as if set forth at length.

Section 2. The Authority reasonably expects to reimburse its expenditure of Costs paid prior to the issuance of the Bonds with proceeds of the Bonds. This resolution is intended to be and hereby is a declaration of the Authority’s official intent to reimburse the expenditure of Costs paid prior to the issuance of the Bonds with the proceeds from the sale of the Bonds in accordance with Treasury Regulations §1.150-2. No reimbursement allocation will employ an “abusive arbitrage device” under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Code. The proceeds used to reimburse the Authority for Costs, will not be used in a manner that results in the creation of “replacement proceeds,” including “sinking funds,” “pledged funds,” or funds subject to a “negative pledge” (as such terms are defined in Treasury Regulations §1.148-1), other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury Regulations §1.148-1). All reimbursement allocations will occur not later than eighteen (18) months after the date the expenditure from a source other than the Bonds is paid.

Section 3. The Authority further desires to enter into such bank account agreements with Wells Fargo Bank, National Association, as loan servicer, to ensure the timely distribution of Costs to originate the New Student Loans. Each of the Chairperson, Vice Chairperson, Secretary, Treasurer, Executive Director or Chief Financial Officer (each, an “Authorized Authority Official”) is hereby authorized to execute and deliver such account and/or servicing agreements as may be necessary or desirable to effectuate the origination of the New Student Loans. The execution of any of such documents by said Authorized Authority Official shall be conclusive evidence of any approval of such document in final form as authorized by this Section 3.

Section 4. The maximum principal amount of the Bonds expected to be issued is $300,000,000, subject to the availability of volume cap therefor.

Section 5. The Authorized Authority Officials are hereby designated to be the authorized representatives of the Authority, and each of them and other authorized representatives and designees are hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution, and the origination of New Student Loans, including, without limitation, the substitution and approval of documents other than those approved and authorized to be executed by this resolution in order to conform the same to the purposes of the Act and the intentions of the Authority as expressed herein.
Section 6. This resolution shall take effect immediately, but no action authorized herein shall have force and effect until ten (10) days after a copy of the minutes of the Authority meeting at which this resolution was adopted has been delivered to the Governor of the State for his approval, unless during such 10-day period the Governor shall approve the same, in which case such action shall become effective upon such approval, as provided by the Act.

October 20, 2021
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow  
Executive Director

FROM: Jennifer Azzarano  
Director, Communications

SUBJECT: Resolution 20:21 Approving the Extension of the Contract with the Nautilus Publishing Company to Publish *Going to College in New Jersey* for an Additional Academic Year

DATE: October 20, 2021

Background

The Higher Education Student Assistance Authority (HESAA) annually distributes a publication, *Going to College in New Jersey*, to college-bound students through coordination with secondary school counselors. *Going to College in New Jersey* is an 80-page publication that promotes awareness of higher learning opportunities in the State of New Jersey as well as State and federal financial aid programs. The publication includes individual features about higher education institutions in New Jersey, as well as information on postsecondary programs of study, student aid resources, career planning, and life skills for college-bound students in the 11th and 12th grades.

On February 19, 2019, HESAA issued a Request for Proposals (RFP) to write, edit, design, print, produce, and distribute the publication, *Going to College in New Jersey*. At its April 17, 2019 meeting the Board appointed Nautilus Publishing Company to publish three academic year versions of *Going to College in New Jersey*, with the option to renew the agreement for up to two additional academic years. Nautilus Publishing Company completed the first three versions of the magazine.

Staff recommends exercising the first one-year extension for Nautilus to continue publishing *Going to College in New Jersey*. *Going to College in New Jersey* is distributed to all New Jersey high schools, in both paper and electronic formats, and is used to promote New Jersey institutions of higher education. It contains information on all of the schools as well as a college major chart...
of higher education. It contains information on all of the schools as well as a college major chart that identifies which schools offer each course of study. This magazine guides families through the entire college application process by assisting students in selecting the school that is right for them, explaining how to apply to that school, and how to apply for financial aid. HESAA has been satisfied with how Nautilus designs, prints, and distributes this magazine.

The cost for publishing an annual edition of Going to College in New Jersey is $76,550. This cost also includes the e-book version of Going to College in New Jersey, compatible with all electronic publication formats. The cost for additional printed copies during the original press run is $0.58 per copy and after the original press run is $8,500 for 3,500 extra copies, $9,571 for 5,000 extra copies, and $11,561 for 10,000 extra copies.

Nautilus published Going to College in New Jersey to HESAA’s specifications and has met all expectations for the last twelve years that they have contracted with HESAA. Accordingly, staff recommends approving an extension to the contract with Nautilus to publish Going to College in New Jersey for an additional academic year.

Recommendation

It is recommended that the Board approve Resolution 20:21 Approving the Extension of the Contract with the Nautilus Publishing Company to Publish Going to College in New Jersey for an Additional Academic Year, at a cost of no more than $76,550 for the initial 85,000 copies.

Attachment
RESOLUTION 20:21

RESOLUTION APPROVING THE EXTENSION OF THE CONTRACT WITH THE NAUTILUS PUBLISHING COMPANY TO PUBLISH GOING TO COLLEGE IN NEW JERSEY FOR AN ADDITIONAL ACADEMIC YEAR

Moved: Dr. Brian Bridges
Seconded: Mr. Thyquel Halley

WHEREAS: The Higher Education Student Assistance Authority (HESAA) entered into a contract with The Nautilus Publishing Company to publish three academic year versions of Going to College in New Jersey, with the option to renew the agreement for up to two additional academic years; and

WHEREAS: Nautilus Publishing Company completed the first three versions of the magazine; and

WHEREAS: Going to College in New Jersey continues to be a relevant publication for guiding families through the process of choosing a New Jersey school and applying for both admission and financial aid; and

WHEREAS: Nautilus published both Going to College in New Jersey and Life 101 to HESAA’s specifications and has met all expectations.

NOW THEREFORE, LET IT BE:

RESOLVED: The Higher Education Student Assistance Authority hereby approves the Extension of the Contract with the Nautilus Publishing Company to Publish Going to College in New Jersey for an Additional Academic Year, at a cost of no more than $76,550 for the initial 85,000 copies.

October 20, 2021
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow
Executive Director

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

SUBJECT: Resolution 21:21 Approving Adoption of Regulations Governing the Community College Opportunity Grant Program, N.J.A.C. 9A:9-9

DATE: October 20, 2021

Background

On February 26, 2021, Governor Murphy signed the Community College Opportunity Grant (CCOG) Program Act P.L. 2021, c. 26 (the Act) into law. The purpose of the CCOG Program is to provide financial aid grants to eligible county college students to cover the costs of tuition and approved educational fees that are not already covered by any other State, federal, and institutional need-based grants or merit scholarships, and also to provide county colleges with Student Success Incentive funding for outreach and student success initiatives. Section 6 of the Act authorizes the Higher Education Student Assistance Authority (HESAA) to adopt the rules and regulations necessary to implement Sections 1 through 4, the CCOG student grant provisions, of the Act, and separately authorizes the Office of the Secretary of Higher Education to adopt the rules and regulations necessary to implement Section 5, the Student Success Incentive provisions of the Act.

At its April 21, 2021 meeting the HESAA Board approved proposed new rules to implement the student grant provisions of CCOG. The proposed new rules, PRN 2021-050, were published in the June 7, 2021 New Jersey Register at 53 N.J.R. 994(a), posted on the HESAA website at HESAA.org and sent to the Statehouse News Media and secondary notice was emailed to interested parties and a press release was distributed to the news media. The 60-day legislative review period for this rule expired on July 3, 2021 with no comments received and the public comment period for this rule expired on August 6, 2021. HESAA received comments from David
R. Smedley, Director of Financial Aid, Essex County College. The comments, along with HESAA’s responses, are summarized below:

COMMENT: The commenter advised that “The US Department of Education, in 2019, issued recommendations to discontinue the use of the term ‘award.’”
https://fasapartners.ed.gov/knowledge-center/library/electronic-announcements/2019-04-15/general-subject-recommendations-what-postsecondary-institutions-should-work-avoid-when-issuing-financial-aid-offers. Further, the commenter notes that policy advocates have urged financial aid professionals to use “clear, transparent terminology as it relates to ‘grants,’ ‘loans,’ and ‘work-study’ and the relationship to tuition billing and crediting to accounts.” He therefore requested that the Authority revise N.J.A.C. 9A:9-9.4(a) to eliminate the word “award” and revise the title of N.J.A.C. 9A:9-6 to be “Amount of CCOG Student Eligibility.” He further requested that the Authority strike all reference to the “award” throughout the entirety of subchapter 9.

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

COMMENT: The commenter requested that the Authority revise N.J.A.C. 9A:9-9.4(a) 1, to “state that an applicant must apply for all other available forms of Federal, State, and Institutional need-based grants and merit scholarships by filing the federal student aid application, the Free Application for Federal Student Aid (FAFSA®), or simply say that ‘by filing the application for Federal Student Aid’ (though it’s unlikely that the FAFSA® will be eliminated or otherwise changed). Federal should be listed first as a student aid office first considers eligibility for Federal student aid. The Agency may also wish to consider whether to address military education benefits, or to clarify in this section that the terms ‘Federal’ and ‘State’ refer to military education benefits from those respective governmental levels.”

RESPONSE: The Authority appreciates the commenter’s suggestion but does not agree that these revisions are necessary. The rule unambiguously provides that students must apply for all other available forms of both State and Federal grants and scholarships. It is unnecessary to specify one type of grant and scholarship aid, when the intent is to be all-encompassing. Additionally, as CCOG is a State program it is appropriate to list “State” before “Federal.” The rule intentionally omits any reference to the FAFSA because not all students are eligible to file the FAFSA. Certain
students who are ineligible for federal student aid, but are eligible for State aid pursuant to N.J.S.A.
18A:71B-2.1, are required to file the New Jersey Alternative Financial Aid Application instead of
the FAFSA. The requirement to “file a financial aid application, as approved by the Authority…”
encompasses all acceptable financial aid applications.

COMMENT: The commenter requested that references to “State deadlines” include a direction to
where such deadlines are disclosed by the Authority.

RESPONSE: The Authority appreciates the commenter’s suggestion but does not agree that this
revision is necessary. The State deadlines, which are also the subject of the General Provisions of
N.J.A.C. 9A:9-2.4, as incorporated by reference in N.J.A.C. 9A:9-9-6.2, are widely publicize through emails, the Authority’s website, and the New Jersey Financial Aid Management System
portal.

COMMENT: The commenter requested that the Authority revise N.J.A.C. 9A:9-4(a) 3 to read.
“achieve or maintain minimum level of satisfactory academic progress” rather than “academic
success.” The commenter stated that “all Federal and State student aid is based on review of
satisfactory academic progress. The “term ‘academic success’ could be misunderstood to mean
academic program standards and not satisfactory academic progress requirements, which
sometimes are different.”

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

COMMENT: The commenter stated that N.J.A.C. 9A:9-9.4 “should be as ‘camera ready’ as
possible to allow a participating institution to include verbatim the specific requirement of the
Community College Opportunity Grant program within its consumer information.”

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

While none of the comments necessitate changes to the proposal, it is necessary to make non-
substantive amendments upon adoption to correct a mistake that was made upon publication.
While the draft proposal HESAA submitted referenced the correct section numbers for the general
provisions for the Tuition Aid Grant and Garden State Scholarship Programs that pertain to
undergraduate enrollment and eligible institutions set forth at N.J.A.C. 9A:9-2.1 that apply to the CCOG program, upon publication the section numbers did not match the section titles. The correction being made upon adoption is as follows:

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

9A:9-9.3 General provisions
General provisions for the Tuition Aid Grant and Garden State Scholarship Programs that pertain to undergraduate enrollment and eligible institutions set forth at N.J.A.C. 9A:9-2.1, *[Underground enrollment and eligible institutions, 2.2]* Residency, *[2.3]**2.2*, Noncitizens and resident aliens, *[2.4]**2.3*, Eligibility and repayments, *[2.5]**2.4*, Dependent/independent student, *[2.7]**2.6*, Verification of family *[income, 2.8]* financial data, *[2.7]*, Renewal eligibility and filing, *[2.9]**2.8*, Award adjustments, refunds, and collections, *[2.13]**2.12*, Student's obligation, *[2.14]**2.13*, Check endorsements, *and* 2.16**2.14*, *and* Accounting and auditing standards, *2.16* shall be in effect for CCOG.

**Recommendation**

It is recommended that the Board approve Resolution 21:21 Approving Adoption of Regulations Governing the Community College Opportunity Grant Program, N.J.A.C. 9A:9-9.

Attachments
RESOLUTION 21:21

APPROVING THE ADOPTION OF NEW REGULATIONS GOVERNING THE COMMUNITY COLLEGE OPPORTUNITY GRANT PROGRAM, N.J.A.C. 9A:9

Moved By: Dr. Briar Bridges
Seconded By: Mr. Antonio Lender

WHEREAS: On February 26, 2021, Governor Murphy signed the Community College Opportunity Grant (CCOG) Program, P.L. 2021, c. 26 (the "Act") into law establishing the Community College Opportunity Grant and providing that the Higher Education Student Assistance Authority (Authority) shall adopt rules necessary to implement Sections 1 through 4, the CCOG student grant provisions, of the Act; and

WHEREAS: At its April 21, 2021 meeting the HESAA Board approved proposed new rules to administer the CCOG; and

WHEREAS: The proposed new rules, PRN 2021-050, were published in the June 7, 2021 New Jersey Register at 53 N.J.R. 994(a), posted on the HESAA website at HESAA.org and sent to the Statehouse News Media and secondary notice was emailed to interested parties and a press release was distributed to the news media; and

WHEREAS: The 60-day legislative review period for this rule expired on July 3, 2021, with no comments received; and

WHEREAS: The public comment period for this rule expired on August 6, 2021 with one set of comments received that did not require any changes to the proposal; and

WHEREAS: It is necessary to make non-substantive amendments upon adoption to correct a mistake that was made upon publication.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves the Adoption of New Regulations Governing the Community College Opportunity Grant Program, N.J.A.C. 9A:9-9.

October 20, 2021
6A:33-4.2 Exit criteria for Targeted Schools with low performing student subgroup(s)

(a) A Targeted School has the opportunity to be reviewed based upon the exit criteria every three years and when the Department identifies a new cohort of schools.

(b) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall be eligible no longer be identified as such if:
   1. The school demonstrates, for at least one year, that it has met the exit criteria.

(c) The Commissioner shall notify a school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) in writing that decision of the exit criteria.

(d) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School if it has met all of the criteria at (b) above and is eligible to cease to be identified as a Targeted School effective June 30.

(e) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School if it has not met all of the criteria at (b) above and is eligible to cease to be identified as a Targeted School effective June 30.

(f) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School if it has not met all of the criteria at (b) above and is eligible to cease to be identified as a Targeted School effective June 30.

(g) A Title I school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(h) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(i) Subgroup academic progress scores that met or exceeded the annual target:
   i. Increase(s) in the percentage of students with scores on Statewide assessments that approached, met, or exceeded expectations;
   ii. Subgroup academic progress scores that met or exceeded the annual target;
   iii. Subgroup proficiency rates that met annual targets; and
   iv. Subgroup rates for chronic absenteeism that met the average for the respective school configuration.

(j) The Commissioner shall notify a school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) in writing that decision of the exit criteria.

(k) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School if it has met all of the criteria at (b) above and is eligible to cease to be identified as a Targeted School effective June 30.

(l) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School if it has not met all of the criteria at (b) above and is eligible to cease to be identified as a Targeted School effective June 30.

(m) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(n) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(o) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(p) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(q) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(r) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(s) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(t) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(u) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(v) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(w) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(x) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(y) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

(z) A school identified as a Targeted School pursuant to N.J.A.C. 6A:33-2.3(a) shall not be eligible to cease to be identified as a Targeted School effective June 30.

1. Priority Comprehensive or Focus Targeted School and/or its school district may dispute [either] a Departmental finding or intervention made pursuant to this chapter by initiating a contested case before the Commissioner pursuant to N.J.A.C. 6A:3. Controversies and Disputes.
2. The Department shall not be required to suspend its activities, including the disputed intervention(s), while evidence is being collected or presented by the school or school district, or while the Department considers and responds to the evidence.

(CITE 53 N.J.R. 994)
PROPOSALS

HIGHER EDUCATION

Proposed new NJ.A.C. 5A:9-9.4 establishes the eligibility requirements a student must meet in order to qualify for a CCOG award. Pursuant to subparagraph 3.a(6) of the Act, proposed new NJ.A.C. 9A:9-9.4(a) requires students to apply for all other available forms of State, Federal, and institutional need-based aid and merit scholarships to determine each student’s unmet need.

To administer subparagraph 3.a(2) of the Act, proposed new NJ.A.C. 9A:9-9.4(a) requires students to enroll for a minimum of six credits per semester.

Proposed new NJ.A.C. 9A:9-9.4(a) ensures that the county colleges do not impose any additional eligibility requirements on students for them to be eligible for a CCOG award pursuant to subsection 3.a of the Act.

In accordance with P.L. 2020 c. 41, which establishes a three-year “Bridge Year Pilot Program,” proposed new NJ.A.C. 9A:9-9.4(b) provides that, subject to appropriations, students pursuing a bridge year are eligible for CCOG if the student meets all other eligibility requirements.

Proposed new NJ.A.C. 9A:9-9.5 provides the requirements for colleges to verify a student’s eligibility for the CCOG to ensure CCOG awards are only awarded to students who meet the eligibility requirements at proposed NJ.A.C. 9A:9-9. Proposed new subsection (a) provides that the college must have evidence that students have registered for a minimum of six credits per semester and that students have achieved the minimum level of academic success. Proposed new subsection (b) requires colleges to share any material findings or audit exceptions with the Authority.

Pursuant to sections 2, 3.a(3)(b), and 4.b. of the Act, proposed new NJ.A.C. 9A:9-9.6 sets the CCOG award at an amount up to the combined cost of in-county tuition and approved educational fees for up to 18 credit hours per semester. Pursuant to subsection 4.c of the Act, the proposed new section also specifies that the Authority shall annually establish a maximum CCOG award amount for students at each institution based on available appropriations and provides that the maximum CCOG award amount for individual students at each county college shall not increase by more than three percent over the prior year.

Pursuant to section 2 of the Act, proposed new NJ.A.C. 9A:9-9.6(a) requires the full amount of State, Federal, institutional, and community grants and scholarship aid received by the student for tuition and approved educational fees to be applied to the tuition and approved educational fee charges first, to reduce the amount of the CCOG award.

Pursuant to subsection 4.b of the Act, where an eligible student has enrolled in at least six credits, but less than 12 credits, the CCOG award shall be prorated from the full-time approved tuition and approved educational fees based on the number of credits for which that student is enrolled. Proposed new NJ.A.C. 9A:9-9.6(b) sets forth the prorated CCOG award amounts for students enrolled less than full-time. To align the prorated amounts with the calculation of part-time Tuition Aid Grant awards for county college students, paragraph (b)(1) provides that students enrolled for nine to 11 credits shall be eligible for 75 percent of the full CCOG award and paragraph (b)(2) provides that students enrolled for six to eight credits shall be eligible for 50 percent of the full CCOG award.

Pursuant to subparagraph 3.a(3)(b) of the Act, proposed new NJ.A.C. 9A:9-9.6(c) provides that a student enrolled at an out-of-county college shall be eligible for a CCOG award calculated based on the in-county rate of tuition and approved educational fees for the county college at which the student is enrolled, provided that the amount of a grant provided to a student under this subsection does not exceed the amount of tuition and approved educational fees actually charged to the student.

Pursuant to subsection 3.c of the Act, proposed new NJ.A.C. 9A:9-9.7 establishes five as the maximum number of semester award payments that a student may receive, unless the student is enrolled in a three plus one degree program, or in a program regularly requiring at least six semesters for completion, in which case, the maximum number of semester payment awards that a student may receive is six. In order to administer subsection 3.c of the Act, the proposed new section further provides that the semesters for which a student is enrolled in at least six credits, but less than 12 credits, shall be counted as one-half of one semester of eligibility, and that CCOG payments are made for fall and spring semesters only.

Pursuant to subsection 3.c of the Act, proposed new NJ.A.C. 9A:9-9.8 requires the college that the student is attending notify the student of eligibility for CCOG and the amount of the student’s CCOG award.

Pursuant to subsection 3.c of the Act, proposed new NJ.A.C. 9A:9-9.9 sets forth the appeals process for CCOG. Students, families, and institutions are provided 60 days to file an appeal with the Authority’s Director of Grants and Scholarships if they feel that the application of the policies results in an unfair determination of eligibility. The proposed new rule further requires the Director of Grants and Scholarship to respond with the Authority’s final determination of the appeal within 30 days of the Authority’s receipt of the appeal.

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

Social Impact

The proposed new rules govern the administration of the Community College Opportunity Grant Program. They establish criteria for student eligibility, award amounts, notification of eligibility, and appeals. The proposed new rules will have a positive impact on students by removing financial barriers to attendance. CCOG assures students whose families have an AGI between $0 and $65,000 that a significant portion of the tuition and fees at county college will be covered by financial aid grants, not loans. Removing this financial barrier for students will promote access to postsecondary education and increase college enrollment, which will enable more of the State’s residents to acquire the skills and credentials they need to succeed as productive members of both society and the workforce, while helping New Jersey meet its goal of 65 percent of the working-age adult population attaining a degree or certificate by 2025.

Economic Impact

The proposed new rules do not represent new expenditures for the State. The CCOG program has been included in the State appropriations since Fiscal Year 2019. In Academic Year 2019-2020, $19.66 million was expended to provide CCOG awards to eligible students. This amount assisted 10,247 individual students. The proposed new rules set forth eligibility and verification procedures to ensure that the appropriated funds are being applied properly. It is anticipated that the proposed new rules will have a positive effect on the State’s economy by enabling more of the State’s citizens to acquire an education beyond the secondary level, as well-trained and educated population is vital to New Jersey’s efforts to attract and retain businesses. It is also anticipated that the proposed new rules will have a positive effect on the State’s economy by reducing the aggregate amount of student loan debt incurred by individuals pursuing postsecondary education.

Federal Standards Statement

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

Jobs Impact

The proposed new rules will not result in the loss or generation of jobs. The proposed new rules provide criteria for eligibility for a student grant. It is anticipated that the proposed new rules will encourage students to enroll in college, thereby leading to higher paying jobs.

Agriculture Industry Impact

The proposed new rules will have no impact on the agriculture industry, as they pertain to student financial aid and not agriculture.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required because the proposed new rules do not impose reporting, recordkeeping, or other compliance

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requirements on small businesses is defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The Authority does not anticipate that any county college participating in CCGO would be covered by the definition of a small business because these entities have more than 100 full-time employees. Additionally, students receiving CCGO awards are not covered by the definition because they are individuals, not businesses.

**Housing Affordability Impact Analysis**

The proposed new rules will have an insignificant impact on the affordability of housing in New Jersey. There is an extreme unlikelihood that the proposed new rules will evoke a change in the average costs associated with housing. The proposed new rules affect eligibility for financial aid for higher education, which has no impact on the cost of housing.

**Smart Growth Development Impact Analysis**

The proposed new rules will have an insignificant impact on smart growth and there is an extreme unlikelihood that the proposed new rules would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, under the State Development and Redevelopment Plan in New Jersey. The proposed new rules affect eligibility for State financial aid for higher education, which has no impact on housing production.

**Racial and Ethnic Community Criminal Justice and Public Safety Impact**

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

**Full text of the proposed new rules follows (additions indicated in boldface type; deletions indicated in brackets [thus]):**

**SUBCHAPTER 9. [RESERVED] COMMUNITY COLLEGE OPPORTUNITY GRANT PROGRAM (CCGO)**

**9A:9-9.1 Purpose and scope**

The rules established by this subchapter provide the policies and procedures for participation in the Community College Opportunity Grant (CCGO) Program administered by the Higher Education Student Assistance Authority. These grants shall be awarded to eligible students who are enrolled for a minimum of six credits per semester at a New Jersey county college and who have not already earned a post-secondary degree. The purpose of these grants is to increase the total number of students obtaining a high-quality postsecondary education credential Statewide by removing the financial barriers to attendance.

**9A:9-9.2 Definitions**

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

- "AGI" means adjusted gross income reported to the United States Internal Revenue Service on an income tax return.
- 1. For a dependent student, AGI refers to parental AGI, as reported on the financial aid application.
- 2. For an independent student, AGI refers to the AGI reported on the financial aid application for the student and, if applicable, the student's spouse.
- "Approved educational fees" means general education fees, registration fees, facility fees, technology fees, laboratory fees, student service and activity fees, and program and course fees, including fees associated with coursework in nursing, culinary, and other career and technical education programs, as determined annually by the Authority in consultation with the Office of the Secretary of Higher Education, subject to the limit of funds appropriated or otherwise made available for the program, and published on the Authority's website.
- "Authority" means the Higher Education Student Assistance Authority established pursuant to N.J.S.A. 18A:71A-3.
- "Bridge year student" means a student in the graduating class of 2021 or the graduating class of 2022, who has met all applicable New Jersey high school graduation requirements by the end of the senior year.
- "CCGO" means the Community College Opportunity Grant established pursuant to P.L. 2021, c. 26.
- "County college" means a New Jersey county college established pursuant to N.J.S.A. 18A:64A-1 et seq.
- "In-county tuition" means the amount of tuition charged to students for whom an institution is the county college that serves the student's county of residence.
- "Minimum level of academic success" means either:
  1. That a student meets the standards for academic performance and satisfactory academic progress that an institution adopts to determine eligibility for Federal student aid programs under Title IV of the Higher Education Act of 1965, as amended, and its implementing regulations and rules; or
  2. To provide an opportunity for returning students to re-engage in postsecondary education, that a student carries a minimum grade point average of 1.8 in the semester immediately prior to receiving an award.
- "Three plus one degree program" means a baccalaureate degree program created pursuant to section 1 of P.L. 2018, c. 144.

**9A:9-9.3 General provisions**

General provisions for the Tuition Aid Grant and Garden State Scholarship Programs that pertain to undergraduate enrollment and eligible institutions set forth at N.J.A.C. 9A:9-2.1, Undergraduate enrollment and eligible institutions, 2.2, Residency, 2.3, Noncitizens and resident aliens, 2.4, Eligibility and repayments, 2.5, Dependent/independent student, 2.7, Verification of family income, 2.8, Renewal eligibility and filing, 2.9, Award adjustments, refunds, and collections, 2.13, Student's obligation, 2.14, Check endorsement, and 2.16, Accounting and auditing standards, shall be in effect for CCGO.

**9A:9-9.4 Eligibility requirements**

(a) In order to qualify for a CCGO award, a student must meet the following requirements:

1. Apply for all other available forms of State, Federal, and institutional need-based grants and merit scholarships by annually filing a financial aid application, as approved by the Authority, within established State deadlines in order to apply for all other available forms of Federal and State need-based grants and merit scholarships and satisfying all requirements of the application process within established State deadlines;
2. Enroll in a county college for a minimum of six credits per semester;
3. Achieve the minimum level of academic success; and
4. Have an AGI of no less than $30,000 and no more than $65,000.

(b) County colleges participating in the CCGO program may not impose additional eligibility requirements, other than the requirements set forth in this section, for students to receive CCGO awards.

(c) Notwithstanding any requirements to be enrolled in a course of study or a curriculum leading to a degree or certificate, and subject to the availability of funds in the annual appropriations act, a student pursuing a bridge year shall be eligible for a financial aid grant pursuant to CCGO, if the student meets all other applicable eligibility requirements.

**9A:9-9.5 Verification of enrollment and academic performance**

(a) Before payment may be made to an eligible student, the institution shall have satisfactory evidence that the student is eligible for a State grant and/or scholarship assistance, that the student has registered for a minimum of six credits per semester, and that the student has achieved the minimum level of academic success.

(b) The institution shall share with the Authority any material findings or audit exceptions related to the determination of academic progress at any time they are revealed in the course of an audit or program review.

(CITE 53 N.J.R. 396) NEW JERSEY REGISTER, MONDAY, JUNE 7, 2021
9A:9-9.6 Amount of grant award
(a) A CCOG award shall cover up to the combined cost of in-county tuition and approved educational fees for up to 18 credit hours per semester for the county college at which the student is enrolled. The maximum CCOG award amount for individual students at each county college shall be calculated annually by the Authority subject to available appropriations. The maximum CCOG award amount for individual students at each county college shall not increase by more than three percent over the prior year.
1. The full amount of State, Federal, and institutional grants and scholarship aid received by the student for the purpose of paying tuition and approved educational fees shall be applied to the tuition and approved educational fee charges first, to reduce the amount of the CCOG award.
2. A student enrolled in fewer than 12 credits per semester shall be eligible for a maximum CCOG award amount that is prorated from the full-time CCOG award amount, based on the number of credits for which the student is enrolled.
   i. Students enrolled for nine to 11 credits shall be eligible for 75 percent of the full CCOG award; and
   ii. Students enrolled for six to eight credits shall be eligible for 50 percent of the full CCOG award.
3. A student enrolled at an out-of-county college shall be eligible for a CCOG award calculated based on the in-district rate of tuition and approved educational fees for the county college at which the student is enrolled, provided that the amount of a grant provided to a student under the paragraph does not exceed the amount of tuition and approved educational fees actually charged to the student.
9A:9-9.7 Payments
(a) The maximum number of semester award payments that a student may receive is five, unless the student is enrolled in a three plus one degree program, or in a program regularly requiring at least six semesters for completion, in which case, the maximum number of semester payment awards that a student may receive is six.
(b) Semesters for which a student is enrolled in at least six credits, but less than 12 credits, shall be counted as one-half of one semester of eligibility.
(c) CCOG payments are made for fall and spring semesters only.
9A:9-9.8 Student notification
The New Jersey county college the student attends shall notify the student of eligibility. Such notification by the county college shall include the amount of the CCOG award.
9A:9-9.9 Appeals
If, for any reason, a student, his or her family, or an institution feels that the application of these policies results in an unfair determination of eligibility, an appeal shall be filed with the Authority within 60 days of initial notification of eligibility or ineligibility for the CCOG award. All appeals shall be in writing, and, if appropriate, shall include any supporting documentation. Appeals shall be addressed to the Director of Grants and Scholarships, Higher Education Student Assistance Authority, PO Box 540, Trenton, New Jersey 08625-0540 or submitted electronically, and shall contain the student's full name, NJHESA ID number, college of attendance, and a description of the basis for the appeal. The Director of Grants and Scholarship shall respond in writing with the Authority's final determination of the appeal within 30 days of the Authority's receipt of the appeal.

LAW AND PUBLIC SAFETY

DIVISION OF CONSUMER AFFAIRS
STATE BOARD OF EXAMINERS OF HEATING, VENTILATING, AIR CONDITIONING, AND REFRIGERATION CONTRACTORS

Electrical Contractor Exemption; Connection of Replacement Wiring


Authorized By: State Board of Examiners of Heating, Ventilating, Air Conditioning, and Refrigeration Contractors, Susan Rischawy, Executive Director.
Calendar Reference: See Summary below for explanation of exception to calendar requirement.
Proposal Number: PRN 2021-049.

Submit written comments by August 6, 2021, to:
Susan Rischawy, Executive Director
State Board of Examiners of Heating, Ventilating, Air Conditioning, and Refrigeration Contractors
124 Halsey Street
PO Box 47031
Newark, New Jersey 07101
or electronically at:
http://www.njconsumeraffairs.gov/ProposalsPages/default.aspx

The agency proposal follows:

Summary
P.L. 2019, c. 260, establishes that a licensed electrical contractor who has completed continuing education in the installation of gas piping relevant to electric generators is authorized to install, maintain, or repair gas piping associated with electric generators without holding a license from the Board of Examiners of Heating, Ventilating, Air Conditioning, and Refrigeration Contractors (Board). The Board proposes amendments at N.J.A.C. 13:32A-1.1 to implement P.L. 2019, c. 260. N.J.A.C. 13:32A-1.2 and 1.3 permit licensed master heating, ventilating, air conditioning, and refrigeration (HVAC) contractors to provide limited electrical work. The Board proposes to amend N.J.A.C. 13:32A-1.2 and 1.3 to revise the limitations on the electrical work the licensed master HVAC contractors may perform.

N.J.A.C. 13:32A-1.1 sets forth exemptions to the requirement that a person hold a license as a master HVAC contractor if he or she seeks to provide HVAC services. The Board proposes to amend this section to provide an exemption to HVAC licensure requirements for licensed electrical contractors who install, maintain, or repair natural or manufactured gas piping while installing or repairing electric generators. Such licensed electrical contractors must have completed one hour of continuing education in natural gas piping and one hour of continuing education in manufactured gas piping.

The definition of “heating, ventilating, air conditioning, and refrigeration,” at N.J.A.C. 13:32A-1.2, includes specific services that are considered the practice of HVACR. One of these services is, in replacement cases only, the connection of wirings from an equipment services disconnect box. This provision is limited to equipment that has a heating or cooling capacity of 25 tons or less and a voltage system of 240 volts or less. The Board proposes to amend N.J.A.C. 13:32A-1.2 to delete the limitations as to heating or cooling capacity or voltage. These amendments conform to the statutory definition of “heating, ventilating, air conditioning, and refrigeration” at N.J.S.A. 45:16A-2.

N.J.A.C. 13:32A-1.3 provides that, except for replacement work included in the definition of “heating, ventilating, air conditioning, and refrigeration” at N.J.A.C. 13:32A-1.2, a licensed master HVAC contractor is limited to performing electrical work that has a potential of

NEW JERSEY REGISTER, MONDAY, JUNE 7, 2021 (CITE 53 N.J.R 997)
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow
Executive Director

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

SUBJECT: Resolution 22:21 Approving Proposed Readoption with Amendments of N.J.A.C. 9A:9 Regulations Governing the Grant and Scholarship Programs

DATE: October 20, 2021

Background

Pursuant to N.J.S.A. 18A:71A-1 et seq., the Higher Education Student Assistance Authority ("HESAA" or the "Authority") is statutorily responsible for the administration of State scholarship and tuition aid programs and for the promulgation of all rules to that effect. Pursuant to N.J.S.A. 52:14B-5.1.b, the rules governing the grant and scholarship programs were scheduled to expire November 6, 2021. Pursuant to P.L. 2021, c. 104 the time to file the readoption was extended to January 1, 2022. In accordance with N.J.S.A. 52:14B-5.1.c(2), the submission of this notice of proposal to the Office of Administrative Law extends the November 6, 2021 expiration date 180 days to May 5, 2022.

The Authority has reviewed the rules and determined that they continue to be necessary, reasonable, and proper for the purpose for which they were originally promulgated. The rules proposed for readoption will continue to provide the Authority with the ability to administer the grant and scholarship programs in an efficient and economic matter. To ensure the continued efficient administration and operation of these programs, the Authority is proposing the readoption of these rules with amendments to provide additional clarity in the eligibility requirements for participation and application, enrollment criteria, and continued payment of awards for students attending participating New Jersey institutions, all of which are summarized below.
Subchapter 1 sets forth the responsibilities of the Higher Education Student Assistance Authority and details the structure and mission of the Student Advisory Committee as created by the Authority.

The proposed amendments to N.J.A.C. 9A:9-1.2 update and clarify the qualifications for members of the Student Advisory Committee. In order to provide the perspective of the students who are potentially eligible for the majority of the programs the Authority administers, Student Advisory membership has always been limited to undergraduate students because the majority of the programs the Authority administers are limited to undergraduate students. The proposed amendments codify this practice by specifically stating that Student Advisory Committee members must be undergraduate students.

Additionally, pursuant to N.J.S.A. 18A:64M-1 et seq. and N.J.S.A. 18A:64N-1 et seq. Rowan University and Montclair State University are now part of the public research university sector instead of the State universities and State colleges sector. To ensure the Student Advisory Committee meets the N.J.S.A. 18A:71A-5b requirement to include students from all collegiate institutional sectors, the proposed amendment to N.J.A.C. 9A:9-1.2 replaces “one student from the New Jersey Institute of Technology” with “the public research universities.” Since the amendment is adding schools to one of the sectors, to ensure there are more opportunities for students from each school to serve on the Student Advisory Committee, instead of specifying how many students must represent each sector, the proposed amendments require, “at least one, but no more than three” representatives from each of the five institutional sectors. This amendment balances the need to represent each of the sectors with the challenges in ensuring a full complement of Student Advisory Committee members when there is a dearth of student applicants from one or more sector.

Subchapter 2 details the general provisions for the overall administration and eligibility for the Tuition Aid Grant and Garden State Scholarship Programs and for participation by eligible New Jersey institutions under these programs.

N.J.A.C. 9A:9-2.1(a) advises that students possessing an undergraduate degree are not eligible for student assistance at that level. This rule has caused confusion for some students who asked whether they would be eligible for student assistance for an Associate degree if they already possess a Baccalaureate degree. To alleviate this confusion, the proposed amendment to N.J.A.C. 9A:9-2.1(a) specifies that students possessing an Associate degree are not eligible for student assistance at that degree level and students possessing a Baccalaureate degree are not eligible for student assistance at the Associate or Baccalaureate level.

Public Law 2019, c. 201, as amended by P.L. 2021, c. 211, (N.J.S.A. 18A.3B-6b), requires institutions of higher education to provide each prospective and enrolled student with a financial aid shopping sheet for the upcoming academic year, using the model format prescribed by the Secretary of Higher Education or the most current financial aid shopping sheet developed by the United States Department of Education or the Consumer Financial Protection Bureau. The purpose of the shopping sheet is to provide students and their families with clear information on the costs, loan options, and estimated debt that the student will incur in attending the institution, and to allow prospective students and their families to easily evaluate and compare financial aid packages from
different institutions. As authorized by N.J.S.A. 18A:71B-1, proposed new rule N.J.A.C. 9A:9-2.1(b)5.ii. reinforces the purpose of the shopping sheet by amending the definition of an eligible institution to require institutions to provide a financial aid shopping sheet, as prescribed by N.J.S.A. 18A:3B-6b, to each prospective and returning student as part of the financial aid offer. This amendment assists students in making an informed decision about where to enroll and invest both their personal funds and the financial assistance the State expends on their behalf.

On April 19, 2021 Governor Murphy signed P.L. 2021, c. 53 which eliminates eligibility of postsecondary students and other individuals for State student assistance if the institution they plan to attend requires students to consent to arbitration agreements or proceedings, or to waive their rights to pursue complaints in any forum. Proposed new rule, N.J.A.C. 9A:9-2.1(b)6, implements P.L. 2021, c. 53 by amending the definition of an eligible institution to exclude from eligibility any institution that requires students to engage in binding arbitration, or waive any of the rights enumerated in P.L. 2021, c. 53.

The proposed amendments to N.J.A.C. 9A:9-2.2(a)1 implement the January 8, 2020 amendments to N.J.S.A. 18A:71B-2.3, which defines residency for dependent students.

Proposed new rule N.J.A.C. 9A:9-2.4(a)1 updates the rules to conform to N.J.S.A. 18A:71B-2.5, which was effective September 14, 2020 and requires parents of dependent students to submit financial information to complete their child’s financial aid application.

The proposed amendment to N.J.A.C. 9A:9-2.6(a) updates the reference to the United States Department of Education in the Federal Student Aid Handbook to the current edition.

The proposed amendment to N.J.A.C. 9A:9-2.6(b) clarifies the current policy that, unlike Federal student financial aid programs, for State student financial aid programs, students are not considered independent if they are either currently, or when they were a minor were, in a legal guardianship status, in which a parent retained legal parental rights or is obligated to pay child support. Parents of students in these guardianship statuses retain similar obligations as parents of other dependent students, and therefore are required to provide their financial information to determine their child’s eligibility for need-based aid.

To discourage families from fraudulently attempting to have a student determined as independent, which would result in an erroneous calculation of the student’s eligibility for need-based aid by not taking the parents’ income into consideration, the proposed amendment to N.J.A.C. 9A:9-2.6(b) articulates the Authority’s current policy regarding bases on which individual determinations of independent student status shall not be made. These bases are: parent’s refusal; the parent’s unwillingness to provide information on the financial aid application or verification; the parent’s decision not to claim the student as a dependent for income tax purposes; the student’s demonstration of self-sufficiency; or the fact that the student does not live with the parent.

The proposed amendments to N.J.A.C. 9A:9-2.7 simplify the income verification process for families who are not required to file income tax returns or whose tax returns show an adjusted gross income of zero. The proposed amendment reduces from two to one the number of means-
tested programs from which families must provide the Authority with documented proof of benefits received. The proposed amendment also revises the list of acceptable benefits to include all Federal and State programs that support a family’s basic needs for survival: food, income support, and shelter. The benefits, as amended, include SSI, SNAP, TANF, WorkFirst NJ, General Assistance, cash assistance, housing and rental assistance subsidies, and WIC.

Subchapter 3 provides the rules for determining a student’s eligibility under the Tuition Aid Grant (TAG) Program and the value of the TAG award as it relates to the student’s tuition charges and ability to pay for educational costs on a full-time or part-time basis at an eligible New Jersey institution. The TAG rules supplement the general provisions for Grant and Scholarship program set forth in N.J.A.C. 9A:9-2.

Subchapter 4 specifies the requirements that students must meet to qualify for awards under the Garden State Scholarship Program, which includes students in the program categories of Edward J. Bloustein Distinguished Scholars, Urban Scholars, and Garden State Scholars. This program recognizes those students who demonstrate high academic achievement based upon their secondary school class rank or a combination of class rank and Scholastic Assessment Test (SAT) scores or secondary school grade point average (GPA). This program provides scholarship awards of up to $1,000 annually without regard to financial need. The Garden State Scholarship Program is currently not funded.

Subchapter 5 contains the rules for the Survivor Tuition Benefits Program, which provides free tuition for any child or surviving spouse of a member, officer, or worker of an emergency service, law enforcement, or civil defense agency killed in the performance of duty under the Survivor Tuition Benefits Program. An eligible child or surviving spouse who wishes to attend any public institution of higher education in New Jersey may enroll as an undergraduate student and have their tuition paid by the State while in good standing at that college or university. Such child or spouse may also attend any independent institution in New Jersey; however, the annual value of the grant cannot exceed the highest tuition charged at a New Jersey public institution. Recipients must enroll on at least a one-half time basis in an undergraduate degree program and be in good academic standing.

Subchapter 6 specifies the rules governing the Miss New Jersey Educational Scholarship Program, which provides for an annual award equal to the cost of tuition to an individual who has been designated by the Authority, in consultation with the Miss New Jersey Pageant Organization, as demonstrating exceptional leadership in the area of civic, cultural, or charitable endeavors in the spirit of the Miss New Jersey Pageant. To receive and maintain the scholarship, the individual must be enrolled in a full-time course of study leading to an initial bachelor’s degree or a postgraduate degree at any public institution of higher education in New Jersey. This program is currently not funded.

Subchapter 7 contains the rules for providing scholarships under the New Jersey World Trade Center Scholarship Program. This program provides scholarships for the costs of undergraduate study at an eligible institution of higher education to the dependent children or surviving spouses of New Jersey residents who were killed in the terrorist attack on the United States on September 11, 2001, who died as a result of injuries received in the attack, who die as a result of illness caused
by exposure to the attack sites, or who are missing and officially presumed dead as a direct result of the attack. The scholarship pays up to the annual cost of attendance at the highest-cost public institution of higher education in New Jersey as determined by that institution.

Subchapter 8 provides the rules governing the policy, administration, and procedures of the Law Enforcement Officer Memorial Scholarships (LEOMS) Program. Under this program, scholarships are provided for the annual costs of undergraduate study at an eligible New Jersey institution of higher education to the children of New Jersey law enforcement officers as defined by N.J.S.A. 18A:71B-24.2, who were killed in the line of duty. The scholarship will pay up to the student’s cost of attendance at the institution that is not otherwise covered by any other scholarship, tuition aid grant, benefit, or other assistance awarded to the recipient under the Higher Education Student Assistance Authority Law, N.J.S.A. 18A:71A-1 et seq.

A new subchapter 9 was proposed for adoption in the June 7, 2021 New Jersey Register as PRN 2021-050 at 53 N.J.R. 994(a). Subchapter 9 will govern the policy, administration and procedures of the Community College Opportunity Grant Program (CCOG). CCOG provides financial aid grants to eligible county college students to cover the costs of tuition and approved educational fees that are not already covered by any other State, Federal, and institutional need-based grants or merit scholarships.

Subchapter 10 sets forth the policies and procedures for the New Jersey Student Tuition Assistance Reward Scholarship (NJ STARS). This program recognizes the academic achievements of New Jersey high school students who graduate in the top 15.0 percent of their graduating class by providing a scholarship for the cost of tuition for eligible students who enroll in a full-time course of study at the New Jersey county college serving their county of residence.

Subchapter 11 sets forth the policies and procedures for the New Jersey Student Tuition Assistance Reward Scholarship II (NJ STARS II). This program recognizes the academic achievements of New Jersey county college graduates who wish to continue their education by providing scholarships for full-time attendance at eligible New Jersey colleges and universities. A student is eligible for a scholarship under the NJ STARS II Program if he or she graduates from a New Jersey county college as an NJ STARS scholar with an associate degree and enrolls full-time in a baccalaureate degree program at a New Jersey four-year public institution of higher education in the student’s academic year of study immediately following attainment of an associate degree.

**Recommendation**

It is recommended that the Board approve Resolution 22:21 Approving Proposed Readoption with Amendments of N.J.A.C. 9A:9 Regulations Governing the Grant and Scholarship Programs, N.J.A.C. 9A:9, so that the proposed readoption can be published in the New Jersey Register.

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

SUBCHAPTER 1. ADMINISTRATION FOR STATE GRANTS AND SCHOLARSHIPS
9A:9-1.2 Creation of Student Advisory Committee

The Higher Education Student Assistance Authority shall create a Student Advisory Committee whose purpose shall be to advise the Authority on the effect of Authority policy and regulations, suggest alternative policy and rules to the Authority; and provide a means of communication between the Authority and students. The Authority shall initially appoint a nine member Student Advisory Committee from nominations provided by the students and student associations of each college in New Jersey. The Committee members shall be New Jersey residents, as defined in N.J.A.C. 9A:9-2.2, and United States citizens, unless affirmative evidence has been submitted for exception in accordance with N.J.A.C. 9A:9-2.3. The nine members, all of whom shall be full-time undergraduate students, shall consist of [two] at least one, but no more than three, students from each of the following sectors: the independent colleges, [two students from] Rutgers, The State University, [two students from] the State colleges, [one student from the New Jersey Institute of Technology] the public research universities, and [two students from] the county colleges. Students representing each sector shall be chosen such that in any given year one of the representatives shall complete his or her degree requirements within one academic year from the time of his or her selection and one shall be of lower class rank. Members of the Student Advisory Committee shall serve one-year terms and their appointments may be renewed according to the initial appointment process. The Student Advisory Committee shall elect a Chairperson and Vice Chairperson from among its members each of whom shall be from different collegiate institutional sectors. The Chairperson and Vice Chairperson shall serve as voting members on the Higher Education Student Assistance Authority board. In the event of a vacancy on the Student Advisory Committee, the Authority may fill the vacancy in the same manner as the original appointment.

SUBCHAPTER 2. GENERAL PROVISIONS FOR TUITION AID GRANT AND GARDEN STATE SCHOLARSHIP PROGRAMS

9A:9-2.1 Undergraduate Enrollment

(a) Students must have received a high school diploma or recognized equivalent of a high school diploma as defined by 34 CFR 600.2 and be enrolled or plan to be enrolled as full-time undergraduate students matriculated in a curriculum leading to a degree or certificate in an eligible institution as defined in (b) through (d) below in order to be eligible for student assistance, unless the specific student assistance program permits part-time enrollment. Students possessing an [undergraduate] Associate degree [(either a Baccalaureate or Associate degree)] are not eligible for student assistance at that degree level. Students possessing a Baccalaureate degree are not eligible for student assistance at the Associate or Baccalaureate level. Certification of full-time status is the responsibility of the enrolling institution based on the current institutional definition of full-time status and subject to review and approval by the Higher Education Student Assistance Authority (Authority).
(b) An eligible institution means an institution of higher education that:

1. – 3 (No change.)

4. Is accredited or preaccredited by a nationally recognized accrediting association; and

5. Upon commencing participation in the State financial aid programs:
   i. Annually provides the Authority with detailed information on the graduation rates of State Tuition Aid Grant recipients and, in the case of county colleges, provides information on the transfer rates of State Tuition Aid Grant recipients, in the format provided by the Authority; and
   ii. beginning with academic year 2022-2023, provides a financial aid shopping sheet, as prescribed by N.J.S.A. 18A:3B-6b, to each prospective and returning student as part of the financial aid offer to provide students and their families with clear information on the net costs of attendance after application of grants and scholarships; loan options; and estimated debt that the student will incur to attend the institution; and

6. Does not require the student to:
   i. submit to an agreement to arbitrate or to an arbitration proceeding to resolve any matter thereafter relating to the student’s enrollment prior to the commencement of any legal action;
   ii. resolve a complaint relating to the student’s enrollment through an internal dispute process;
   iii. waive any right, forum, or procedure afforded to the student, including any right to file and pursue a civil action, class action or a complaint with, or otherwise notify, any State agency, other public prosecutor, law enforcement agency, or any court or other governmental entity of any alleged violation of the student’s rights; or
   iv. be prohibited from disclosing, discussing, describing, or commenting upon the terms of the student’s enrollment agreement, or any violation of the student’s enrollment agreement.

(c) – (d) (No change.)

9A:9-2.2 Residency

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

1. A dependent student, as defined in N.J.A.C. 9A:9-2.6, shall be presumed to be a legal resident of the state in which he or she and his or her parent(s) is domiciled. A dependent student whose parent(s) has not established a domicile in New Jersey shall be presumed to
be in the State for the temporary purpose of obtaining an education and shall be ineligible for State student financial aid. A student may rebut both of these presumptions by submitting evidence to the Authority establishing that he or she is a legal resident of New Jersey notwithstanding the residency of his or her parent(s). Any dependent student who continues to reside in this State and who has previously received at least one semester of payment of a State grant or scholarship shall continue to be eligible for State student financial aid during the course of each academic year at an eligible institution of higher education in New Jersey, despite his or her parent(s)' subsequent change of domicile to another state. Considered domiciled in this State for the purposes of determining eligibility for a State student grant or scholarship if the student meets the following criteria:

i. the student is a United States citizen or an eligible noncitizen, as determined under 20 U.S.C. s.1091;

ii. the student and the student's parent have resided in the State for a period of not less than 12 consecutive months immediately prior to the academic period for which State student assistance is being requested; and

iii. the student's parent or guardian provides the Higher Education Student Assistance Authority, upon request, with documentation to verify income and assets.

2. (No change.)

(b) – (g) (No change.)

9A:9-2.4 Eligibility and repayments

(a) In order to receive a need-based award students must have demonstrated financial need through submission of a financial aid form approved by the Higher Education Student Assistance Authority in accordance with annually established deadline dates.

1. Parents of students who meet the definition of dependent in section N.J.A.C. 9A:9-2.6, shall provide the information necessary to complete the student's financial aid application, including documentation requested for verification in accordance with annually established deadline dates. Parents who knowingly and willfully refuse to provide the required information will be subject to a civil penalty of not more than $500, to be collected in proceedings in accordance with the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

(b) – (d) (No change.)

9A:9-2.6 Dependent/independent student defined


(b) For purposes of State student financial aid programs, an independent student does not include students who are emancipated minors, [or] were emancipated minors upon reaching the age of majority in [his or her state] the state in which the student resided at that time, or are either currently, or when they were a minor were, in a guardianship status in which a parent retained legal parental rights or is or were obligated to pay child support.

(c) The term independent also includes a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances as provided under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. § 1087v, and its implementing regulations and rules. For purposes of receiving State financial assistance as an independent student due to unusual circumstances, the following conditions apply:

1. (No change.)

2. Individual determinations of independent student status for State student aid programs shall be made in a manner consistent with the institutional policies regarding the awarding of all need-based financial aid, including Federal and State aid; [and]

3. Individual determinations of independent student status shall not be made on the basis of any of the following:
   i. the parent refuses to contribute to the student’s education;
   ii. the parent is unwilling to provide information on the financial aid application or for verification;
   iii. the parent does not claim the student as a dependent for income tax purposes;
   iv. the student demonstrates self-sufficiency; or
   v. the student is not living with parents.

4. (No change.)

(d) – (e) (No change.)

9A:9-2.7 Verification of family financial data

Students upon request must provide the Higher Education Student Assistance Authority with documentation including, but not limited to, Internal Revenue Service tax return transcripts and/or State income tax returns for themselves, and in the case of dependent students, for their parents, for verification purposes. In the limited circumstances when students or parents are unable to obtain transcripts from the Internal Revenue Service, the Authority may accept a signed copy of the Federal income tax return. If no tax returns were filed for the year requested, students must provide the Authority with documented proof, received through a Federal or State agency, of taxable and/or untaxed income, including, but not limited to, an IRS tax and wage transcript, receipt of unemployment payments, child support, alimony, welfare payments, Social Security
benefits, or at least [two benefits] one benefit from any of the following Federal or State programs: [Medicaid, SSI, SNAP, TANF, WorkFirst NJ, General Assistance, cash assistance, housing and rental assistance subsidies, or WIC. Financial data provided on the financial aid form may be verified by the Authority and/or institution through the comparison of information reported on income tax transcripts and returns and other requested documentation. Discrepancies will require the re-evaluation of the student's eligibility. Students, as well as institutions, will be notified if an adjustment in the value of aid is required. If documentation is not received to verify income or resolve discrepancies aid will not be granted.
RESOLUTION 22:21

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

Moved By: Ms. Beatrice Daggett
Seconded By: Mr. Robert Shaughnessy

WHEREAS: The Higher Education Student Assistance Authority (HESAA) is statutorily responsible for the administration of State scholarship and tuition aid programs and for the promulgation of all rules to that effect; and

WHEREAS: The rules governing the grant and scholarship programs were scheduled to expire November 6, 2021 and pursuant to P.L. 2021, c. 104 the time to file the readoption was extended to January 1, 2022; and

WHEREAS: HESAA has reviewed the rules and determined that they continue to be necessary, reasonable, and proper for the purpose for which they were originally promulgated; and

WHEREAS: To ensure the continued efficient administration and operation of these programs, HESAA is proposing the readoption of these rules with amendments to provide additional clarity in the eligibility requirements for participation and application, enrollment criteria, and continued payment of awards for students attending participating New Jersey institutions.

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves publishing the Proposed Readoption with Amendments of N.J.A.C. 9A:9, Regulations Governing the Grant Scholarship Programs, in the New Jersey Register.

October 20, 2021
MEMORANDUM

TO: Members, Higher Education Student Assistance Authority

THROUGH: David J. Socolow  
Executive Director

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


DATE: October 20, 2021

Background


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

The Act establishes the STEM Loan Redemption Program and provides that the Higher Education Student Assistance Authority (Authority) shall adopt rules necessary for the administration of the Act. The proposed new rules are attached hereto and summarized below:
Pursuant to the Act, proposed new N.J.A.C. 9A:10-5.1 provides that the purpose of the proposed new subchapter is to provide $1,000.00 in State funds and a minimum of $1,000 in employer contributions to program participants for each year of employment in a designated high-growth STEM occupation, up to a maximum of four years, for the redemption of a portion of their eligible qualifying loan expenses.

Proposed new N.J.A.C. 9A:10-5.2 provides the definitions for words and terms as used within this subchapter, which include “approved STEM degree program,” “Authority,” “designated high-growth STEM occupation,” “eligible qualifying loan expenses,” “Executive Director,” “program,” “program participant,” “qualifying student loan,” “State,” “STEM,” and “total and permanent disability.”

Proposed new N.J.A.C. 9A:10-5.3 provides the eligibility requirements that an applicant must meet in order to participate in the Program pursuant to N.J.S.A. 18A:71C-68(a).

Proposed new N.J.A.C. 9A:10-5.4 establishes the application procedures that an applicant must follow to participate in the Program. N.J.A.C. 9A:10-5.4(a) provides the minimum information required by the application, specifically the applicant’s identification and contact information, the identification and contact information for the applicant’s employer, and, pursuant to the provisions of the Act in N.J.S.A. 18A:71C-68 d. and e., documentation proving that the participant has been employed in a designated high-growth STEM occupation for a minimum of four years at the time of application. The rule also requires the application to include a certification, in the form approved by the Authority, from the applicant’s current employer verifying the participant’s start date and continuous employment with the employer and agreeing to make a payment to the Authority of at least a 100 percent match of the State-funded loan redemption benefit under the Program at the conclusion of each year of employment completed by the participant in a designated high-growth STEM occupation.

Proposed N.J.A.C. 9A:10-5.4(b) establishes that applications will be considered in the order they are received, subject to available funding.

Proposed N.J.A.C. 9A:10-5.4(c) provides eligibility is based solely on the information submitted on the application and that the Authority will notify applicants of their acceptance into the program.

Proposed N.J.A.C. 9A:9-10.5.4(d) notifies potential applicants that approval of participation in the Program is subject to available funding.

Proposed N.J.A.C. 9A:10-5.5 provides the terms which participants must meet in order for the Authority to release funds for loan redemption. Pursuant to N.J.S.A. 18A:71C-70, proposed N.J.A.C. 9A:10-5.5(a) provides that the process of creating eligibility for loan redemption funds is initiated by a written contract between the participant and the Authority. The contract specifies the dates of required employment by the program participant in a designated high-growth STEM occupation and requires the program participant to serve at least one year in a designated high-growth STEM occupation after entering into the contract with the Authority.
Pursuant to N.J.S.A. 18A:71C-70b, proposed N.J.A.C. 9A:10-5.5(b) requires participants to submit to the Authority certification, in the form approved by the Authority, of full-time employment. Additionally, N.J.S.A. 18A:71C-70d. requires participants to meet “performance standards established by the executive director or his designee.” As the employer is best equipped to determine the performance standards required for a specific occupation, the executive director has designated the employers to establish the minimum performance standards participants shall meet. Therefore, N.J.A.C. 10:5-5(b) also requires participants to submit certification from their employer that they have adhered to the employer’s performance standards prior to the annual redemption of loan indebtedness. The rule also requires the employer of a program participant to pay their annual matching contribution to the Authority, as required by N.J.S.A. 18A:71C-70b.

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

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

Pursuant to N.J.S.A. 18A:71C-70(c) proposed N.J.A.C. 9A:9-5.5(e) provides that upon receipt of all required documentation from the participant, the Authority will combine the employer matching contribution and the State appropriated funds into a single payment. The rules further provide that the Authority will make the payment directly to the participant’s lender(s) to redeem a portion of the participant’s student loans.

Pursuant to N.J.S.A. 18A:71C-71, proposed N.J.A.C. 9A:10-5.6 outlines the conditions for termination or suspension of the participant’s participation contract. N.J.A.C. 9A:10-5.6(a) provides that the Authority will terminate a participant’s contract if: the participant is totally and permanently disabled; the participant is deceased; continued enforcement of the employment service obligation may result in an extreme hardship for the participant; the participant is no longer employed in a designated high-growth STEM position; the participant has been convicted of a felony or a high misdemeanor or has committed an act of gross negligence in the performance of the participant’s employment service obligation; the participant has not met the employer’s
performance standards; or the participant has not provided the documentation required prior to annual redemption of loan indebtedness within sixty days of written request for the required documents by the Authority.

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

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

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

**Recommendation**

It is recommended that the Board approves Resolution 23:21 Approving Proposed New Rules Governing the STEM Loan Redemption Program so that the proposed new rules can be published in the New Jersey Register.

Attachment
SUBCHAPTER 5. [(RESERVED)] STEM LOAN REDEMPTION PROGRAM

9A:10-5.1 Purpose and scope

The rules established by this subchapter provide the policies and procedures for participation in the STEM Loan Redemption Program administered by the Higher Education Student Assistance Authority. This Program shall provide $1,000.00 to program participants for each year of employment in a designated high-growth STEM occupation, up to a maximum of four years, for the redemption of a portion of their eligible qualifying loan expenses.

9A:10-5.2 Definitions

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

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

“Authority” means the Higher Education Student Assistance Authority.

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

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

"Executive director" means the executive director of the Higher Education Student Assistance Authority.

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

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

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

"State" means the State of New Jersey.

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

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

9A:10-5.3 Eligibility requirements for Program participation

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

1. Be a New Jersey resident and maintain residency in the State during Program participation;
2. Be a graduate of an approved STEM degree program at an institution of higher education located in New Jersey;
3. Have an outstanding balance on a qualifying student loan and not be in default on any qualifying student loan;
4. Have been employed full-time in a designated high-growth STEM occupation in the State for a minimum of four years prior to initial application to the program and be employed thereafter for an additional one to four years in a designated high-growth STEM occupation in the State;
5. Not have previously been selected for participation in the Program; and
6. Provide certification from the applicant's employer agreeing to make a payment to the Authority of at least a 100 percent match of the State-funded loan redemption benefit under the Program at the conclusion of each year of employment completed by the applicant in a designated high-growth STEM occupation.
9A:10-5.4 Application procedures

(a) In order to apply for participation in the Program, an applicant must complete a program application and submit the complete application to the Authority.

   1. The Program application includes, but is not limited to:
      i. The applicant's identification and contact information;
      ii. Identification and contact information for the applicant's employer;
      iii. Documentation proving that at the time of the application, the applicant had been employed for a minimum of four years in a designated high-growth STEM occupation in New Jersey. Acceptable documentation includes but is not limited to: certifications from all employers attesting to start and end dates in a previous position, W-2 forms, or other substantiating documentation as may be deemed acceptable by the Authority upon specific case review; and
      iv. Certification, in the form approved by the Authority, from the applicant's employer verifying the participant's start date and continuous employment with the employer and agreeing to make a payment to the Authority of at least a 100 percent match of the State-funded loan redemption benefit under the Program at the conclusion of each year of employment completed by the applicant in a designated high-growth STEM occupation.

(b) The Authority will consider applications for approval of program participation in the date order they are received, subject to available funding.

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

9A:10-5.5 Terms for Loan Redemption

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

(b) In order for a participant to qualify for an annual redemption payment:

   1. the program participant shall submit to the Authority certification, in the form approved by the Authority, of full-time employment in a designated high-growth STEM occupation for the full-year period; and
   2. the employer of the program participant shall certify, in the form approved by the Authority, that the program participant met the employer's performance standards and shall pay the annual matching contribution to the Authority in an amount equal to or greater than the $1,000 annual State-funded loan redemption benefit.
(c) If a participant becomes employed by a different employer while participating in the Program, that participant must:

1. be employed in either the exact same occupation for which the participant was approved to participate in the program or in an occupation that is a designated high-growth STEM occupation at the time the participant begins the new occupation;
2. provide the Authority with a certification, in the form approved by the Authority, signed by the previous full-time employer containing the termination date from that position; and
3. prior to the annual redemption of loan indebtedness provide a certification, in the form approved by the Authority, from the new employer:
   i. agreeing to make a payment to the Authority of at least a 100 percent match of the State-funded loan redemption benefit under the Program at the conclusion of each year of employment completed by the applicant in a designated high-growth STEM occupation, to be pro-rated to the actual amount of time worked for the new employer;
   ii. stating the start date for the designated high-growth STEM occupation at the new employer; and
   iii. verifying the participant’s continued employment and satisfactory performance in a designated high growth STEM occupation.

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

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

9A:10-5.6 Termination or suspension of the participant’s participation contract

(a) The Authority shall terminate the participant’s participation contract if it determines:

1. On the basis of a sworn affidavit of a qualified physician, that the participant is totally and permanently disabled;
2. On the basis of a death certificate, or other evidence of death that is conclusive under State law, that the participant has died;
3. On the basis of substantiating documentation as may be deemed necessary by the Authority upon specific case review, that continued enforcement of the employment service obligation may result in extreme hardship for the participant;
4. That the participant is no longer employed in a designated high-growth STEM position;
5. That the participant has been convicted of a felony and/or a high misdemeanor, as defined in N.J.S.A. 2C:1-4.d, has committed an act of gross negligence in the performance of his or her employment service obligation or that the participant has not met the employer’s performance standards; or
6. The participant has not completed the tasks required by N.J.A.C. 9A:10-5.5 (b) to receive the loan redemption within sixty days of written request for the required documents by the Authority.

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

1. The Authority may suspend the participant’s participation contract for a period of up to two calendar years from the date the suspension commences. At the end of the first year of suspension, the participant must provide the Authority with substantiating documentation, as defined in this subsection, to renew the suspension for a second year.

2. The suspension, as stipulated in (b)1 above, may be extended beyond two years for exceptional circumstances at the discretion of the Authority on the basis of substantiating documentation, as defined in this subsection.

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

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

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

9A:10-5.7 Appeals process

(a) When an applicant has received a notification of ineligibility for Program participation, the applicant may submit a written appeal to the Authority within 30 days of the date of the notification. The written appeal must include the following:

1. A copy of the notification of ineligibility received by the applicant from the Authority; and
2. The reason(s) why the applicant feels the applicant is eligible to participate in the Program along with any documentation that the applicant has obtained to support the appeal, if applicable.

(b) Within 30 days of the receipt of the appeal, the Authority shall provide the applicant with the Authority's final determination of the appeal. Final decisions of the Authority can be appealed to the Appellate Division of the Superior Court.
RESOLUTION 23:21

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

Moved by: Mr. Robert Shaughnessy
Seconded by: Ms. Beatrice Daggett

WHEREAS: On December 14, 2018 Governor Murphy signed the Science, Technology, Engineering, and Math (STEM) Loan Redemption Program P.L. 2018, c. 142 (N.J.S.A. 18A:71C-66 et seq.) (the “Act”), into law; and

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

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

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

NOW, THEREFORE, LET IT BE:

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

October 20, 2021