

## **MINUTES**

### **HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY**

October 23, 2024

The Higher Education Student Assistance Authority (HESAA) Board held a meeting on October 23, 2024 at 10:00 am at the HESAA offices in Hamilton.

**PRESENT:** HESAA Board Members: Dr. Brian Bridges, Secretary of Higher Education (teleconference); Ms. Margo Chaly; Ms. Beatrice Daggett; Ms. Jean McDonald Rash; Ms. Favour Oyelade (teleconference); Ms. Shernelle Pringle; Mr. Scott Salmon (teleconference); Ms. Ivona Szaro; Mr. Robert Tighue, Treasurer's Designee; Dr. Nelson Turcios; Ms. Christy Van Horn, Chair; and Mr. Gary Williams.

**ABSENT:** None.

#### **CALL TO ORDER**

Christy Van Horn called the meeting to order at 10:02 am. Margo Chaly stated that the meeting had been noticed in compliance with the requirements of the Open Public Meetings Act.

Ms. Van Horn welcomed the Board members and advised that since this some members were participating via teleconference, Roseann Sorrentino would conduct a roll call for the resolutions.

Ms. Van Horn welcomed Alexis Franklin, Associate Counsel from the Governor's Authorities Unit; and Michael Lombardi, Deputy Attorney General from the New Jersey Division of Law.

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

#### **CONSIDERATION OF THE MINUTES OF THE JULY 24, 2024 MEETING**

A motion to approve the minutes of the July 24, 2024 meeting was made by Robert Tighue and seconded by Beatrice Daggett. The minutes were approved unanimously with one abstention, Mr. Gary Williams who was not present at this meeting.

#### **REPORT OF THE AUDIT COMMITTEE AND RESOLUTION 21:24 ACCEPTING AND ADOPTING THE FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS FOR FISCAL YEAR 2024**

Christy Van Horn reported that on October 18, 2024 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 (CLA) presented their findings to the Board.

Mr. Lee advised that CLA was engaged to conduct three separate audits of: the NJCLASS Loan Programs; Other HESAA Programs and Funds; and the World Trade Center Scholarship Fund for

the year ending June 30, 2024. Mr. Lee explained that CLA was also tasked with providing a governance communications letter, as well as to review internal controls to determine if there are any material weaknesses.

The audits were completed in accordance with generally accepted audit procedures and Mr. Lee advised that all three audits resulted in an unmodified opinion, which is the highest opinion an auditor can issue. Mr. Lee praised Jerry Traino, Art Quaranta and their team for providing statements that needed no corrections, and stated that there were no management letters for any deficiencies and it was clear that HESAA did not engage in any “opinion shopping.”

Chairwoman Van Horn stated that she was pleased with CLA’s efficient services and thanked HESAA staff for their work.

A motion to approve Resolution 21:24 was made by Robert Tighue and seconded by Ivona Szaro.

The motion passed unanimously.

#### **RESOLUTION 22:24 ADOPTING SUMMER TAG AWARD TABLE FOR SUMMER SEMESTERS TRAILING ACADEMIC YEAR 2024-2025**

Jean Hathaway presented Resolution 22:24 to the Board.

On October 22, 2024, Governor Murphy signed P.L. 2024, c. 84 which provides a supplemental appropriation of \$20 million to award Summer TAG to eligible applicants at 75 percent of the maximum amounts for which the applicants qualify pursuant to the provisions of section 2 of P.L.2023, c.34.

Pursuant to P.L. 2024, c. 84, and based on current availability of funds, the Summer TAG Award Table shown in Attachment A follows the same parameters used to construct the 2024-2025 Full-Time TAG award table, capping the awards at 75 percent of the maximum award for which the applicant qualifies.

For Part-time enrollment, the awards on the tables will be further pro-rated by 50 percent for students enrolled in 6-8 credits and 75 percent for students enrolled for 9-11 credits.

It is recommended that the Board approve Resolution 22:24 Adopting Attachment A as the Summer Tuition Aid Grant (Summer TAG) Summer Semesters Trailing Academic Year 2024-2025.

A motion to approve Resolution 22:24 was made by Scott Salmon and seconded by Gary Williams.

The motion passed unanimously.

#### **RESOLUTION 23:24 ADOPTING THE RULES GOVERNING SUMMER TAG**

Marnie Grodman presented Resolution 23:24 to the Board.

In April 2023 Governor Murphy signed the law creating the Summer TAG program for summer 2023. Then, in January 2024, Governor Murphy signed Public Law 2023, chapter 283, which authorizes HESAA to award Summer TAG every year going forward, subject to available funding.

To administer this legislation, at its April 24, 2024 meeting this Board approved the proposed new rules governing Summer TAG, a copy of which is included with your materials.

The proposed new rules were published in the June 17, 2024 New Jersey Register, and no comments were received during either the legislative review period or the public comment review period.

Therefore, it is recommended that the Board approve Resolution 23:24 Approving the Adoption of the Proposed Amendments to the Regulations Governing the Summer TAG program.

A motion to approve Resolution 25:24 was made by Ms. Jean McDonald Rash and seconded by Ms. Beatrice Daggett.

The motion passed unanimously.

**RESOLUTION 24:24 ADOPTING THE AMENDMENTS TO THE REGULATIONS GOVERNING THE NURSING FACULTY LOAN REDEMPTION PROGRAM.**

Jennifer Martin presented Resolution 24:24 to the Board.

Good morning, and thank you for the opportunity to present Resolution 24:24 Adopting the Amendments to the Regulations Governing the Nursing Faculty Loan Redemption Program.

On January 8, 2024, Governor Murphy signed P.L. 2023, c.244, which amends and supplements the Nursing Faculty Loan Redemption Program to address New Jersey's critical nursing shortage by improving the Program's effectiveness as a tool to recruit nursing faculty, thereby expanding the pipeline for nursing students by creating more classroom bandwidth. As you may recall, the Board previously approved at its April 24, 2024 meeting the proposed regulatory amendments necessary to implement the new law. A copy of the amendments is included with your materials.

The proposed amendments were published in the June 17, 2024 New Jersey Register, and no comments were received during either the legislative review period or the public comment review period.

Therefore, it is recommended that the Board approve Resolution 24:24 Approving the Adoption of the Proposed Amendments to the Regulations Governing the Nursing Faculty Loan Redemption Program.

A motion to approve Resolution 24:24 was made by Mr. Robert Tighue and seconded by Mr. Gary Williams.

The motion passed unanimously.

## **RESOLUTION 25:24 APPOINTING A SENIOR MANAGER FOR AUTHORITY BOND ISSUES**

Jerry Traino presented Resolution 25:24 to the Board.

Good morning and thank you all for your attention to Resolution 25:24 addressing the appointment of a Senior Managing Underwriter for the Authority for calendar years 2025, 2026, and 2027.

As noted in the Board memo, the Senior Managing Underwriter is responsible for annually developing a financing structure to meet HESAA's loan financing needs for its NJCLASS supplemental student loan program.

In August, an RFP was sent to twenty-one nationally recognized bond underwriting firms with experience underwriting complex asset-backed revenue bond transactions as senior managing underwriter.

HESAA received five proposals from underwriting firms, Bank of America Securities (B of A); RBC Capital Markets (RBC), Siebert Williams Shank & Co. LLC (SWS), FHN Financial Capital Markets (FHNFM), and Ramirez & Co (Ramirez).

The evaluation committee made up of HESAA's Chief Financial Officer, Controller, and Mr. Tim Webb, a representative from the Authority's Financial Advisor, Hilltop Securities, reviewed and scored the proposals based on student loan revenue bond transaction experience, the overall quality of each proposal, the firms' ability to meet the needs of the Authority, as well as their proposed fee schedule.

The evaluation committee found FHN to be unresponsive while both SWS and Ramirez lacked the required experience and technological capacity necessary to structure and underwrite the Authority's student loan revenue bonds as Senior Manager.

Both B of A and RBC proposed a set of services in response to the RFP to address the Authority's needs. Both firms are highly regarded in the student loan financing sector and both firms have proven track records in bringing bond issues to market. Ultimately, the committee scored RBC higher for its holistic approach to meeting the Authority's financing and operational needs and its commitment to maintaining an active partnership with HESAA throughout the year to address ongoing operational analysis.

The committee found that because RBC maintains a dedicated group of eight people who work exclusively on student loan bonds, RBC possesses a deeper bench of practical experience on the banking and quantitative sides.

Additionally the proposal submitted by RBC offers a commitment to collaborating with HESAA to addressing its business needs including providing portfolio data, in-depth pre-payment analysis, and cash flow analyses as well as ongoing comprehensive enterprise analysis.

The committee finds that while B of A proposed lower fees overall, RBC's strong expertise in preparing enterprise cash-flow and future structuring analyses along with its commitment to their high level, year-round engagement outweighs their proposed higher fee structure.

Based on these factors, the Evaluation Committee determined that RBC Capital Markets' approach to developing the Authority's bond financings and the scope of services most closely aligns with the ongoing needs of the Authority.

It is recommended that the Board approve the attached Resolution 25:24 approving the Appointment of RBC Capital Markets as the Authority's Senior Managing Underwriter for calendar years 2025, 2026, and 2027.

A motion to approve Resolution 25:24 was made by Ms. Beatrice Daggett and seconded by Ms. Jean McDonald Rash.

The motion passed unanimously.

### **RESOLUTION 26:24 APPOINTING SPECIAL COUNSEL TO A LIST OF ATTORNEYS TO ASSIGN EDUCATIONAL RECEIVABLE FILES**

Aurea Thomas presented Resolution 26:24 to the Board.

Thank you Chairwoman Van Horn.

As stated in the memorandum provided for Resolution 26:24, HESAA contracts with qualified law firms to act as outside counsel to which HESAA can assign defaulted student loans and other educational receivables for collection or representation in bankruptcy proceedings. The current contracts are scheduled to expire on December 31, 2024.

On August 27, 2024 HESAA issued a Request for Qualifications (RFQ) seeking proposals from qualified law firms in order to create a new list of outside counsel for a two-year term.

HESAA emailed the RFQ to the law firms currently providing these services for HESAA and other entities that reached out to HESAA. The RFQ was posted on the HESAA website, and in the State's NJ Advance Media and Gannett newspapers.

HESAA received proposals from four law firm, all of which currently provide collection services for HESAA.

An evaluation committee made up of HESAA's Chief Compliance Officer, Assistant Controller, and Program Officer from the Customer Care Solutions Unit met and reviewed each of the responsive proposals.

Based on the reviews of the evaluation committee, all of the firms: Fein, Such, Kahn & Shepard, P.C.; The Grogan Law Group LLC; Portnoy Schneck LLC; and Ratchford Law Group, P.C., met the minimum threshold for appointment. HESAA currently engages all of these firms and has been satisfied with their performance. Therefore, the evaluation committee recommends that the Board approve the appointment of all four firms to the list of outside counsel to which HESAA can assign defaulted student loans and other educational receivables for collection for a two-year term.

A motion to approve Resolution 26:24 was made by Mr. Robert Tighue and seconded by Mr. Scott Salmon.

The motion passed unanimously.

### **RESOLUTION 27:24 APPROVING THE FIRST EXTENSION OF THE CONTRACT WITH WELLS FARGO, DEPOSITORY BANKING SERVICES**

David Moffett presented Resolution 27:24 to the Board.

Thank you Chairwoman Van Horn.

The Higher Education Student Assistance Authority engages a bank to receive the payments made on NJCLASS loans. These payments include electronic payments from various sources, checks processed through a lockbox, and check payments received directly by the Authority.

As the result of a Request for Proposals, at its October 21, 2020 meeting, the HESAA Board appointed Wells Fargo NA as the provider of depository banking services for the Authority for a period of three years, with two possible one-year extensions at the option of HESAA.

At its October 25, 2023 meeting, the HESAA Board approved the first one-year extension to the contract with Wells Fargo NA.

Wells Fargo NA has a track record of quality service, including assistance in implementation of technical improvements and excellent customer service regarding banking issues. Accordingly, it is recommended that the Board approve Resolution 27:24 approving the Second One-Year Extension to the Contract with Wells Fargo NA to provide Depository Banking Services.

It is recommended that the Board approve Resolution 27:24 approving the First One-Year Extension to the Contract with Wells Fargo NA to provide Depository Banking Services.

A motion to approve Resolution 27:24 was made by Ms. Ivona Szaro and seconded by Ms. Beatrice Daggett.

The motion passed unanimously.

### **RESOLUTION 28:24 PROCUREMENTS POLICY AND PROCEDURES**

Marnie Grodman presented 28:24 to the Board.

Thank you. Included in the materials sent to the Board is a revised HESAA Procurement Policy & Procedure manual. This P&P differs from the previous P&P in that it updates the procurement limits to reflect current bid thresholds and it provides both staff and vendors with more clarity on HESAA's procurement process. For example, the new P&P specifies which procurements are presented to the HESAA Board, as well as the instances in which the Board delegates final procurement approval to HESAA Executive Director. Upon the Board's approval of the Procurement Policy & Procedures, HESAA will post the document on the procurement page of the Authority's website.

A motion to approve Resolution 28:24 was made by Mr. Gary Williams and seconded by Ms. Ivona Szaro.

The motion passed unanimously.

**RESOLUTION 29:24 APPROVING THE COMMITMENT FOR A CLOUD-BASED HOSTING SOLUTION AND THE TRANSFER OF FISCAL YEAR 2025 CAPITAL FUNDS FOR DECISIVEDGE CLOUD HOSTING**

Ruth Odom presented Resolution 29:24 to the Board.

Good Morning Chairwoman Van Horn and members of the Board.

The Board approved \$2,000,000 in the Fiscal Year 2025 Capital Budget under the heading “HESAA Loan Servicing Platform” to be used for the CLASS system which services HESAA’s NJCLASS loans.

The 2018 Request for Proposal for a Student Loan Servicing Platform provided an option for either HESAA or the selected vendor to host the system. At that time the Authority chose to host the system. Recently, DecisivEdge Inc. the selected vendor, developed a cloud hosting solution.

After reviewing the proposal, migrating to the cloud-based hosting solution aligns with the Authority’s best interests and upcoming CLASS system upgrades. This transition will enhance operational functions and ensure compatibility with the base Oracle system, which is critical for maintaining seamless operations and preventing potential service disruptions.

We anticipate long-term savings from this hosting agreement. Aside from financial savings, the return on investment provides ongoing professional management of the CLASS environment which includes managing software releases and installing technical support patches which keeps the system up-to-date, secure, and compatible with the system’s core functions. We gain additional benefits which include: enhanced infrastructure scalability, availability, and reliability; including improved disaster recovery and business continuity strategies.

The cost for the cloud-based hosting solution is approximately \$1,830,000 over three years. Up to an additional \$400,000 needs to be added to the FY25 Capital Budget “HESAA Loan Servicing Platform” line. To cover the up to \$400,000, \$200,000 can be repurposed from the “Technology Equipment Replacement” line. This funding was to replace a computer room air conditioner. Recently, the air conditioner’s compressor was replaced and it is working well. An additional \$200,000 can be repurposed from the “Data Storage and Backup” line. We procured the needed backup data storage and monies remain in the line.

Therefore, it is recommended the Board approve Resolution 29:24, approving the three-year \$1,830,000 commitment for the cloud-based hosting solution and the transfer of up to \$400,000 within the Authority’s FY25 capital budget, reallocating funds originally designated for replacing a computer room air conditioner and purchasing additional backup storage, to migrate to a hosted cloud solution for the CLASS system.

A motion to approve Resolution 28:24 was made by Ms. Jean McDonald Rash and seconded by Ms. Christy Van Horn.

The motion passed unanimously.

## **REPORT OF THE BUDGET COMMITTEE AND RESOLUTION 30:24 ADOPTING A BOARD BUDGET POLICY STATEMENT FOR FISCAL YEAR 2026**

Shernelle Pringle presented the agreed upon Board Budget Policy Statement to the Board.

Thank you for this opportunity to present Resolution 30:24 Adopting a Board Budget Policy Statement for Fiscal Year 2026.

On October 8, 2024 I met with the other members of the Budget Committee, which includes Chair Van Horn, Scott Salmon, Jean McDonald Rash, Executive Director Margo Chaly and HESAA staff to review background information on HESAA programming and State fiscal appropriations. The discussion informed the FY 26 budget policy statement for consideration by the full Board.

Additionally, as announced at the April 24, 2024 meeting of this Board, the Chair convened an Ad Hoc Committee on Financial Aid Policy to explore transformative financial aid policies and recommend proposals to assist New Jersey residents in pursuit of a postsecondary education in the Garden State. We discussed the long-term financial aid policy recommendations from the Ad Hoc Committee on Financial Aid Policy. The Ad Hoc Committee met with various financial aid experts at the national and state level, including colleagues from the Pennsylvania Higher Education Assistance Authority and the Washington Student Achievement Council. The meetings informed the Committee Report, which includes long-term recommendations for administering existing financial programs like TAG and College Promise, as well as guidelines for developing financial aid support for non-degree granting workforce training. Finally, the report includes proposals to use end-to-end data collection and collaboration with other State agencies to further reduce hurdles encountered during the financial aid application process and to keep the cost of higher education to a minimum. The full Committee Report is attached to the Fiscal Year 2026 policy statement.

In creating the FY 2026 Board budget policy statement, the Budget Committee endeavored to balance the HESAA Board's role in the budget process, which is to advocate policies that advance higher education access, choice, and affordability, for New Jersey residents, with the fiscal realities of the State. We believe the statement included in the materials achieves that goal.

A motion to approve Resolution 30:24 was made by Mr. Robert Tighue and seconded by Ms. Ivona Szaro.

Chairwoman Van Horn thanked the Ad Hoc Committee members for their work and thanked the HESAA staff for their support of the Committee. The recommendations the Ad Hoc Committee created ensure that HESAA's policies are in tune with the times and ensure students understand the financial aid available to them. These recommendations lay the groundwork for what HESAA can tie its policies to in the future.

The motion passed unanimously.

## **EXECUTIVE DIRECTOR'S REPORT**

Thank you, Chairwoman Van Horn, and members of the Board, for all of your action today. Gary, we are excited to welcome you to the team. Shernelle, thank you for sharing the Board budget policy statement, and the recommendations for next several years. I commend the Chair and ad hoc committee for their thoughtful review.

Thank you, Board, on behalf of thousands of students, for approving the Summer TAG Award table today. This financial aid program allows students to maintain momentum or accelerate the timing of their academic journey. I thank the Governor, along with his team of dedicated advisors, as well as the incredible Legislators who sponsored and championed the supplemental appropriation necessary to administer Summer TAG.

We thank Andy Lee and his team at CliftonLarsonAllen for their audit report and ongoing engagement throughout the year.

### **HESAA Programming Updates**

For this third year of the Behavioral Healthcare Provider Loan Redemption Program applications opened on October 1 and will remain available through next Thursday, October 31, 2024. The response rate has been overwhelmingly positive, and thanks to a \$2 million dollar increase in this year's appropriation, HESAA will be able to accept more participants into the program. Mental health care is a priority for Governor Murphy, and the HESAA team is honored to relieve the student loan burden of these eligible practitioners providing skilled care, particularly to our youth. I thank Chair Van Horn for her comments in a recent press release where she took the time to recognize the HESAA staff for building the infrastructure to stand up this and other loan redemption programs. Under the direction and leadership of HESAA Chief of Staff Alia Abbas, we are enhancing the user experience for applicants and streamlining the processes and procedures for our Loan Redemption team, Customer Contact Center, and HTECH unit.

I am thrilled to share an update on the migration of our NJCLASS supplemental student loan portfolio from the antiquated mainframe system to the modern, web-based CLASS platform. Exactly one year ago, the HESAA team deployed the first round of migration. During the first two weekends, approximately 1,000 loans successfully migrated. Throughout the Spring and Summer of 2024, staff oversaw the move of nearly 7,000 loans on "CLASS Saturdays." Currently, nearly 70% of the entire portfolio is in CLASS, comprising the majority of the loans serviced in-house by our Student Loan Investigators in the Customer Care Solutions unit. We are looking at early 2025 to move the remaining balance of the portfolio, which includes new loans that will be disbursed in the Spring Semester, as well as discharged loans handled by outside counsel. So many people contributed to this process, from design and development to testing and deployment, and we refer to this team as CLASS Ambassadors. I thank them for their focus and commitment to bringing us across the finish line on this project, which will ensure a smoother, more efficient experience for borrowers.

In the current Academic Year, 2024-2025, NJCLASS supplemental loans reflect a 3.6% increase in amount borrowed compared to last year, with a current commitment of over \$155 million. We continue to encourage individuals with school-certified student loans to review our Refi+ product, which helps borrowers lower their interest rates thereby managing monthly student loan expenses so they can plan for life milestones including home ownership, starting or expanding a family, and

charting a career path with dignity. Our Customer Care Solutions team members excel at providing comprehensive information to help New Jersey residents borrow and navigate repayment of student loans responsibly.

At this time, it is important to highlight the Outreach & Communications team, which had a monumentally busy summer. They designed and published another stunning issue of *Going to College in New Jersey*, which is a comprehensive publication for prospective college students to learn about the financial aid programs and other resources available to support their pursuit of a postsecondary education. Whether they are high school students, current college students, former college students who have not yet obtained a degree, or New Jersey residents ready to begin their college experience now that the timing is right, readers can use this magazine to review HESAA programs, explore individual institutions of higher education, and access a degree directory as they navigate the college admissions process. The publication is online and printed copies are distributed to every public high school in the state, multiple Legislator's district offices (they eagerly request copies each year!), and shared at various workshops, conferences, community- and faith-based events, and at college and career fairs throughout New Jersey.

Similarly, the HESAA Communications team, in collaboration with the Office of the Secretary of Higher Education (OSHE) and the Office of Innovation, launched a statewide campaign to remind New Jersey residents of the value of earning a college degree in the Garden State. More importantly, with financial aid programs and student success services, a high-quality postsecondary education is closer than students think, thanks to Governor Murphy's unprecedented investment in higher education. The campaign is presented in both English and Spanish on billboards from Bergen to Burlington counties, in commercials, and on social media. So far there are 175,000 visits to the recently launched microsite and 475 individuals enrolled in email updates through the new website: [CollegeForYou.NJ.Gov](https://CollegeForYou.NJ.Gov).

The Outreach team sprinted to the end of the summer with a strong push to help students complete the FAFSA ahead of the September 15, 2024 state deadline for financial aid for new students. With a \$100,000 federal grant, the team hosted 391 one-hour, one-on-one virtual counseling sessions to guide students and families through the FAFSA process, including those who were still correcting errors from earlier glitches and hurdles they encountered in the application process. The outreach for this campaign resulted in 4.6 million impressions and more than 6,600 clicks, meaning the messaging reached many students and families beyond those who attended the sessions.

### **Academic Year 2024-2025: Update**

That said, despite the FAFSA hurdles this year, submissions by New Jersey residents decreased by only 2.3% compared to last year. There should be little doubt that the efforts of the HESAA team contributed to this limited decline. Their calendar of workshops, webinars, and direct counseling supported successful FAFSA completion. Furthermore, last spring we extended the deadline for renewal students to complete their FAFSA in an effort to maintain their access to financial aid and prevent disruption of their studies. In turn, we see an increase in the number of TAG-eligible students so far this semester.

### **Academic Year 2025-2026: Looking Ahead**

Looking ahead to the upcoming academic year that begins next fall, we have more good news to report. The New Jersey Alternative Application for Financial Aid for eligible New Jersey Dreamers opened on October 1, 2024. To date, we received nearly 100 completed applications,

and continue to blanket the state with invitations to our New Jersey Dreamer webinars. As the FAFSA is expected to launch by December 1, 2024, the Outreach team is using time this fall to prepare FAFSA filers for the release of the application by hosting FSA ID workshops, which encourage them to complete complex pre-work that will provide students and families with smoother access to the FAFSA.

The Outreach team already facilitated seven (7) school counselor workshops this fall. These presentations, which take place on college campuses, bring together high school staff from around the state to receive critical financial aid updates and learn how, with support from the HESAA team, they can assist their students through the college financial aid process. As this is the first year in which high school seniors are required to complete a financial aid application prior to graduation, the high school-HESAA partnership is imperative in providing these champions of student success with the tools they need to monitor student progress with the application submission. While the Outreach team empowers counselors to amplify the message that a degree after high school is closer than students may think, our Customer Contact Center team stands ready to support students who reach out with direct questions.

### **Staffing Updates**

All of our teams throughout the Authority accomplish so much throughout the year to meet our mission of providing financial aid resources to New Jersey students and families. This would not be possible without a safe, secure, and, occasionally fun, work environment. I want to recognize the HESAA Staff Engagement Team for the morale-boosting programming that allows everyone to interact with colleagues in other units and buildings, occasionally with a light competitive spirit. We also recognize our team members on our intranet when members of the public contact supervisors with words of thanks for friendly and helpful, interactions related to one of our many life-changing programs.

Earlier this month our DEI Committee hosted the inaugural Hispanic Heritage Month Celebration, which featured keynote speaker Judge Julio Mendez, who shared his experience with higher education in New Jersey, at both Rowan University (formerly Glassboro State College) and Rutgers Law School, as a Cuban immigrant. His words inspired all in attendance and reminded our team of the direct impact of their efforts. I specifically want to thank Aurea Thomas for her role as moderator, along with the many individuals who prepared for the event including Barry Halloran, Jennifer Martin, Quinn Murrenburke, and Christi Peace. I must thank Secretary Bridges, many of our colleagues from the Governor's office, and Interim President of New Jersey City University, Andrés Acebo, for joining our celebration of Latino culture and community.

As always, we want to recognize our recent retirees:

We bid farewell to Karen Fernicola following 39 years of dedicated service, and reflect on her incredible contributions to HESAA. Karen played a critical role in handling loan repayment for individuals serving in the military. Over the past two years, she led her team with remarkable grace and strong leadership, inspiring us all along the way. While we will certainly miss her presence, we wish her all the best in this exciting new chapter of her life

Raju Konduru retired on October 1, 2024. Raju held a key position in the Technology Unit as the Senior Systems Architect. During his two-decade tenure, working closely with the Loans Unit, he implemented the borrower portal, which allows students and families to apply for NJCLASS loans,

make loan payments, access bills and IRS forms, as well as apply for loan redemption programs. His vision was instrumental in enhancing HESAA's web presence. Raju will be spending much of his time with his family but plans to do volunteer work within his community next year after a much-deserved few months of rest.

Padmaja Konduru began her HESAA career in 2012 as a temporary contractor in the Finance and Accounting Unit before becoming a full-time employee in 2014. Her efficiency and attention to detail made her an essential member of the staff responsible for payment posting of HESAA's FFELP portfolio. She was a dedicated worker always willing to take on both the tedious and complex tasks. When the Authority ended its federal loan guaranty agency status in 2019, Padmaja seamlessly transitioned to payment processing responsibilities for the NJCLASS loan program. As a quick study, she not only learned the application processes for the new Oracle-based loan servicing platform, CLASS, but also passed along that knowledge to her co-workers. She was well-respected by her peers and will be greatly missed.

The dynamic-Konduru-duo, Raju and his wife, Padmaja, moved to Texas to be closer to their two daughters and grandchildren.

Margaret Ragsdale served the students and families of New Jersey for 22 years. Her role at HESAA evolved through those two decades of service to students, parents, college professionals, and high school counselors. Initially, her work focused on the NJCLASS loan program, where she counseled students on exhausting all other financial aid resources before taking on student loans. She helped those with unmet need, navigate the financial literacy aspects of borrowing, including interest rates and options. Her thorough understanding of both Federal and State Aid led her to become one of HESAA's go-to experts within our Outreach & Communications unit where she most recently served as a liaison to the institutions of higher education throughout New Jersey. While her experience and enthusiasm will be missed, rest assured that the positive impact she made helping students afford a higher education will be her legacy.

Colleen Sitzler was synonymous with HESAA, as she served in multiple units over the course of 22 years. In her most recent role in our Campus Services unit, Colleen became a cornerstone of daily operations, expertly managing processes and procedures that ensured the smooth functioning of our mailroom and motor fleet. Her keen attention to detail and commitment to efficiency made her an invaluable resource for her colleagues, who often relied on her expertise to double-check critical tasks and maintain high standards. Colleen's behind-the-scenes contributions significantly impacted the overall effectiveness of HESAA's mission, particularly in supporting the logistics that keep our organization running. Her legacy of operational excellence will be greatly missed, and we wish her all the best in retirement.

The retiring cohort leaves with 112 years of combined service, which I expect will inspire our current team to remain committed to New Jersey college students for many years to come.

Thank you for your time and attention.

## **STUDENT ADVISORY COMMITTEE REPORT**

The Student Advisory Committee (SAC) Vice-Chair gave the following presentation:

Good morning. My name is Favour Oyelade, and I am serving as the Vice-Chair of the 2024-2025 Student Advisory Committee, otherwise known as SAC. Thank you for the opportunity to present several of our updates. First, during this past summer—Summer 2024—I reached out to my high school guidance counselor at the Burlington County Institute of Technology. Together we worked with HESAA’s Outreach and Communications Specialist, Sharon Austin, to organize a financial aid presentation, which took place last Wednesday. There were three overall presentations, of which I was present for two, and together Sharon and I spoke to approximately 600 students about the FAFSA and financial aid opportunities.

Additionally, SAC has been able to retrieve its Instagram account information from one of last year’s SAC members. Everyone on this year’s SAC now has the login information. We are currently deciding what kind of content we would like to post, and how frequently we plan on posting. The consensus is that we will post once a week and name it “Financial Aid Fridays.” Now I would like to turn over the rest of SAC’s updates to the SAC Chair, Ivona Szaro.

The SAC Chair gave the following presentation:

Good morning, everyone. My name is Ivona Szaro, and I have been the SAC Chair for the past two academic years. In addition to our social media updates that Favour just shared, I would like to present an ongoing project that the 2024-2025 SAC members have been working on.

This Fall semester, we compiled seven questions into a financial aid survey that we plan to distribute to New Jersey college and university students of all sectors via a QR code. The purpose of this survey is to assess how much postsecondary students understand about financial aid and what financial aid resources are available to them. The survey questions are:

- 1) To which of the following sectors does your school belong?  
Public/Private/Research/Proprietary/I don’t know
- 2) How familiar are you with the New Jersey Higher Education Student Assistance Authority (HESAA)? Not at all/Somewhat/Very
- 3) How did you become familiar with HESAA? High School/Email/Social media/Other/What’s HESAA?
- 4) How aware were you of financial aid opportunities prior to starting college?  
Not at all/Somewhat/Very
- 5) Do you feel that you learned more about what financial aid is available since being in college? Yes/No
- 6) If you have an NJFAMS account, when did you last log in to it?  
Within the last week/Within the last month/Within the last year/What is NJFAMS?
- 7) What do you wish someone told you about financial aid and HESAA prior to enrolling in college?

All SAC members will distribute the QR code to their network of peers. We also will distribute the QR code to financial aid offices, EOF offices and on our Instagram. Survey implementation will take place in January 2025, and we plan to provide the Board with survey results at the April 2025 meeting.

Beatrice Daggett commended the SAC for their work and leadership.

## **NEW BUSINESS**

### **Resolution of Appreciation for Jean McDonald Rash**

Executive Director Chaly presented Jean McDonald Rash, who is retiring from Rutgers University, with the attached Resolution of Appreciation thanking her for her extraordinary dedication to making postsecondary education in New Jersey an affordable and attainable option for those who wish to pursue it.

## **ADJOURNMENT**

Ms. Van Horn advised that the next regularly scheduled Board meeting is Wednesday, January 17, 2024 at 10:00 am.

A motion to adjourn was made by Ms. Ivona Szaro and seconded by Ms. Shernelle Pringle. The motion passed unanimously.

The meeting adjourned at 11:04.



**PHILIP D. MURPHY**  
Governor

**TAHESHA L. WAY**  
Lt. Governor

**State of New Jersey**  
**HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY**  
4 QUAKERBRIDGE PLAZA  
PO BOX 545  
TRENTON, NJ 08625-0545  
1-800-792-8670  
[www.hesaa.org](http://www.hesaa.org)

**MARGO CHALY, ESQ.**  
Executive Director

## **M E M O R A N D U M**

**TO:** Members, Higher Education Student Assistance Authority Board

**FROM:** HESAA Board Audit Committee

**SUBJECT:** Report of the Audit Committee and Resolution 21:24 Accepting and Adopting the Financial Statements and Independent Auditors' Reports for Fiscal Year 2024

**DATE:** October 23, 2024

### **Summary**

Attached for review, comment and approval is Resolution 21:24 Accepting and Adopting the Financial Statements and Independent Auditors' Reports for Fiscal Year 2024.

### **Background**

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

The Committee met with representatives of HESAA's independent auditor, CliftonLarsonAllen LLP, on October 18, 2024 to review and discuss the 2024 Financial Statements and CliftonLarsonAllen's unmodified reports.

### **Recommendation**

The Audit Committee recommends that the HESAA Board accept and adopt the Financial Statements and Independent Auditors' Reports for Fiscal Year 2024.

Attachment

## **RESOLUTION 21:24**

### **ACCEPTING AND ADOPTING THE FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS FOR FISCAL YEAR 2023**

Moved by: Mr. Robert Tighue

Seconded by: Ms. Ivona Szaro

**WHEREAS:** The Higher Education Student Assistance Authority (HESAA) prepared three separate financial statements for Fiscal Year 2024 ("2024 Financial Statements") that were audited by the independent auditor CliftonLarsonAllen LLP; and

**WHEREAS:** The members of the Board Audit Committee met with CliftonLarsonAllen LLP on August 2, 2024 prior to the commencement of the audit; and

**WHEREAS:** The members of the Board Audit Committee received and reviewed the Financial Statements and the unmodified reports of CliftonLarsonAllen LLP dated for the year ending June 30, 2024; and

**WHEREAS:** The members of the Board Audit Committee met with representatives of CliftonLarsonAllen LLP on October 18, 2024 to discuss the 2024 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 2024.

#### **NOW THEREFORE, BE IT:**

**RESOLVED:** That the HESAA Board accepts and adopts the Fiscal Year 2024 Financial Statements and Independent Auditor's Reports as attached hereto; and be it further

**RESOLVED:** That the attached Fiscal Year 2024 Financial Statements and Independent Auditor's Reports shall be posted on HESAA's website at [www.HESAA.org](http://www.HESAA.org), and submitted to the State Treasurer and the Governor's Authorities Unit.

October 23, 2024



**PHILIP D. MURPHY**  
Governor


**TAHESHA L. WAY**  
Lt. Governor


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**MARGO CHALY, ESQ.**  
Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Margo Chaly, Esq.   
Executive Director

**FROM:** Jean M. Hathaway   
Director, Grants and Scholarships

**SUBJECT:** Resolution 22:24 Adopting a Summer Tuition Aid Grant (Summer TAG) Award Table for Summer Semesters Trailing Academic Year 2024-2025

**DATE:** October 23, 2024

### Summary

Attached for your review, comment, and approval is Resolution 22:24 Adopting Summer TAG Award Tables for Summer Semesters Trailing Academic Year 2024-2025. This action will establish a table of Summer TAG award values for the summer semesters trailing Academic Year 2024-2025 pursuant to P.L. 2024, c. 84.

### Background

On October 22, 2024, Governor Murphy signed P.L. 2024, c. 84 which provides a supplemental appropriation of \$20,000,000 to award Summer TAG to eligible applicants at 75 percent of the maximum amounts for which the applicants qualify pursuant to the provisions of section 2 of P.L.2023, c.34.

### Available Funds and Projected Award Volume

Pursuant to P.L. 2024, c. 84, and based on current availability of funds, the Summer TAG Award Table shown in Attachment A follows the same parameters used to construct the 2024-2025 Full-Time TAG award table, capping the awards at 75 percent of the maximum award for which the

applicant qualifies. For Part-time enrollment, the awards on the tables will be further pro-rated by 50 percent for students enrolled in 6-8 credits and 75 percent for students enrolled for 9-11 credits.

### **Recommendation**

It is recommended that the Board approve Resolution 22:24 Adopting Attachment A as the Summer Tuition Aid Grant (Summer TAG) Summer Semesters Trailing Academic Year 2024-2025.

Attachments

**STATE OF NEW JERSEY**  
**HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY**  
**SUMMER TUITION AID GRANT (SUMMER TAG) AWARD TABLE FOR**  
**2024-25<sup>1</sup>**

<b>New Jersey Eligibility Index (NJEI)</b>	<b>County Colleges<sup>2</sup> Award Average</b>	<b>State Colleges<sup>3</sup> Award Values</b>	<b>Independent Non-Public<sup>4</sup> Award Values</b>	<b>Public Research<sup>3</sup> Award Values</b>
Under 1500	\$1,160	\$3,560	\$5,400	\$4,110
1500-2499	954	\$2,970	\$4,320	\$3,440
2500-3499	826	\$2,514	\$3,800	\$3,062
3500-4499	644	\$2,082	\$3,404	\$2,640
4500-5499	480	\$1,726	\$3,006	\$2,302
5500-6499	0	\$1,346	\$2,612	\$1,964
6500-7499		\$980	\$2,216	\$1,646
7500-8499		0	\$1,818	\$1,304
8500-9499			\$1,436	\$898
9500-10499			\$816	\$0
Over 10499			\$0	

<sup>1</sup> Approximate annual TAG award values at higher education institutions licensed and approved for participation in the TAG Program as of September 1, 2009. In accordance with State law, the value of a student's grant depends on appropriated funds, actual tuition charges, cost of attendance, and the student's financial need as calculated by the New Jersey Eligibility Index.

<sup>2</sup> For county college sector, this table displays average award values across the 18 colleges in the sector. The award values for students at a given county college may be higher or lower, based on tuition charged by the institution.

<sup>3</sup> For state college and public research sectors, this table displays standardized award values for the institutions in each sector. The award values for students at a given institution may not exceed tuition, but may be higher than these standardized values based on tuition charged by the institution.

<sup>4</sup> Proprietary institution awards limited to approved programs of study at Berkeley College, DeVry University, Eastern International College and Eastwick College.

## **RESOLUTION 22:24**

### **ADOPTING A SUMMER TUITION AID GRANT AWARD TABLE FOR SUMMER SEMESTERS TRAILING ACADEMIC YEAR 2024-2025**

Moved by:  
Seconded by:

**WHEREAS:** P.L. 2024, c. 84 provides a supplemental appropriation of \$20,000,000 to award Summer TAG to eligible applicants at 75 percent of the maximum amounts for which the applicants qualify pursuant to the provisions of section 2 of P.L.2023, c.34; and

**WHEREAS:** Pursuant to P.L. 2024, c. 84, and based on current availability of funds, the Summer TAG Award Table shown in Attachment A follows the same parameters used to construct the 2024-2025 Full-Time TAG award table, capping the Summer TAG awards at 75 percent of the maximum award for which the applicant qualifies; and

**WHEREAS:** For Part-time enrollment, the awards on the tables will be further pro-rated by 50 percent for students enrolled in 6-8 credits and 75 percent for students enrolled for 9-11 credits.

#### **NOW THEREFORE BE IT:**

**RESOLVED:** That the Higher Education Student Assistance Authority hereby adopts the attached Summer Tuition Aid Grant Award Table for Summer Semesters trailing Academic Year 2024-2025 (Attachment A); and be it further

**RESOLVED:** That the Higher Education Student Assistance Authority wishes to thank and commend Governor Murphy and the Legislature for their commitment to higher education access and affordability for all New Jersey residents.

October 23, 2024



**PHILIP D. MURPHY**  
Governor

**TAHESHA L. WAY**  
Lt. Governor

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**MARGO CHALY, ESQ.**  
Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Margo Chaly, Esq. *MC*  
Executive Director

**FROM:** Marnie Grodman, Esq. *MBG*  
Director, Legal & Governmental Affairs

**SUBJECT:** Resolution 23:24 Adopting the New Rules Governing the Summer Tuition Aid Grant (TAG) Programs

**DATE:** October 23, 2024

### **Background**

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

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

At its April 24, 2024 meeting, the Board approved the proposed new rules governing Summer TAG.

The proposed new rules, PRN 2024-075, were published in the June 17, 2024 New Jersey Register at 56 N.J.R. 1063(a), posted on the HESAA website at [HESAA.org](http://HESAA.org) and sent to the Statehouse

News Media. Secondary notice was emailed to interested parties and a press release was distributed to news media. The 60-day legislative review period for this rule expired on July 6, 2024 with no comments received, and the public comment period for this rule expired on August 16, 2024 with no comments received. Therefore, the amendments can be adopted as proposed.

### **Recommendation**

It is recommended that the Board approve Resolution 23:24 Approving the Adoption of the Proposed Amendments to the Regulations Governing the Summer Tuition Aid Grant Programs.

Attachment

# RULE PROPOSALS

## INTERESTED PERSONS

Interested persons may submit comments, information or arguments concerning any of the rule proposals in this issue until the date indicated in the proposal. Submissions and any inquiries about submissions should be addressed to the agency officer specified for a particular proposal.

The required minimum period for comment concerning a proposal is 30 days. A proposing agency may extend the 30-day comment period to accommodate public hearings or to elicit greater public response to a proposed new rule or amendment. Most notices of proposal include a 60-day comment period, in order to qualify the notice for an exception to the rulemaking calendar requirements of N.J.S.A. 52:14B-3. An extended comment deadline will be noted in the heading of a proposal or appear in subsequent notice in the Register.

At the close of the period for comments, the proposing agency may thereafter adopt a proposal, without change, or with changes not in violation of the rulemaking procedures at N.J.A.C. 1:30-6.3. The adoption becomes effective upon publication in the Register of a notice of adoption, unless otherwise indicated in the adoption notice. Promulgation in the New Jersey Register establishes a new or amended rule as an official part of the New Jersey Administrative Code.

## HIGHER EDUCATION

### (a)

#### HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

#### Grant and Scholarship Programs Tuition Aid Grant Programs

#### Proposed New Rule: N.J.A.C. 9A:9-3.6

Authorized By: Higher Education Student Assistance Authority,  
Christy Van Horn, Chairperson.

Authority: P.L. 2023, c. 34 and P.L. 2023, c. 283; and N.J.S.A.  
18A:71B-19.

Calendar Reference: See Summary below for explanation of  
exception to calendar requirement.

Proposal Number: PRN 2024-075.

Submit written comments by August 16, 2024, to:

Marnie B. Grodman, Esquire  
Administrative Practice Officer  
Higher Education Student Assistance Authority  
PO Box 545  
Trenton, NJ 08625-0545  
Email: [Regulations@hesaa.org](mailto:Regulations@hesaa.org)

The agency proposal follows:

#### Summary

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

The proposed new rule governing the policy, administration, and procedures for Summer TAG awards is summarized below.

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

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

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

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

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

#### Social Impact

The proposed new rule governs the administration of the Summer TAG Program. They establish criteria for student eligibility and award amounts. The proposed new rule will have a positive impact on students by enabling students to complete a degree sooner, lowering their total cost of attendance, and reducing student loan debt.

#### Economic Impact

For summer of 2023, Summer TAG was funded pursuant to P.L. 2023, c. 34, through carried-forward fiscal year 2023 TAG appropriations and more than 11,000 students received \$24.3 million in Summer TAG awards during the summer of 2023. Language in the fiscal year 2024 Appropriations Act (P.L. 2023, c. 74) similarly authorizes HESAA to use carried-forward funding to finance Summer TAG awards for eligible students during the summer of 2024. As administered by the proposed new rule, Summer TAG will be funded by its own line-item appropriation in fiscal year 2025 and future years, subject to the Governor's and Legislature's annual budget decisions. If fully funded, Summer TAG would cost approximately \$27 million in fiscal year 2025.

It is anticipated that the proposed new rule will have a positive effect on the State's economy by enabling students to complete a degree sooner, lowering the total cost of attendance, and reducing student debt. The lower cost of attendance enables more of the State's citizens to acquire an education beyond the secondary level. A 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 rule 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 rule is not subject to any Federal requirements or standards.

**Jobs Impact**

The proposed new rule will not result in the loss or generation of jobs. The proposed new rule provides the criteria for eligibility for a student assistance grant to help cover postsecondary tuition costs. It is anticipated that the proposed new rule will encourage students to earn their college degree faster, thereby leading to higher paying jobs sooner.

**Agriculture Industry Impact**

The proposed new rule 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 rule does not impose reporting, recordkeeping, or other compliance requirements on small businesses as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The Authority does not anticipate that any institution of higher education at which an enrolled student receives a Summer TAG award would be covered by the definition of a small business, because these entities have more than 100 full-time employees. Additionally, students receiving Summer TAG awards are not covered by the definition because they are individuals, not businesses.

**Housing Affordability Impact Analysis**

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

**Smart Growth Development Impact Analysis**

The proposed new rule will have an insignificant impact on smart growth and there is an extreme unlikelihood that the proposed new rule would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan in New Jersey. The proposed new rule affects 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 this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

**Full text** of the proposed new rule follows:

**SUBCHAPTER 3. TUITION AID GRANT PROGRAMS****9A:9-3.6 Summer tuition aid grants**

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

(b) An eligible student shall:

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

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

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

(e) The provisions at N.J.A.C. 9A:9-2 shall apply to receiving summer tuition aid grants, except at N.J.A.C. 9A:9-2.11, Payments. As certified by the Authority, payments for eligible students will be made by the Department of the Treasury directly to institutions on behalf of student recipients. The Authority shall provide each institution the corresponding list of eligible students' accounts to be credited.

**(a)****HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY****Student Loan and College Savings Programs  
Nursing Faculty Loan Redemption Program****Proposed Amendments: N.J.A.C. 9A:10-4.1 through 4.5****Proposed Repeal: N.J.A.C. 9A:10-4.8**

Authorized By: Higher Education Student Assistance Authority,  
Christy Van Horn, Chairperson.

Authority: N.J.S.A. 18A:71C-57 and P.L. 2023, c. 244.

Calendar Reference: See Summary below for explanation of  
exception to calendar requirement.

Proposal Number: PRN 2024-074.

Submit written comments by August 16, 2024, to:

Marnie B. Grodman, Esquire  
Administrative Practice Officer  
Higher Education Student Assistance Authority  
PO Box 545  
Trenton, NJ 08625-0545  
Email: [Regulations@hesaa.org](mailto:Regulations@hesaa.org)

The agency proposal follows:

**Summary**

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

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

Pursuant to N.J.S.A. 18A:71C-51.a, New Jersey is experiencing a critical shortage in the nursing workforce and insufficient numbers of nursing faculty hinder schools' efforts to increase the capacity of their nursing schools to train future nurses. The proposed amendment at N.J.A.C. 9A:10-4.1 clarifies that the purpose of the Program is to address the critical shortage of nurses in the State by providing an incentive for individuals with advanced degrees to serve as teaching faculty for undergraduate nursing education programs in New Jersey. Additionally, the proposed amendment extends Program eligibility to part-time faculty pursuant to Section 1 of the Act.

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

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

## **RESOLUTION 23:24**

### **APPROVING THE PROPOSED AMENDMENTS TO THE REGULATIONS GOVERNING THE SUMMER TAG PROGRAM**

Moved by: Ms. Jean McDonald Rash

Seconded by: Ms. Beatrice Daggett

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

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

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

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

**WHEREAS:** At its April 24, 2024 meeting the HESAA Board approved the proposed Amendments Governing the Summer TAG program; and

**WHEREAS:** The proposed new rules, PRN 2024-075, were published in the June 17, 2024 New Jersey Register at 56 N.J.R. 1064, 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 6, 2024, with no comments received; and

**WHEREAS:** The public comment period for this rule expired on August 16, 2024 with no comments received;

**NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Board approves the proposed new rules governing the Summer TAG program.

October 23, 2024



**PHILIP D. MURPHY**  
Governor


**TAHESHA L. WAY**  
Lt. Governor


**State of New Jersey**  
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**MARGO CHALY, ESQ.**  
Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Margo Chaly, Esq.   
Executive Director

**FROM:** Jennifer Martin   
Program Officer, Legal & Government Affairs

**SUBJECT:** Resolution 24:24 Adopting the Amendments to the Regulations Governing the Nursing Faculty Loan Redemption Program.

**DATE:** October 23, 2024

### **Background**

On January 8, 2024, Governor Murphy signed P.L. 2023, c. 244 (N.J.S.A. 18A:71C-50 et seq.), which amends and supplements the Nursing Faculty Loan Redemption Program (“NFLRP” or “Program”) to address New Jersey’s critical nursing shortage and improve the Program’s effectiveness as a tool to recruit nursing faculty. The Act provides that the Higher Education Student Assistance Authority (“HESAA” or “the Authority”) shall adopt rules necessary for the administration of the Act.

At its April 24, 2024 meeting, the Board approved the proposed amendments to the regulations governing the Nursing Faculty Loan Redemption Program, specifically to: (1) clarify that the purpose of the Program is to address the critical shortage of nurses in the State by providing an incentive for individuals with advanced degrees to serve as teaching faculty for undergraduate nursing education programs in New Jersey; (2) define full-time faculty employment as a teaching load of 24 or more credits over the course of an academic year, thereby revising the definition to align with the statutory definition in the Act; (3) define part-time faculty employment as employment with a minimum teaching load of three credits; (4) delete the requirement that an

applicant must have obtained a degree from an approved graduate program within one-year prior to commencing full-time faculty employment at an eligible institution; and (5) delete the requirement that an applicant have been initially hired for faculty employment on or after January 16, 2010.

The Board also approved the proposed amendment repealing N.J.A.C. 9A:10-4.3(a) 3, and subsequently approved the proposed amendments to recodify the regulations including to: (1) extend the requirement that a participant remain continuously employed to part-time faculty status; (2) provide notice that application deadlines shall be posted on the Authority's website; (3) revise the application procedure that allows the Authority to select applicants based on predetermined scoring evaluation criteria, which will be posted on the Authority's website; (4) set the amount of the loan redemption at \$10,000 for each year of full-time faculty employment at an eligible institution, thereby implementing the statutory loan redemption amount; (5) set loan redemption amounts for part-time participants on a pro-rata basis, not to exceed \$5,000 per year for teaching 3 to 17 credits and not to exceed \$8,000 per year for teaching 18 to 23 credits; and (6) require Program participants to submit an annual certification of employment to the Authority that certifies to either full-time or part-time continuous employment.

The proposed amendments, PRN 2024-074, were published in the June 17, 2024 New Jersey Register at 56 N.J.R. 1064, posted on the HESAA website at HESAA.org and sent to the Statehouse News Media. Secondary notice was emailed to interested parties and a press release was distributed to news media. The 60-day legislative review period for this rule expired on July 6, 2024 with no comments received, and the public comment period for this rule expired on August 16, 2024 with no comments received. Therefore, the amendments can be adopted as proposed.

### **Recommendation**

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

Attachment

**Jobs Impact**

The proposed new rule will not result in the loss or generation of jobs. The proposed new rule provides the criteria for eligibility for a student assistance grant to help cover postsecondary tuition costs. It is anticipated that the proposed new rule will encourage students to earn their college degree faster, thereby leading to higher paying jobs sooner.

**Agriculture Industry Impact**

The proposed new rule 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 rule does not impose reporting, recordkeeping, or other compliance requirements on small businesses as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The Authority does not anticipate that any institution of higher education at which an enrolled student receives a Summer TAG award would be covered by the definition of a small business, because these entities have more than 100 full-time employees. Additionally, students receiving Summer TAG awards are not covered by the definition because they are individuals, not businesses.

**Housing Affordability Impact Analysis**

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

**Smart Growth Development Impact Analysis**

The proposed new rule will have an insignificant impact on smart growth and there is an extreme unlikelihood that the proposed new rule would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan in New Jersey. The proposed new rule affects 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 this rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning adults and juveniles in the State. Accordingly, no further analysis is required.

**Full text** of the proposed new rule follows:

**SUBCHAPTER 3. TUITION AID GRANT PROGRAMS****9A:9-3.6 Summer tuition aid grants**

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

(b) An eligible student shall:

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

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

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

(e) The provisions at N.J.A.C. 9A:9-2 shall apply to receiving summer tuition aid grants, except at N.J.A.C. 9A:9-2.11, Payments. As certified by the Authority, payments for eligible students will be made by the Department of the Treasury directly to institutions on behalf of student recipients. The Authority shall provide each institution the corresponding list of eligible students' accounts to be credited.

**(a)****HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY****Student Loan and College Savings Programs  
Nursing Faculty Loan Redemption Program****Proposed Amendments: N.J.A.C. 9A:10-4.1 through 4.5****Proposed Repeal: N.J.A.C. 9A:10-4.8**

Authorized By: Higher Education Student Assistance Authority,  
Christy Van Horn, Chairperson.

Authority: N.J.S.A. 18A:71C-57 and P.L. 2023, c. 244.

Calendar Reference: See Summary below for explanation of  
exception to calendar requirement.

Proposal Number: PRN 2024-074.

Submit written comments by August 16, 2024, to:

Marnie B. Grodman, Esquire  
Administrative Practice Officer  
Higher Education Student Assistance Authority  
PO Box 545  
Trenton, NJ 08625-0545  
Email: [Regulations@hesaa.org](mailto:Regulations@hesaa.org)

The agency proposal follows:

**Summary**

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

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

Pursuant to N.J.S.A. 18A:71C-51.a, New Jersey is experiencing a critical shortage in the nursing workforce and insufficient numbers of nursing faculty hinder schools' efforts to increase the capacity of their nursing schools to train future nurses. The proposed amendment at N.J.A.C. 9A:10-4.1 clarifies that the purpose of the Program is to address the critical shortage of nurses in the State by providing an incentive for individuals with advanced degrees to serve as teaching faculty for undergraduate nursing education programs in New Jersey. Additionally, the proposed amendment extends Program eligibility to part-time faculty pursuant to Section 1 of the Act.

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

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

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

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

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

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

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

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

Section 3a of the Act sets the amount of the loan redemption at \$10,000 for each year of full-time faculty employment at an eligible institution. The proposed amendment at N.J.A.C. 9A:10-4.5(b) implements the statutory loan redemption amount.

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

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

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

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

#### **Social Impact**

The proposed amendments and repeal are intended to address the need for qualified nurses in New Jersey. One way to increase the number of nurses in the State is by increasing the number of students enrolled in nursing programs. The Program provides an incentive for qualified nurses to accept positions as nursing faculty, which in turn, will enable nursing schools to accept more students into their programs. The proposed amendments and repeal provide additional incentives for qualified nurses to become nursing faculty by permitting the nurses to accept part-time faculty positions, which will allow Program participants to continue practicing as nurses while teaching undergraduates who will become nurses in the future.

#### **Economic Impact**

Pursuant to N.J.S.A. 18A:71C-58, 25 percent of the funds annually appropriated for the Primary Care Practitioner Loan Redemption Program

are dedicated to the Program. For Fiscal Year 2024, the funds dedicated to the Program equaled \$625,000. The proposed amendments and repeal do not change the cost of the Program, as the number of participants accepted into the Program is subject to the amount of the annual appropriation.

#### **Federal Standards Statement**

A Federal standards analysis is not required since the proposed amendments and repeal are not subject to any Federal requirements or standards.

#### **Jobs Impact**

The proposed amendments and repeal will not result in the loss or generation of jobs. However, the proposed rulemaking provides incentives for people to accept faculty positions to help train potential nurses to fill critical nursing vacancies across the State.

#### **Agriculture Industry Impact**

The proposed amendments and repeal will have no impact on the agriculture industry.

#### **Regulatory Flexibility Statement**

A regulatory flexibility analysis is not required because the proposed amendments and repeal do not impose reporting, recordkeeping, or other compliance requirements on small businesses, as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed amendments and repeal address the need for faculty for nursing education programs at institutions of higher education, which are not small businesses.

#### **Housing Affordability Impact Analysis**

The proposed amendments and repeal will have an insignificant impact on the affordability of housing in New Jersey and there is an extreme unlikelihood that the proposed amendments and repeal would evoke a change in the average costs associated with housing because the proposed amendments and repeal concern loan redemptions for faculty members for nursing education programs.

#### **Smart Growth Development Impact Analysis**

The proposed amendments and repeal will have an insignificant impact on smart growth and there is an extreme unlikelihood that the proposed amendments and repeal would evoke a change in housing production in Planning Areas 1 or 2, or within designated centers, pursuant to the State Development and Redevelopment Plan in New Jersey because the proposed amendments and repeal concern loan redemptions for faculty members for nursing education programs.

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

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

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

### **SUBCHAPTER 4. NURSING FACULTY LOAN REDEMPTION PROGRAM**

#### **9A:10-4.1 Purpose and scope**

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

## 9A:10-4.2 Definitions

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

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

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

9A:10-4.3 Eligibility requirements for [program] **Program** participation

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

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

Recodify existing 5.-6. as **4.-5.** (No change in text.)

## 9A:10-4.4 Application procedures

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

1. (No change.)
2. Inclusive within the [program] **Program** application, an applicant must also have his or her employer, or potential employer, certify the applicant’s start date for [full-time] faculty employment at an eligible institution before submitting the application to the [Student Loan Office] **Authority.**
3. (No change.)

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

[(c) The Authority will determine the applicant’s eligibility for the program based upon the information submitted and will provide notification to the applicant of his or her acceptance into the program.]

**(c) In the event there are insufficient funds to select all of the applicants who meet the eligibility criteria, the Authority will rank all of the applications received during the application submission period using predetermined scoring evaluation criteria. The scoring evaluation criteria will be posted on the Authority’s website no later than one month prior to the date on which applications will be available online each year.**

## 9A:10-4.5 Terms for loan redemption

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

full year. Loan redemption will be applied first to outstanding State loans and then to outstanding Federal loans.

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

[1.] **(d)** (No change in text.)

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

9A:10-4.8 [Waiting list for eligible applicants if program funds are exhausted] **(Reserved)**

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

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

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

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

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

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

(a)

## OFFICE OF THE SECRETARY OF HIGHER EDUCATION

## Educational Opportunity Fund (EOF) Program Part-Time Students

## Proposed Amendment: N.J.A.C. 9A:11-2.9

Authorized By: Educational Opportunity Fund Board of Directors,  
 Dr. Hasani Carter, EOF Executive Director.

Authority: N.J.S.A. 18A:71-28 et seq., and 18A:71-33 through 36.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2024-076.

Submit written comments by August 16, 2024, to:

Dr. Hasani Carter  
 EOF Executive Director  
 Office of the Secretary of Higher Education  
 PO Box 542  
 Trenton, NJ 08625-0542  
 Email: [Hasani.Carter@oshe.nj.gov](mailto:Hasani.Carter@oshe.nj.gov)

The agency proposal follows:

## Summary

The Educational Opportunity Fund (EOF) program provides students from educationally and economically disadvantaged backgrounds with financial aid and other support services while attending participating New

## **RESOLUTION 24:24**

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

Moved by: Mr. Robert Tighue

Seconded by: Mr. Gary Williams

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

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

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

**WHEREAS:** At its April 24, 2024 meeting the HESAA Board approved the proposed Amendments Governing the Nursing Faculty Loan Redemption Program; and

**WHEREAS:** The proposed new rules, PRN 2024-074, were published in the June 17, 2024 New Jersey Register at 56 N.J.R. 1064, 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 6, 2024, with no comments received; and

**WHEREAS:** The public comment period for this rule expired on August 16, 2024 with no comments received;

**NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Board approves the adoption of new rules governing the Nursing Faculty Loan Redemption Program.

October 23, 2024



**PHILIP D. MURPHY**  
Governor


**TAHESHA L. WAY**  
Lt. Governor


**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
4 QUAKERBRIDGE PLAZA  
PO BOX 545  
TRENTON, NJ 08625-0545  
1-800-792-8670  
[www.hesaa.org](http://www.hesaa.org)

**MARGO CHALY, ESQ.**  
Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Margo Chaly, Esq.   
Executive Director

**FROM:** Jerry Traino   
Chief Financial Officer

**SUBJECT:** Resolution 25:24 Appointing a Senior Managing Underwriter for Authority Bond Issues

**DATE:** October 23, 2024

### Introduction

The Higher Education Student Assistance Authority (“HESAA” or the “Authority”) engages a Senior Managing Underwriter (the “Senior Manager” or “Underwriter”) in connection with the issuance of HESAA Student Loan Revenue Bonds (the “Bonds”). In a negotiated sale, the Senior Manager, with input from the Authority and other professional advisors, is responsible for developing a financing structure to meet HESAA’s financing needs. The Senior Manager coordinates the relevant professionals to obtain the appropriate rating on the Bonds, including the production of management and rating agency cash flows, communication with the investor public, and ultimately the marketing and initial sale of the Authority’s Bonds. The Senior Manager works with HESAA’s financial advisor to resolve issues raised by bond counsel, the bond trustee, rating agencies, and potential investors. Additionally, the Senior Manager is responsible for ongoing data and portfolio analyses throughout the year to determine, and advise the Authority as to the progress of, current and upcoming bond issues.

### Background

Authority procedures call for Request for Proposal (“RFP”) documents to be developed and circulated to prospective underwriting firms by Authority staff. On August 19, 2024, the RFP was sent to 21 nationally

recognized bond underwriting firms with experience underwriting complex asset-backed revenue bond transactions as senior managing underwriter. The RFP was posted on the HESAA website, and was advertised in the State's NJ Advance Media and Gannett newspapers.

### **Review and Selection**

An evaluation team consisting of the Chief Financial Officer, Controller, and a representative from HESAA's Financial Advisor, Hilltop Securities, reviewed the proposals based on the following criteria, which was outlined in the RFP:

1. The experience of the firm in advising on tax-exempt student loan revenue bond offerings;
2. The relevant experience of the staff assigned to the Authority;
3. The quality of the response to the RFP, including but not limited to, the level of detail of the response;
4. The ability to meet the needs of the Authority; and
5. Proposed fees.

HESAA received five (5) proposals from the following underwriting firms: Bank of America Securities, Inc. ("BofA"); FHN Financial Capital Markets ("FHN"); Samuel A. Ramirez & Co., Inc. ("Ramirez"); RBC Capital Markets LLC ("RBC"); and Siebert Williams Shank & Co., LLC ("SWS").

FHN's proposal was deemed non-responsive because the firm proposed to serve as a co-manager, not a senior manager. Additionally, while both Ramirez and SWS are registered broker-dealers, they do not have the required experience in student loan bonds to meet HESAA's needs as the Senior Manager. Both firms expressed their desire to serve as co-manager if they are not selected as Senior Manager. A co-managing Senior Manager(s) is selected with input from the Financial Advisor later in the bond process. HESAA will ensure that all three bidders are considered when the co-manager is selected.

Of the remaining two bidders, both BofA and RBC outlined a set of services that closely matches the Authority's needs. Both firms are highly regarded in the student loan financing sector, and both firms have proven track records in bringing student loan revenue bond issues to market in an effective, efficient, and timely manner. Ultimately, the committee members scored RBC higher than BofA due to RBC's holistic approach to meeting HESAA's financing and operational needs.

Both bidders provide a proactive strategy in the lead-up to the annual Bond transaction. However, RBC has a well-established history of providing necessary year-round assistance to HESAA staff to address ongoing business needs including providing portfolio data, in-depth pre-payment analysis, and cashflow analyses as well as comprehensive enterprise analysis. BofA's proposal offers to provide HESAA services beyond the bond transaction cycle, but it is unclear the level of exclusive commitment BofA could provide as members of its analytical team are not solely dedicated to student loan revenue bonds.

RBC's deep bench of professionals is beneficial to HESAA due to the complex and unique nature of student loan bonds. RBC maintains a dedicated group of eight people who work exclusively on student loan bonds. This means that all quantitative analysis is done by in-house RBC's bankers. There are also four RBC analysts who work on cashflows and crosscheck each other's work. Additionally, RBC directly utilizes the DBC software, including the Consolidation module, which is valuable in providing the complex analysis critical for HESAA's forecasting.

To compare the fees of the bidders, the attached Excel spreadsheet applies the respondents' underwriting and management fee proposals to the Series 2024 transaction.

- The Management Fee is a payment made to the Senior Manager for the work of structuring the transaction including the tasks necessary to obtain the requisite bond rating. The amount of the fee is generally a function of an issue's complexity.
- The Takedown, paid in the form of a discount (the price at which the Senior Manager buys the bonds from HESAA), compensates the Senior Manager for the costs associated with selling the bonds to investors and the risk associated therewith.
- The combination of the Takedown, Management Fee, and expenses are referred to as the Underwriter's discount.

While BofA proposed a lower Underwriter's Discount overall, the evaluation committee determined that the aforementioned additional services required by the Authority that RBC routinely provides throughout the year warrant the higher cost. Due to RBC's demonstrated expertise in the preparation of detailed enterprise cashflow analyses outside the scope of HESAA's annual bond issuance and solution oriented work product, RBC's proposal is best suited to HESAA's needs. RBC has a proven track record of providing HESAA with superlative service during trying times, including the ability to accelerate the completion of the Bond transactions when needed in order to provide New Jersey borrowers with highly competitive interest rates. Additionally, RBC demonstrates superb capacity to partner with HESAA in responding to rating agency surveillance throughout the year.

The RFP Evaluation Committee recommends that the Board select RBC Capital Markets as its approach to developing the Authority's bond financings and the scope of services it proposed are more closely aligned with the current needs of the Authority.

### **Recommendation**

It is recommended that the Board approve the attached Resolution 25:24 approving the Appointment of RBC Capital Markets as the Authority's Senior Managing Underwriter for Bond years 2025, 2026 and 2027.

Attachments

NJ HESAA  
Underwriters' Fee Proposal - RFP October 2024  
Comparison of Underwriters' Proposals based on Series 2024 (>=\$200 million and <= \$250 million)

Management Fee (per Bond)		
BOA	\$0.90	(1)
RBC	\$0.95	
Ramirez	\$1.00	
Siebert	\$0.75	

(1) Same Management Fee across all issuance sizes. Minimum of \$175,000

Total Takedown Based on HESAA Series 2024	
BOA	\$ 905,723
RBC	\$ 1,122,003
Ramirez	\$ 1,107,550
Siebert	\$ 1,005,865

	BOA	RBC	Difference	Ramirez	Siebert	2024 Bond by Series and Maturity Date (Ratings AA(sf)/BBB(sf))				Takedown per Series 2024			
						Year	2024A	2024B	2024C	BOA	RBC	Ramirez	Siebert
1	\$2.25	\$1.25	\$1.00	\$2.50	\$3.50	2026				\$ -	\$ -	\$ -	\$ -
2	\$2.25	\$2.50	(\$0.25)	\$2.50	\$3.50	2027	\$3,800,000	\$16,000,000		\$ 44,550	\$ 49,500	\$ 49,500	\$ 69,300
3	\$2.25	\$2.50	(\$0.25)	\$2.50	\$3.50	2028	\$3,800,000	\$16,000,000		\$ 44,550	\$ 49,500	\$ 49,500	\$ 69,300
4	\$2.50	\$2.50	\$0.00	\$3.75	\$3.50	2029	\$3,800,000	\$15,500,000		\$ 48,250	\$ 48,250	\$ 72,375	\$ 67,550
5	\$2.75	\$3.75	(\$1.00)	\$3.75	\$3.75	2030	\$3,750,000	\$15,000,000		\$ 51,563	\$ 70,313	\$ 70,313	\$ 70,313
6	\$3.00	\$5.00	(\$2.00)	\$3.75	\$3.75	2031	\$3,700,000	\$15,000,000		\$ 56,100	\$ 93,500	\$ 70,125	\$ 70,125
7	\$3.50	\$5.00	(\$1.50)	\$5.00	\$3.75	2032	\$3,600,000	\$12,180,000		\$ 55,230	\$ 78,900	\$ 78,900	\$ 59,175
8	\$3.50	\$5.00	(\$1.50)	\$5.00	\$3.75	2033	\$3,300,000	\$3,530,000		\$ 23,905	\$ 34,150	\$ 34,150	\$ 25,613
9			\$0.00			2034				\$ -	\$ -	\$ -	\$ -
10			\$0.00			2035				\$ -	\$ -	\$ -	\$ -
11			\$0.00			2036				\$ -	\$ -	\$ -	\$ -
12			\$0.00			2037				\$ -	\$ -	\$ -	\$ -
13			\$0.00			2038				\$ -	\$ -	\$ -	\$ -
14			\$0.00			2039				\$ -	\$ -	\$ -	\$ -
15			\$0.00			2040				\$ -	\$ -	\$ -	\$ -
16			\$0.00			2041				\$ -	\$ -	\$ -	\$ -
17			\$0.00			2042				\$ -	\$ -	\$ -	\$ -
18			\$0.00			2043				\$ -	\$ -	\$ -	\$ -
19			\$0.00			2044				\$ -	\$ -	\$ -	\$ -
20	\$5.00	\$6.00	(\$1.00)	\$6.25	\$5.00	2045		\$80,890,000		\$ 404,450	\$ 485,340	\$ 505,563	\$ 404,450
21			\$0.00			2046				\$ -	\$ -	\$ -	\$ -
22			\$0.00			2047				\$ -	\$ -	\$ -	\$ -
23			\$0.00			2048				\$ -	\$ -	\$ -	\$ -
24			\$0.00			2049				\$ -	\$ -	\$ -	\$ -
25			\$0.00			2050				\$ -	\$ -	\$ -	\$ -
26			\$0.00			2051				\$ -	\$ -	\$ -	\$ -
27			\$0.00			2052				\$ -	\$ -	\$ -	\$ -
Subordinate	\$6.25	\$7.50	(\$1.25)	\$6.25	\$6.00	2053				\$ -	\$ -	\$ -	\$ -
						2054		\$28,340,000		\$ 177,125	\$ 212,550	\$ 177,125	\$ 170,040
						Total	\$25,750,000	\$174,100,000	\$28,340,000	\$ 905,723	\$ 1,122,003	\$ 1,107,550	\$ 1,005,865
								\$228,190,000					

Summary of Scores	
Firm	Score
BofA Securities, Inc.	2240
FHN Financial Capital Markets	0
Samuel A. Remirez & Co., Inc.	1480
RBC Capital Markets	2540
Siebert Williams Shank & Co., LLC	1640

<b>EVALUATION SCORE SHEET</b>	<b>HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY</b> (Senior Manager Proposal Evaluation)	
BIDDER BofA Securities, Inc.	DATE	10/2/2024
<p>SUMMARY OF EVALUATION TEAM'S COMMENTS: This responder is experienced in the student loan industry. The majority of the team does not exclusively work with student loans, employees have other responsibilities as the majority of BofA's business is on the ABA side. Newer staff are less experienced, and there is only one full-time banker and one part-time quantitative analyst on the team. As there are a lot of transactions occurring simultaneously, a deeper bench is required to handle the volume, especially on the quantitative side. Additionally, of the transactions done, BofA does less than 20%, and the proposal's analysis lacked depth. HESAA needs a Senior Manager that does much more analyses rather than rely on the FAs (i.e. talking to RAs, pulling the data, doing the analysis). There are also concerns regarding this responder's capability to do the enterprise cashflows, particularly since it does not have the cash flow software, and its takedowns are noticeably below what a reasonable person would accept in the market.</p>		

Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response					
CRITERIA	Score 1	Score 2	Score 3	WEIGHT	TOTAL
The experience of the firm in advising on tax-exempt student loan revenue bond offerings	7	9	8	20	480
The relevant experience of the staff assigned to the Authority	7	7	6	20	400
The quality of the response to the RFP, including but not limited to, the level of detail of the response	7	7	6	20	400
The ability to meet the needs of the Authority as detailed in this RFP, based on both the RFP response and past experience, if applicable	7	9	6	20	440
The fee proposed	9	8	9	20	520
Total	37	40	35	100	2240

<b>EVALUATION SCORE SHEET</b>	<b>HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY</b> (Senior Manager Proposal Evaluation)				
BIDDER FHN Financial Capital Markets	DATE 10/2/2024				
SUMMARY OF EVALUATION TEAM'S COMMENTS: This responder is considered non-responsive due to its request to be a co-manager only.					
<b>Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response</b>					
CRITERIA	Score 1	Score 2	Score 3	WEIGHT	TOTAL
The experience of the firm in advising on tax-exempt student loan revenue bond offerings				20	0
The relevant experience of the staff assigned to the Authority				20	0
The quality of the response to the RFP, including but not limited to, the level of detail of the response				20	0
The ability to meet the needs of the Authority as detailed in this RFP, based on both the RFP response and past experience, if applicable				20	0
The fee proposed				20	0
Total	0	0	0	100	0

<b>EVALUATION SCORE SHEET</b>	<b>HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY</b> (Senior Manager Proposal Evaluation)	
BIDDER Samuel A. Ramirez & Co., Inc.	DATE	10/2/2024
SUMMARY OF EVALUATION TEAM'S COMMENTS: This responder's fee proposal was unrealistic. It does not have the technical capacity to handle the complex nature of HESAA's bonds, nor are its personnel student loan experts.		

Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response					
CRITERIA	Score 1	Score 2	Score 3	WEIGHT	TOTAL
The experience of the firm in advising on tax-exempt student loan revenue bond offerings	5	4	5	20	280
The relevant experience of the staff assigned to the Authority	5	6	5	20	320
The quality of the response to the RFP, including but not limited to, the level of detail of the response	5	4	5	20	280
The ability to meet the needs of the Authority as detailed in this RFP, based on both the RFP response and past experience, if applicable	5	2	5	20	240
The fee proposed	5	6	7	20	360
Total	25	22	27	100	1480

<b>EVALUATION SCORE SHEET</b>	<b>HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY</b> (Senior Manager Proposal Evaluation)				
BIDDER RBC Capital Markets LLC	DATE 10/2/2024				
<p>SUMMARY OF EVALUATION TEAM'S COMMENTS: This responder's fees--particularly its takedown fee--were higher than expected, but RBC turns work over very quickly and also provides additional services. For example, it proactively provides necessary data, in-depth pre-payment analysis, and cashflows as needed throughout the year (not just at the time HESAA is issuing a bond). Due to the complex and unique nature of student loan cashflows, a deep bench is necessary, which RBC has. RBC maintains a dedicated group of eight people who only work on student loans, so all quantitative analysis is done by in-house RBC's bankers. There are also four RBC analysts who work on cashflows and crosscheck each other's work. Lastly, RBC utilizes the DBC software which is beneficial in providing the complex analysis that is critical for HESAA's forecasting.</p>					
<p><b>Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response</b></p>					
CRITERIA	Score 1	Score 2	Score 3	WEIGHT	TOTAL
The experience of the firm in advising on tax-exempt student loan revenue bond offerings	9	9	10	20	560
The relevant experience of the staff assigned to the Authority	9	9	10	20	560
The quality of the response to the RFP, including but not limited to, the level of detail of the response	9	9	8	20	520
The ability to meet the needs of the Authority as detailed in this RFP, based on both the RFP response and past experience, if applicable	9	9	10	20	560
The fee proposed	6	6	5	20	340
Total	42	42	43	100	2540

<b>EVALUATION SCORE SHEET</b>	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY (Senior Manager Proposal Evaluation)	
BIDDER Siebert Williams Shank & Co., LLC	DATE	10/2/2024
SUMMARY OF EVALUATION TEAM'S COMMENTS: Although this responder previously sold bonds, and participated in PHEAA and HESAA transactions, it does not does not have the software required for cash flow modeling nor does it have the technical capabilities to structure the deal, work with the ratings agencies or meet all of HESAA's needs.		

Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response					
CRITERIA	Score 1	Score 2	Score 3	WEIGHT	TOTAL
The experience of the firm in advising on tax-exempt student loan revenue bond offerings	6	5	5	20	320
The relevant experience of the staff assigned to the Authority	6	4	5	20	300
The quality of the response to the RFP, including but not limited to, the level of detail of the response	6	5	5	20	320
The ability to meet the needs of the Authority as detailed in this RFP, based on both the RFP response and past experience, if applicable	6	3	5	20	280
The fee proposed	6	7	8	20	420
Total	30	24	28	100	1640

## **RESOLUTION 25:24**

### **APPOINTING A SENIOR MANAGER FOR AUTHORITY BOND ISSUES**

Moved by: Ms. Beatrice Daggett

Seconded by: Ms. Jean McDonald Rash

**WHEREAS:** There is a need for the Higher Education Student Assistance Authority (the “Authority”) to appoint a Senior Manager in connection with its Student Loan Revenue Bonds; and

**WHEREAS:** The Authority has established procedures for the methods of procurement of underwriting services related to the issuance of bonds; and

**WHEREAS:** Pursuant to these procedures on August 19, 2024 a Request for Proposals (RFP) was sent to 21 nationally-recognized bond underwriting firms with experience underwriting complex asset-backed revenue bond transactions as senior managing underwriter, as well as posted on HESAA’s website and advertised in the State’s NJ Advance Media and Gannett newspapers; and

**WHEREAS:** The Authority received five (5) proposals in response to the RFP, one of which was deemed non-responsive; and

**WHEREAS:** An Evaluation Committee comprised of the Authority’s Chief Financial Officer, Controller, and a representative from HESAA’s Financial Advisor, Hilltop Securities, reviewed all of the proposals; and

**WHEREAS:** RBC Capital Markets received the highest score as a result of such evaluation.

**NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Board approves a three-year appointment of RBC Capital Markets as the Senior Manager.

October 23, 2024



**PHILIP D. MURPHY**  
Governor

**TAHESHA L. WAY**  
Lt. Governor

**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
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[www.hesaa.org](http://www.hesaa.org)

**MARGO CHALY, ESQ.**  
Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Margo Chaly, Esq. *MC*  
Executive Director

**FROM:** Aurea Thomas *AT*  
Program Officer, Customer Care Solutions

**SUBJECT:** Resolution 26:24 Appointing Special Counsel to a List of Attorneys to Assign Educational Receivables Files

**DATE:** October 23, 2024

### **Background**

Every two years the Higher Education Student Assistance Authority (HESAA) issues a Request for Qualifications (RFQ) seeking proposals from qualified law firms to create a list of no more than four (4) outside firms to which HESAA can assign defaulted student loans and other educational receivables for collection. Additionally, the firms on the list represent HESAA in contesting the dischargeability of a debtor from bankruptcy, in Administrative Wage Garnishment hearings, and in collection-related appellate work. The current term ends on December 31, 2024. Therefore, on August 27, 2024 HESAA issued a new RFQ for a pool of law firms to which HESAA can place new files for the next two years, beginning January 1, 2025.

HESAA emailed the RFQ to the law firms currently providing these services for HESAA and other entities that reached out to HESAA; posted the RFQ on HESAA's website; and advertised the RFQ in the State's NJ Advance Media and Gannett newspapers.

HESAA received proposals from four (4) law firms, all of which currently provide collection services for HESAA.

### **Selection Process**

An evaluation committee made up of HESAA's Chief Compliance Officer, Assistant Controller, and a Program Officer from the Customer Care Solutions met and reviewed each of the responsive proposals.

The selection criteria for reviewing Collection Counsel Proposals were as follows:

- Knowledge and experience of firm and attorneys in educational receivables, collections, bankruptcy, and Administrative hearings and appellate work;
- The firm's recovery performance;
- Average time it takes the firm to liquidate debt;
- Resources of the firm;
- Approach to communication with HESAA;
- Approach to, and effective results of, settlements with borrowers; and
- Past experience of HESAA with the firm and/or attorneys, including responsiveness to directives and timely and accurate reporting.

The committee determined that a firm must achieve a minimum score of 1500, meaning that it was deemed overall to be "fair," to be recommended for placement on the list.

Based on the reviews of the evaluation committee, all of the firms: Fein, Such, Kahn & Shepard, P.C.; The Grogan Law Group, LLC; Portnoy Schneck, LLC; and Ratchford Law Group, P.C. met the minimum threshold for appointment. HESAA currently engages all of these firms and is satisfied with their performance. Therefore, the evaluation committee recommends that the Board approve the appointment of all four firms to the list of outside counsel to which HESAA can assign defaulted student loans and other educational receivables for collection for a two-year term.

HESAA staff will assign files to the firms based on the following criteria, as was specified in the RFQ:

- The background, qualifications, skills, and experience of the firm and its staff with specific reference to educational receivables collections practice;
- The firm's degree of expertise in all facets of providing legal services relating to educational receivables collections;
- The Authority's prior experiences with the firm, if applicable;
- The firm's recovery performance;
- The average time it takes the firm to liquidate debt;
- The firm's handling of customer service issues;
- The firm's familiarity with the work, requirements, and systems of New Jersey State Authorities and those of the Higher Education Student Assistance Authority; and
- Geographical location of the firm's office.

### **Recommendation**

It is recommended that the Board approve Resolution 26:24 Appointing Fein, Such, Kahn & Shepard, P.C.; The Grogan Law Group, LLC; Portnoy Schneck LLC; and Ratchford Law Group, P.C. to a List of Attorneys to Assign Educational Receivables Files for a two-year term.

Attachment

<b>Firm</b>	<b>Score</b>
Fein, Such, Kahn & Shepard, P.C.	1995
The Grogan Law Group, LLC	2180
Portnoy Schneck, L.L.C.	2275
Ratchford Law Group, P.C.	1910

<b>EVALUATION SCORE SHEET</b>	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY (Special Counsel: Student Loan Collections)				
BIDDER Fein, Such, Kahn & Shepard, P.C.	DATE <u>October 2, 2024</u>				
SUMMARY OF EVALUATION TEAM'S COMMENTS:					
Fein Such is a large firm with extensive resources and a strong reputation. This firm does not have any audit issues or any issues getting the work done. However, communication could improve as well as the approach to settlements. This firm relies on HESAA as the client for more tasks than other firms.					
<b>Scoring    9-10 = Excellent    7-8 = Very Good    5-6 = Good    3-4 = Fair    1-2 = Poor    0 = No Response</b>					
CRITERIA	SCORE 1	SCORE 2	SCORE 3	WEIGHT	TOTAL
Knowledge and experience of firm and attorneys in educational receivables, collections, bankruptcy, and Administrative hearings and appellate work	9	7	8	15	360
The firm's recovery performance/average time it takes the firm to liquidate debt	8	6	7	15	315
Resources of the firm	9	5	6	15	300
Approach to, and effective results of, settlements with borrowers	4	6	5	15	225
Timely and accurate reporting	7	6	7	15	300
Approach to communication with HESAA/responsiveness to HESAA directives and other initiatives (if applicable)	6	6	7	15	285
Past experience of HESAA with the firm and/or attorneys (if applicable)	6	7	8	10	210
Total	49	43	48	100	1995

<b>EVALUATION SCORE SHEET</b>	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY (Special Counsel: Student Loan Collections)				
BIDDER The Grogan Law Group, LLC	DATE <u>October 2, 2024</u>				
SUMMARY OF EVALUATION TEAM'S COMMENTS:					
This firm is proactive and responsive to HESAA. They are timely with their documents; however, this firm is slow in remitting payments. The attorneys are very knoweldgable on student loans and are able to assist HESAA in first impression issues. The firm does not provide balance breakdowns in settlement requests.					
<b>Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response</b>					
CRITERIA	SCORE 1	SCORE 2	SCORE 3	WEIGHT	TOTAL
Knowledge and experience of firm and attorneys in educational receivables, collections, bankruptcy, and Administrative hearings and appellate work	9	7	9	15	375
The firm's recovery performance/average time it takes the firm to liquidate debt	8	6	8	15	330
Resources of the firm	7	5	8	15	300
Approach to, and effective results of, settlements with borrowers	8	5	8	15	315
Timely and accurate reporting	7	4	9	15	300
Approach to communication with HESAA/responsiveness to HESAA directives and other initiatives (if applicable)	7	6	9	15	330
Past experience of HESAA with the firm and/or attorneys (if applicable)	7	7	9	10	230
Total	53	40	60	100	2180

<b>EVALUATION SCORE SHEET</b>	HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY (Special Counsel: Student Loan Collections)				
BIDDER Portnoy, Schneck, L.L.C.	DATE <u>October 2, 2024</u>				
SUMMARY OF EVALUATION TEAM'S COMMENTS:					
This firm is knowledgeable in student loans. It is responsive to HESAA's needs and works very well with HESAA's borrowers. Payment reporting and remittances are timely. While meeting legal requirements, this firm does not provide reconciliations in the manner HESAA prefers.					
<b>Scoring   9-10 = Excellent   7-8 = Very Good   5-6 = Good   3-4 = Fair   1-2 = Poor   0 = No Response</b>					
CRITERIA	SCORE 1	SCORE 2	SCORE 3	WEIGHT	TOTAL
Knowledge and experience of firm and attorneys in educational receivables, collections, bankruptcy, and Administrative hearings and appellate work	9	7	9	15	375
The firm's recovery performance/average time it takes the firm to liquidate debt	8	6	8	15	330
Resources of the firm	8	5	8	15	315
Approach to, and effective results of, settlements with borrowers	8	6	8	15	330
Timely and accurate reporting	7	6	9	15	330
Approach to communication with HESAA/responsiveness to HESAA directives and other initiatives (if applicable)	8	6	9	15	345
Past experience of HESAA with the firm and/or attorneys (if applicable)	9	7	9	10	250
Total	57	43	60	100	2275

<b>EVALUATION SCORE SHEET</b>	<b>HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY</b> (Special Counsel: Student Loan Collections)				
BIDDER Ratchford Law Group, P.C.	DATE <u>October 2, 2024</u>				
SUMMARY OF EVALUATION TEAM'S COMMENTS:					
Ratchford Law Group, P.C. is a large firm with vast resources and an extensive out-of-state attorney network. They are good communicators and very cooperative when working on settlements with borrowers. This firm is situated in two locations, which sometimes causes communication issues, leading to coverage problems for HESAA. This firm's reporting is not always timely or clear.					
<b>Scoring 9-10 = Excellent 7-8 = Very Good 5-6 = Good 3-4 = Fair 1-2 = Poor 0 = No Response</b>					
CRITERIA	SCORE 1	SCORE 2	SCORE 3	WEIGHT	TOTAL
Knowledge and experience of firm and attorneys in educational receivables, collections, bankruptcy, and Administrative hearings and appellate work	9	7	7	15	345
The firm's recovery performance/average time it takes the firm to liquidate debt	8	6	6	15	300
Resources of the firm	7	5	7	15	285
Approach to, and effective results of, settlements with borrowers	8	5	7	15	300
Timely and accurate reporting	4	4	7	15	225
Approach to communication with HESAA/responsiveness to HESAA directives and other initiatives (if applicable)	7	4	6	15	255
Past experience of HESAA with the firm and/or attorneys (if applicable)	7	6	7	10	200
Total	50	37	47	100	1910

## **RESOLUTION 26:24**

### **APPROVING THE APPOINTMENT OF HESAA SPECIAL COUNSEL FOR 2025-2026**

Moved by: Mr. Robert Tighue

Seconded by: Mr. Scott Salmon

**WHEREAS:** Every two years the Higher Education Student Assistance Authority (HESAA) issues a Request for Qualifications (RFQ) seeking proposals from qualified law firms to create a list of no more than four (4) outside firms to which HESAA can assign defaulted student loans and other educational receivables for collection; and

**WHEREAS:** The current term ends on December 31, 2024; and

**WHEREAS:** On August 27, 2024 HESAA issued an RFQ seeking a pool of law firms to which HESAA can place new files for the next two years, beginning January 1, 2025; and

**WHEREAS:** Four (4) law firms provided proposals in response to the RFQ; and

**WHEREAS:** An evaluation committee made up of HESAA's Chief Compliance Officer, Assistant Controller, and a Program Officer from the Customer Care Solutions unit met and reviewed each of the proposals; and

**WHEREAS:** All four (4) proposals submitted in response to the RFQ were found to exceed the minimum score for placement on the list of attorneys to which HESAA assigns educational receivable files.

### **NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Board hereby appoints Fein, Such, Kahn & Shepard, P.C., The Grogan Law Group LLC, Portnoy Schneck LLC, and Ratchford Law Group, P.C. as Special Counsel to be placed on a List of Attorneys to Assign Educational Receivables Files for a two-year term.

October 23, 2024



**PHILIP D. MURPHY**  
Governor


**TAHESHA L. WAY**  
Lt. Governor


**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
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**MARGO CHALY, ESQ.**  
Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Margo Chaly, Esq.   
Executive Director

**FROM:** David Moffett   
Assistant Controller

**SUBJECT:** Resolution 27:24 Approving the Second One-Year Extension of the Contract with Wells Fargo NA to Provide Depository Banking Services

**DATE:** October 23, 2024

### **Background**

The Higher Education Student Assistance Authority (HESAA) engages a bank to receive the payments made on NJCLASS loans. Payments are made through the selected bank via electronic payments from multiple sources, checks processed through lockbox, and check payments received directly by the Authority.

As the result of a Request for Proposals, at its October 21, 2020 meeting, the HESAA Board appointed Wells Fargo NA as the provider of depository banking services for the Authority for a period of three years, with two (2) possible one-year extensions at the option of HESAA.

At its October 25, 2023 meeting, the HESAA Board approved the first one-year extension to the contract with Wells Fargo NA to provide Depository Banking Services

Wells Fargo NA established a track record of quality service, including assistance in implementation of technical improvements, as well as excellent customer service, by providing prompt and helpful responses at no additional cost whenever staff needs to communicate regarding lockbox banking issues.

### **Recommendation**

It is recommended that the Board approve Resolution 27:24 Approving the Second One-Year Extension to the Contract with Wells Fargo NA to Provide Depository Banking Services.

Attachment

## **RESOLUTION 27:24**

### **APPROVING THE SECOND ONE-YEAR EXTENSION TO THE CONTRACT WITH WELLS FARGO NA TO PROVIDE DEPOSITORY BANKING SERVICES**

Moved By: Ms. Ivona Szaro  
Seconded By: Ms. Beatrice Daggett

**WHEREAS:** As the result of a Request for Proposals, at its October 21, 2020 meeting, the Higher Education Student Assistance Authority (HESAA) Board appointed Wells Fargo NA as the provider of depository banking services for HESAA for a period of three years, with two possible one-year extensions at the option of HESAA.; and

**WHEREAS:** Wells Fargo NA established a track record of quality service, including assistance in implementation of technical improvements, as well as excellent customer service, by providing prompt and helpful responses at no additional cost whenever staff needs to communicate regarding lockbox banking issues; and

**WHEREAS:** The Board approved the first option to extend the contract with Wells Fargo NA at its October 25, 2023 meeting; and

**WHEREAS:** The Authority desires to exercise its second option to extend the contract with Wells Fargo NA for one year.

**NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Higher Education Student Assistance Authority hereby approves the second one-year extension of its contract with Wells Fargo NA as the provider of lockbox banking services for HESAA.

October 23, 2024



**PHILIP D. MURPHY**  
Governor

**TAHESHA L. WAY**  
Lt. Governor

**State of New Jersey**  
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**MARGO CHALY, ESQ.**  
Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Margo Chaly, Esq. *MC*  
Executive Director

**FROM:** Marnie B. Grodman, Esq. *MBG*  
Director, Legal & Governmental Affairs

**SUBJECT:** Resolution 28:24 Approving the HESAA Procurement Policy and Procedures.

**DATE:** October 23, 2024

### **Background**

Executive Order 37 (Corzine) requires State Authority Boards to maintain procurement policies and procedures consistent with the Executive Order and statutory law. Specifically, the Executive Order provides that all procurement contracts are to be awarded in accordance with pre-set, transparent procedures established by each Authority.

The Higher Education Student Assistance Authority (HESAA) staff reviewed the existing pre-set procurement policy and drafted an updated HESAA Procurement Policy and Procedures to reflect the current bid thresholds. Staff also added additional transparency to the step-by-step procedures to provide both potential vendors and HESAA employees with additional clarity regarding the procurement process at HESAA.

### **Recommendation**

It is recommended that the Board approve Resolution 28:24 Approving the HESAA Procurement Policies and Procedures.

Attachment



## PROCUREMENT POLICY & PROCEDURES

October 2024

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## **Procurements Under \$1,000**

Purchases less than or equal to \$1,000 can be procured without price competition.

## **Procurements \$1,000 - \$17,500: Phone, Internet, and/or Email Quotes**

Board approval is not required for procurements anticipated to cost \$1,000-17,500.

### **Step 1: Check NJSTART**

Check NJSTART to see if there are any vendors providing the product or service contracted with the State. No bid is needed if the vendor is already contracted with the State and has an active contract in place.

*Note: Being listed in NJSTART does not guarantee that a vendor is contracted with the State.*

### **Step 2: Acquire Quotes**

If there are no vendors contracted with the State, acquire three (3) phone, internet, or email quotes. Whenever possible, use a pricing comparison engine that lists costs by vendor in ascending order. Record the quotes using form [PB-119 \(See Appendix A\)](#), or an equivalent document.

### **Step 3: Ensure Fair Competition**

To ensure fair competition, provide all vendors with the same information about the proposed service or supply needed when requesting quotes.

### **Step 4: Submit for Legal Review**

Once the vendor is selected, submit any agreement, order form, or document requiring signature to Legal and Government Affairs (Legal) for review and approval.

### **Step 5: Obtain Signatures**

Once Legal approves the agreement, request signature from an individual with contract signing authority pursuant to HESAA's Contract Signing Policy.

## **Procurements \$17,500 - \$44,000: Mini Request for Proposal or Quotations**

Board approval is not required for procurements anticipated to cost \$17,500 - \$44,000.

### **Step 1: Check NJSTART**

Check NJSTART for any vendors providing the product or service contracted with the State. No bid is needed if the vendor is already contracted with the State and has an active contract in place.

*Note: Being listed in NJSTART does not guarantee that a vendor is contracted with the State.*

### **Step 2: Draft RFP/RFQ**

If there are no vendors contracted with the State, HESAA drafts a mini request for proposal (RFP) or request for quotations (RFQ).

### **Step 3: Posting the RFP/RFQ**

Post on HESAA's website under the Public Notice → Procurements section. Email the link to the RFP/RFQ to a minimum of three potential vendors, as well as [info@veteranschamber.com](mailto:info@veteranschamber.com).

### **Step 4: Proposal Submission**

Vendors will send proposals to [Procurements@HESAA.org](mailto:Procurements@HESAA.org).

### **Step 5: Proposal Evaluation**

The vendor with the lowest price and quote that fully conforms to the terms and conditions of HESAA's specifications, the Standard Terms and Conditions, and meets the award standard will be awarded the contract. Should the lowest quote fail to fully conform, the quote shall be deemed "non-responsive" and ineligible for award. Awards can only be made to "responsive" vendors, whose quotes fully comply with the terms and the conditions of the Authority's specifications and the Standard Terms and Conditions. However, HESAA may award to a higher cost responsive bidder, if it determines that the vendor's quote better serves HESAA's interests. If a vendor with a higher quote is selected, the Senior Staff member requesting the procurement must document, with substantive justification, the reason for selecting the higher cost vendor, which the CFO must then review and approve.

### **Step 6: Notification of Award**

HESAA will send a Letter of Intent to Award to all bidders, advising them of the name and address of the chosen vendor and providing a 10 -day period for protesting the award.

### **Step 7: Final Engagement**

After the 10-day protest period, HESAA will send a Letter of Engagement to the selected vendor.

## **Procurements \$44,000 or more: Request for Proposal**

Board approval is required for procurements anticipated to cost more than \$44,000 unless the procurement is through a State contract and was previously approved by the Board as part of the HESAA's capital or operating budget.

### **Step 1: Check NJSTART**

Check NJSTART for any vendors providing the product or service contracted with the State. No bid is needed if the vendor is already contracted with the State and has an active contract in place.

*Note: Being listed in NJSTART does not guarantee that a vendor is contracted with the State.*

### **Step 2: Draft the RFP**

If there are no vendors contracted with the State, HESAA drafts the RFP and determine members to participate in an evaluation committee to review the proposals. All RFPs for procurements over \$44,000 must be approved by HESAA Executive Director, the Office of the New Jersey Attorney General, and the Office of the Governor prior to issuance.

### **Step 3: Step 4: RFP Distribution**

Post the RFP on the HESAA website under the Public Notice → Procurements section. Email the link to the RFP to a minimum of three potential vendors, [info@veteranschamber.com](mailto:info@veteranschamber.com), and publish the link in NJ Advance Media and Gannett newspapers.

### **Step 4: Question and Answer Process**

If vendors submit questions by the deadline, HESAA will post a Questions & Answers document on the HESAA website with the RFP. Once posted, HESAA will send the link to the Questions & Answers document to all vendors that received the RFP and any additional vendors that submitted questions.

### **Step 5: Proposal Submission**

Vendors will submit proposals to [Procurements@HESAA.org](mailto:Procurements@HESAA.org) and, if requested by HESAA, they will also submit hardcopies to HESAA's offices.

### **Step 6: Proposal Evaluation**

The Evaluation Committee will score the proposals and provide comments explaining the scores. HESAA may deem proposals that do not fully conform with the requirements of the RFP as "non-responsive" and ineligible for award. The Evaluation Committee only scores "responsive" proposals.

### **Step 7: Best and Final Offer**

After selecting a vendor, HESAA may request a best and final offer from the selected vendor.

**Step 8: Board Approval**

The Board will vote to approve the procurement and selected vendor. The Governor has 10 days to veto the Board's actions.

**Step 9: Intent to Award Notification**

After the 10-day veto period, HESAA will send a Letter of Intent to Award to all bidders, informing them of the name and address of the selected vendor and allowing 10 days for protests.

**Step 10: Letter of Engagement**

After the 10-day protest period, HESAA will send a Letter of Engagement to the selected vendor.

**General Policies and Procedures for all Procurements Over \$1,000****I. Vendor Registration**

All awarded vendors must be registered in NJSTART.

**II. Brand Name References**

Any reference to a brand name must include the phrase "or functional equivalent." The Authority must provide relevant and appropriate specifications to all vendors to permit the submission of competitive proposals. It is essential that all vendors receive the same information to maintain an equitable competition.

**III. State Required Forms**

Before finalizing a procurement, the vendor must complete and submit all State-required forms. The current forms are listed below. Links to all required forms will be provided on the RFQ or RFP. Alternatively, vendors may submit proof of completion and acceptance of these forms by the State within six months of the purchase date.

- Ownership Disclosure Form
- Disclosure of Investigations and Other Actions Involving Bidder Form
- Disclosure of Investment Activities in Iran Form
- Source Disclosure Certification Form, required only if a contract is primarily for services
- MacBride Principles Certification Form
- Two Year Chapter 51/Executive Order 333 Vendor Certification and Disclosure of Political Contributions for Non-Fair and Open Contracts, required only if a contract value exceeds \$17,500.00 and the procurement is not "fair and open"

- Affirmative Action/Equal Employment Certification
- Chapter 271 Vendor Certification and Political Disclosure Form
- State of New Jersey Standard Terms and Conditions and Waivered Contracts/Delegated Purchasing Authority Supplement to the State of New Jersey Standard Terms and Conditions (if applicable)
- Proof of Insurance (ACORD form) as indicated by the Standard Terms and Conditions
- Certification of Non-Involvement in Prohibited Activities in Russia or Belarus
- New Jersey Business Registration

#### **IV. Single Response Consideration**

Receiving a single response to a HESAA solicitation for a purchase over \$1,000 does not preclude selection of that respondent. A purchase order or contract may be issued to the respondent provided HESAA solicited responses and documented the solicitation with at least three bona fide vendors. The response received from the respondent must be responsive, i.e., fully complies with the Authority's specifications and the State of New Jersey Terms and Conditions and Waivered Contracts/Delegated Purchasing Authority Supplement to the State of New Jersey Standard Terms and Conditions (Standard Terms and Conditions).

#### **V. Sole Source Justification**

If only one source can provide the good or service, a memorandum of sole source justification must be prepared by a Senior Staff member from the requesting unit and approved by Finance, explaining why the HESAA need can be satisfied by only one vendor. A vendor that is "best qualified" is not, on its own, sufficient rationale to justify that the vendor is the only vendor who can provide the good or service. An accompanying letter from the vendor must also be submitted indicating why this is the only vendor that can provide the goods or services.

#### **VI. Identical Pricing Resolution**

Should identical pricing be offered by more than one responsive vendor, and the quality of the goods or services offered is identical or of equal advantage to HESAA, the Authority shall, with full documentation of its actions, apply the following factors, listed in order of priority, in determining the vendor to which the award will be made:

- a. Tie-breaking provision(s) set forth in the request for quote;
- b. A usable cash or volume-based discount that renders one quote more favorably priced;
- c. Delivery advantage, specifically shorter proposed timeframes for delivery and/or closer proximity to the point of delivery;
- d. Active registration as a small business at the time of quote opening as an approved small business with the Department of the Treasury unit responsible for administering the State's small business registration program, or Veteran-owned business as defined in N.J.S.A. 52:32- 49, and;
- e. In-State location.

**VII. Protests and Disputes**

In the event of a protest or dispute between HESAA and a vendor regarding vendor selection, the protesting vendor shall be provided due process via review by the agency's CFO and Director of Legal.

**Delegated Authority**

The HESAA Board delegates to the Executive Director the authority to approve purchases over \$44,000 without additional Board approval in the event the purchases were approved as part of the capital or operating budget, are procured through an RFP/RFQ, and are not for professional services. All purchases made pursuant to the Executive Director's delegated authority shall follow the Mini-RFP/RFQ process.

## Appendix A – Form PB-119

### STATE OF NEW JERSEY SUMMARY OF TELEPHONE QUOTATIONS

<b>INSTRUCTIONS:</b> Where telephone quotations are authorized by the Procurement Bureau in lieu of sealed bids and pursuant to the current Direct Purchase Authorization circular, State agencies shall use this form to obtain and record quotations from at least three (3) vendors prior to issuing a purchase order. After quotations have been recorded, this form must be signed and attached to the agency copy of the purchase order for the permanent file.			VENDOR INFORMATION							
			VENDOR NAME		VENDOR NAME		VENDOR NAME		VENDOR NAME	
			ADDRESS		ADDRESS		ADDRESS		ADDRESS	
			FED. IDENTIFICATION NO.		FED. IDENTIFICATION NO.		FED. IDENTIFICATION NO.		FED. IDENTIFICATION NO.	
COMMODITY CODE	FISCAL YEAR	SAV1 CODE S/M/W	TELEPHONE NO.		TELEPHONE NO.		TELEPHONE NO.		TELEPHONE NO.	
ACCOUNT NUMBER	DATE OF QUOTATION		TELEPHONE NO.		TELEPHONE NO.		TELEPHONE NO.			
DESCRIPTION OF ITEM(S)	QUANTITY	ORDERING UNIT	UNIT COST	TOTAL PRICE	UNIT COST	TOTAL PRICE	UNIT COST	TOTAL PRICE	UNIT COST	TOTAL PRICE
<b>REMARKS:</b>	VENDOR'S TOTAL PRICE									
	BILLING TERMS									
	DELIVERY DATE									
	COMMENTS									
I certify that competition has been solicited and quotations obtained in accordance with the current Procurement Bureau regulations governing Direct Purchase Authorization.  (Signature of person obtaining quotations)			TITLE				DATE			

## **RESOLUTION 28:24**

### **APPROVING THE HESAA PROCUREMENT POLICY AND PROCEDURES**

Moved by: Mr. Gary William

Seconded by: Ms. Ivona Szaro

**WHEREAS:** Executive Order 37 (Corzine) requires State Authority Boards to maintain procurement policies and procedures consistent with the Executive Order and statutory law; and

**WHEREAS:** The Executive Order provides that all procurement contracts are to be awarded in accordance with pre-set, transparent procedures established by each Authority; and

**WHEREAS:** The Higher Education Student Assistance Authority (HESAA) staff reviewed the existing pre-set procurement policy and drafted an updated HESAA Procurement Policy and Procedures to reflect the current bid thresholds and added more transparency to the step-by-step procedures to provide both potential vendors and HESAA employees with additional clarity regarding HESAA's procurement process.

#### **NOW THEREFORE LET IT BE:**

**RESOLVED:** That the Higher Education Student Assistance Authority hereby adopts the attached HESAA Procurement Policy and Procedures.

October 23, 2024



**PHILIP D. MURPHY**  
Governor


**TAHESHA L. WAY**  
Lt. Governor


**State of New Jersey**  
HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
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[www.hesaa.org](http://www.hesaa.org)

**MARGO CHALY, ESQ.**  
Executive Director

## MEMORANDUM

**TO:** Members, Higher Education Student Assistance Authority Board

**THROUGH:** Margo Chaly, Esq.   
Executive Director

**FROM:** Ruth A. Odom   
Chief Information Officer

**SUBJECT:** Resolution 29:24 Approving the Commitment for a Cloud-Based Hosting Solution and the Transfer of Fiscal Year 2025 Capital Funds for DecisivEdge Cloud Hosting

**DATE:** October 23, 2024

### **Background**

The Higher Education Student Assistance Authority (“HESAA” or the “Authority”) allocated \$2,000,000 in the Fiscal Year 2025 (FY25) Capital Budget under the heading “HESAA Loan Servicing Platform” to be used for the Collections, Loan Accounting and Servicing System (CLASS). The CLASS system services NJCLASS loans.

The initial Request for Proposal for a Student Loan Servicing Platform (RFP) provided an option for either HESAA or the selected vendor to host the CLASS system. At the time of initial engagement, the team decided that HESAA would modify and utilize its in-house infrastructure to host the CLASS system. Recently, DecisivEdge developed a viable cloud hosting solution and submitted a proposal to amend the existing agreement to include a three-year hosting agreement.

After reviewing DecisivEdge’s proposal, HESAA found that migrating to the DecisivEdge cloud-based hosting solution aligns with the Authority’s best interests and will synchronize with upcoming CLASS system upgrades. This transition will enhance operational functions, improve user experience, and ensure compatibility with Oracle’s core functions, which is critical for maintaining seamless operations and preventing potential service disruptions.

Furthermore, HESAA anticipates long-term savings from this hosting agreement. The Return on Investment extends beyond financial savings; DecisivEdge will provide ongoing professional management for the CLASS environment, addressing operational issues to ensure system reliability. As the host, DecisivEdge will also manage OFSSL releases and necessary technical support patches, which is critical for keeping the system up-to-date, secure, and compatible with Oracle's core functions.

Additionally, HESAA expects to gain system and operational efficiencies and intangible benefits including:

1. Elimination of annual software support costs;
2. Enhanced infrastructure scalability, availability, and reliability; and
3. Improved disaster recovery and business continuity strategies.

The cost for the cloud-based hosting solution is approximately \$1.83 million over three years, with \$400,000 planned for expenditure in FY25. To cover these expenses, HESAA needs to add an additional \$400,000 to the "HESAA Loan Servicing Platform" line of the FY25 Capital Budget. Funding of \$200,000 from the "Technology Equipment Replacement" and \$200,000 from the "Data Storage and Backup" lines of the FY25 Capital budget can be repurposed to cover this additional amount. HESAA encumbered the "Technology Equipment Replacement" funding to replace a computer room air conditioner, but the team can postpone this replacement since they recently serviced the current air conditioner, which continues to function well. Additionally, HESAA purchased sufficient backup data storage needed for FY25, and therefore the \$200,000 proposed for repurposing remains available in the line item.

#### Recommendation

It is recommended that the Board approve Resolution 29:24, approving the \$1.83 million commitment for the cloud-based hosting solution and the transfer of up to \$400,000 within the Authority's FY25 Capital budget, reallocating funds originally designated for replacing a computer room air conditioner and purchasing additional backup storage, to migrate to a hosted cloud solution for the CLASS system.

Attachment

## **RESOLUTION 29:24**

### **APPROVING THE COMMITMENT FOR A CLOUD-BASED HOSTING SOLUTION AND THE TRANSFER OF FISCAL YEAR 2025 CAPITAL FUNDS FOR DECISIVEDGE CLOUD HOSTING**

Moved by: Ms. Jean McDonald Rash

Seconded by: Ms. Christy Van Horn

**WHEREAS:** The Higher Education Student Assistance Authority (“HESAA” or the “Authority”) allocated \$2,000,000 in the Fiscal Year 2025 (FY25) Capital Budget under the heading “HESAA Loan Servicing Platform” to be used for the Collections, Loan, Accounting and Servicing System (CLASS). The CLASS system services NJCLASS loans; and

**WHEREAS:** At the time of initial engagement of DecisivEdge, the team decided that HESAA would modify and utilize its in-house infrastructure to host the CLASS system; and

**WHEREAS:** Recently, DecisivEdge since developed a viable cloud hosting solution to offer its customers; and

**WHEREAS:** Upon review of the proposal from DecisivEdge HESAA determined that it is in the Authority’s best interest to add a three-year hosting addendum to the existing agreement with DecisivEdge; and

**WHEREAS:** The cost for the cloud-based hosting solution is approximately \$1.83 million over 3 years, of which \$400,000 would be expended in FY25; and

**WHEREAS:** Unexpended balances from the “Technology Equipment Replacement” and “Data Storage and Backup” lines of the FY25 Capital budget can be repurposed to cover the \$400,000 required to implement the cloud-based solution.

**NOW, THEREFORE, LET IT BE:**

**RESOLVED:** That the Board approves committing \$1.83 million over 3 years for the cloud-based hosting solution for CLASS; and be it further

**RESOLVED:** That the Board approves the transfer of up to \$400,000 within the Authority’s FY25 Capital budget, reallocating funds originally designated to replace a computer room air conditioner and purchase additional backup storage, to be used to migrate to a hosted cloud solution for the CLASS system.

October 23, 2024



**PHILIP D. MURPHY**  
Governor

**TAHESHA L. WAY**  
Lt. Governor

**State of New Jersey**  
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**MARGO CHALY, ESQ.**  
Executive Director

## **M E M O R A N D U M**

**TO:** Members, Higher Education Student Assistance Authority Board

**FROM:** Margo Chaly, Esq.  
Executive Director

**SUBJECT:** Report of the Budget Committee and Resolution 30:24 Adopting a Board Budget Policy Statement for Fiscal Year 2026

**DATE:** October 23, 2024

### **Summary**

Attached for review, comment, and approval is Resolution 30:24 Adopting a Board Budget Policy Statement for Fiscal Year 2026.

### **Background**

The members of the Budget Committee of the Authority are Christy Van Horn, Shernelle Pringle, Scott Salmon, Jean McDonald Rash and Margo Chaly.

The Committee met with HESAA staff on October 8, 2024 to develop the attached Board Budget Policy Statement for Fiscal Year 2026.

Additionally, in May 2024 the Board Chair convened an Ad Hoc Committee on Financial Aid Policy to explore transformative financial aid policies and recommend proposals to assist New Jersey residents in pursuit of a postsecondary education. The Ad Hoc Committee, comprised of Christy Van Horn, Shernelle Pringle, and Jean McDonald Rash, met throughout the summer and fall with financial aid experts to inform the long term financial aid policy recommendations included in the Fiscal Year 2026 Board Budget Policy Statement.

### **Recommendations**

The Budget Committee recommends approving Resolution 30:24 adopting the attached Budget Policy Statement.

Attachments

## **FISCAL YEAR 2026 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 State grant and scholarship programs during these challenging fiscal times. During this current 2024-2025 academic year, the State's financial aid programs are projected to provide more than 90,000 awards to State residents to pursue a postsecondary education, contributing to these students' individual success and strengthening New Jersey's economy and society.

This Fiscal Year 2026 (FY26) 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, as well as offering student loan redemption incentives to skilled professionals who agree to serve in critically needed occupations. The Board is mindful of its role as an advocate for students, while also recognizing the fiscal challenges facing the State of New Jersey.

Furthermore, an ad hoc subcommittee of the Board Budget Committee convened to identify financial aid policy initiatives to support New Jersey students beyond Fiscal Year 2026. The subcommittee's recommendations are attached to this statement as Attachment A.

### **Policy Recommendations for Fiscal Year 2026**

- 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.
- Consistent with the foregoing, the Board supports ensuring the protection of the Summer TAG Program, which helps students maintain momentum and/or accelerate time to degree completion, while mitigating the need for student debt to cover summer course work.
- The Board supports continued funding of the Part-Time TAG Program for County College Students.

Future award values, funding, and expenditures for the Summer TAG and Part-Time TAG Program for County College Students are considered separately from those for full-time TAG. As a reminder, TAG, Summer TAG, and part-time TAG are required by statute to be separate line items in the State budget.

- The Board supports the continuation of HESAA's College Promise programs, the Community College Opportunity Grant (CCOG) and the Garden State Guarantee (GSG), in Academic Year 2025-2026 at funding levels sufficient to maintain the 2024-2025 eligibility criteria for last-dollar CCOG and GSG awards that cover the full cost of tuition and approved educational fees for students with family adjusted gross incomes (AGIs) between \$0 and \$65,000, as well as guaranteeing reduced net prices of tuition and approved educational fees for students with AGIs between \$65,001 and \$100,000.

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 Board presents the following funding policy recommendations for specific HESAA programs.

## **Grants & Scholarships**

The Authority administers various financial aid grant and scholarship programs for New Jersey residents who satisfy the applicable need- and/or merit-based criteria while attending an aid-eligible institution of higher education in the Garden State.

### Full-Time TAG

The Board recommends FY26 funding sufficient to cover award levels in all sectors consistent with FY25 award levels.

Additionally, in FY26, the Board recommends increasing the Income Protection Allowance (IPA) for Independent Students by \$700, which will assist 2,400 students and cost an additional \$2.4M. Modifying the IPA for independent students allows less income to be considered in the calculation of New Jersey Eligibility Index (NJEI) for the TAG eligibility, thus allowing independent students (typically adults, or students working while attending college, often with children) to be eligible for the TAG program. This recommendation aligns with the ongoing statewide outreach and recruitment pursuant to the “Some College, No Degree” initiative.

Furthermore, in FY26, the Board recommends modifying the formula used to calculate assets for the NJEI to be more aligned with the calculation used by the U.S. Department of Education in the administration of the federal Pell Grant, specifically for dependent students and independent students with dependents. This change, which will generate a more equitable and realistic means testing at the State level, is projected to cost \$6.6M. Assets, as used in this example, include cash savings, often modest amounts, generated by low-income families for living expenses.

### Summer TAG

More than 13,000 students benefited from Summer TAG during the summer of 2024, with total expenditures of \$30.6M (funded from FY24 full-year TAG appropriation). The Board recommends providing FY26 funding for this program in amounts sufficient to provide Summer TAG awards at 100% of the FY26 Full-Time TAG award values.

### Part-time TAG at County Colleges

The Board recommends FY26 funding for the Part-Time Tuition Aid Grant Program for County College Students that is sufficient to continue providing part-time TAG awards to all eligible county college students. In Fiscal Year 2024, 10,912 students received Part-Time TAG awards at County Colleges. Data reflects that over the past three fiscal years, part-time TAG expenditures exceeded appropriations on average \$2.0M to \$2.5M per year.

### Part-Time TAG for EOF Students

The Board recommends FY25 funding for the Part-Time TAG for EOF Students Program at a level sufficient to maintain the current program’s eligibility parameters. In Fiscal Year 2024, 601 EOF students received Part-Time TAG awards.

### Community College Opportunity Grant (CCOG) Program

The Board recommends sufficient FY26 funding for CCOG to maintain the current program parameters in place for Academic Year 2024-2025. In Fiscal Year 2024, 17,186 students received CCOG awards.

### Garden State Guarantee Program (GSG)

The Board recommends sufficient FY26 funding for GSG to maintain the current program parameters in place for Academic Year 2024-2025. In Fiscal Year 2024, 17,211 students received GSG awards.

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

Through the NJSTARS program, New Jersey high school seniors who rank in the top 15.0% of their class in

either their junior or senior year can attend their community college tuition-free. NJSTARS recipients who earn their associate degree from their community college and then transfer to a participating bachelor's degree granting institution in New Jersey are eligible for NJSTARS II in the amount of \$2,500 per academic year for up to four semesters. Based on enrollment trends and annual tuition increases, the Board recommends FY26 funding for the NJ STARS and NJ STARS II Programs in amounts sufficient to support all students who meet the eligibility requirements of the programs. In Fiscal Year 2024, 2,175 students received NJ STARS/NJ STARS II scholarships.

#### Governor's Urban Scholarship (GUS) Program

GUS provides a \$1,000 scholarship for New Jersey high school seniors who rank in the top 5.0% of their class in either their junior or senior year. In Fiscal Year 2023, GUS eligibility was expanded to students in an additional 14 municipalities. The Board recommends sufficient funding in FY26 to support all students who reside in the 33 identified communities and continuing the GUS persistency award of \$500 for students in their final term of the scholarship upon completion of their associate or baccalaureate degree. In Fiscal Year 2024, 201 students received GUS scholarships.

#### World Trade Center (WTC) Scholarship Program

Recognizing that the WTC program is committed to funding students through 2026, when it is expected that few if any students will remain eligible under the terms of the scholarship program, the Board recommends continuation of sufficient 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.

#### Tuition Assistance for Thomas Edison State University Students

In an effort to support students at Thomas Edison State University, who, by and large, do not enroll in full-time course loads and are therefore ineligible for TAG, the Grant Opportunity for TESU students, or "GO-TESU," was created through the Appropriations Act. The Board recommends FY26 funding to continue supporting part-time students eligible for "GO-TESU". In FY24, 325 students received benefits through this program.

#### Student-Teacher Scholarship Program

The Student-Teacher Scholarship launched in FY24 as a pilot program to support students participating in the clinical practice ("student-teaching") segment of an approved Educator Preparation Program (EPP) at a New Jersey institution of higher education. Students receive a one-time award that helps cover the costs associated with student-teaching, beyond tuition and fees. In FY24, 2,046 students received \$3,000 scholarships. In FY25, award amounts are \$4,500 and approximately 2,000 are students expected to receive awards. The Board recommends reallocating the appropriation from this program, which does not require means testing or full-time teaching in a New Jersey public school upon graduating from an EPP, to the HESAA Teacher Loan Redemption Program as further discussed below.

### **Student Loan Redemption Programs**

The Authority administers five (5) student loan redemption programs (LRP) funded by State appropriations to pay down outstanding student loan debt of eligible practitioners in exchange for service in high-need fields within the Garden State. The Board recommends funding the first four (4) programs listed below in an amount consistent with prior appropriations. For the fifth program, the Board recommends funding the New Jersey Teacher LRP with the appropriation previously earmarked for Student Teacher Scholarships. This reallocation of funding augments the New Jersey Teacher LRP, allowing for greater fiscal accountability by requiring teachers to complete a minimum of one-year of service in a high-need field at a low-performing school in New Jersey. Furthermore, participants in the New Jersey Teacher LRP submit verifiable outstanding student loan balances, which are redeemed – up the maximum amount – following each year of service.

- the Primary Care Practitioner Loan Redemption Program;
- the Nursing Faculty Loan Redemption Program;
- the New Jersey STEM Loan Redemption Program;
- the Behavioral Healthcare Provider Loan Redemption Program; and
- the New Jersey Teacher Loan Redemption Program

### **Other Programming**

In collaboration with the New Jersey Economic Development Authority (EDA), the Office of the Secretary of Higher Education (OSHE), and the Department of Labor and Workforce Development (DOL), the Authority administers the first-in-the-nation Pay It Forward program, which currently is available in five (5) high-demand career fields (e.g. nursing, radiography, cybersecurity, HVAC, Welding) at three institutions of higher education in the Garden State. Pay It Forward offers zero-interest, zero-fee student loans and wrap around services, including hardship grants, to eligible students. The Board recommends funding consistent with demand, and further notes the existence of other revenue sources including donations from New Jersey corporations and a Memorandum of Understanding between HESAA and EDA for the latter to transfer Workforce Development Funds specifically for PIF expansion.

### **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)
- New Jersey Better Education Savings Trust (NJBEST) college savings program
- NJBEST Scholarship program
- NJBEST Matching Grant program<sup>1</sup>
- New Jersey College Loans to Assist State Students (NJCLASS) loan programs
- John R. Justice Federal Student Loan Redemption Program
- Home- and Community-Based Services Provider Loan Redemption Program

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<sup>1</sup> The New Jersey College Affordability Act, P.L. 2021, c. 128, created the NJBEST Matching Grant Program appropriating \$10 million to fund one-time matching grants of up to \$750.00 for initial deposits for all eligible accountholders.

## **Higher Education Student Assistance Authority (HESAA) Ad Hoc Committee to Recommend Long-Term Financial Aid Policy & Programming**

### **Committee Report**

In May 2024, the HESAA Board Chair convened an Ad Hoc Committee on Financial Aid Policy to explore transformative financial aid policies and recommend proposals to assist New Jersey residents in pursuit of a postsecondary education. Throughout a total of six meetings that spanned four months, the Ad Hoc Committee met with field experts from the following organizations: the New Jersey Council of County Colleges (NJCCC); the New Jersey Association of State Colleges and Universities (NJASCU); Independent Colleges and Universities of New Jersey (ICUNJ); and The Institute for College Access and Success (TICAS). Additionally, the Ad Hoc Committee met with financial aid experts from the Pennsylvania Higher Education Assistance Authority (PHEAA) and the Washington Student Achievement Council. Incorporating the presentations where facts, figures, and best practices were shared and discussed, the Ad Hoc Committee puts forth the following financial aid policy recommendations.

#### **Streamline the Financial Aid Application and Verification Process**

During the annual administration of nearly \$600M appropriation of State funds for financial aid to New Jersey residents attending New Jersey institution of higher education, HESAA verifies students' eligibility to receive need-based aid. Each year following the conclusion of the verification cycle, there are three groups of students:

- Group 1: those who supply all of the documents we require to confirm their eligibility, are found to be eligible, and receive state financial aid.
- Group 2: those who supply all of the documents we require to confirm their eligibility, are found to be ineligible, and do not receive state financial aid.
- Group 3: those who do not supply any or all of the documents we require to confirm their eligibility, and therefore cannot receive state aid.

Since 2018 HESAA removed several barriers to application completion, including the removal of additional, state-specific questions required after a student completed the FAFSA, which resulted in higher numbers of applicants in Groups 1 and 2. Unfortunately, Group 3 reflects approximately 52% of applicants selected for verification.

In an effort to limit the burden of document production required from applicants, HESAA made efforts to automate data sharing between various divisions within State government. Partnerships were identified; however, the process remains cumbersome and with significant manual human intervention.

Recommendation: a commitment between agencies for automatic transfer of data to be used in eligibility verification and analysis for financial aid. This will eliminate the need for an applicant to track down, obtain – often with a fee – and submit documentation of beneficiary status of social services, proof of residency, proof of income, etc., and instead auto-fill information among state-administered programs.

Action required: inter-agency agreement; technological support

Recommendation: monitor student cohorts through primary and secondary schools to identify recipients of free lunch, Supplemental Nutrition Assistance Program (SNAP) benefits, or other support services that may indicate potential financial-aid eligibility so that HESAA can support school counselors in providing financial aid literacy to specific individuals as early as in 10<sup>th</sup> grade.

Action required: statutory change; technological support for end-to-end data collection.

Recommendation: review the New Jersey Alternative Financial Aid Application to see if revisions can be made to simplify the application.

Action required: HESAA review; technological support

#### **Tuition Aid Grant (TAG)**

Many institutions of higher education have a significantly higher five-year graduation rate (and an even higher six-year rate) compared to the four-year graduation rate of prior decades. The delay in degree completion can be attributed to students changing majors, required coursework is not available at the time they need it. The impact of the delay is most prevalent among students with the greatest financial hardship, who often borrow substantially more during their final years of study, and ultimately may still not graduate despite the significant loan debt incurred.

Recommendation: align the TAG program with the Federal Pell Grant program and increase the lifetime semester cap for TAG from nine (9) to 12.

Action required: statutory change

### **College Promise**

Recommendation: To meet the needs of more New Jersey students through enhanced financial aid awards, consider three parameter change proposals for the Community College Opportunity Grant (CCOG) and the Garden State Guarantee (GSG), collectively the New Jersey College Promise.

Action required: statutory change

- PROPOSAL 1: Maintain the current AGI tier structure, but adjust the grant amounts as follows:
  - A maximum CCOG award (100%) covers the remaining cost of tuition and approved educational fees not covered by State, federal, or any other need-based grant or merit scholarship for up to 18 credits a semester.

AGI Tier	Current CCOG Grant Amount	Proposed CCOG Grant Amount
\$0-65,000	100%	100%
\$65,001-80,000	50%	75%
\$80,001-100,000	33 1/3%	50%

- The GSG grant is the amount necessary to ensure that the eligible student receives sufficient financial aid from a combination of State, federal, institutional and other grants or scholarships to ensure the student's net price for tuition and mandatory fees does not exceed the amounts listed below.

AGI	Current Net Price	Proposed Net Price
\$0-65,000	\$0	\$0
\$65,001-80,000	\$7,500	\$5,000
\$80,001-100,000	\$10,000	\$7,500

- PROPOSAL 2: Maintain current grant amount/net price, but adjust the AGI tier structure as follows:

Current AGI Bands	Proposed AGI Bands
\$0-65,000	\$0-75,000
\$65,001-80,000	\$75,001-90,000
\$80,001-100,000	\$90,001-100,000

- PROPOSAL 3: Add a fourth AGI tier, which may also be considered with Proposal 1 or Proposal 2, as well as a stand-alone recommendation

Proposed AGI Band	Proposed CCOG Grant Amount	Proposed GSG Net Price
\$100,001-125,000	20%	\$15,000

### **Financial Aid Support for Workforce Training & Development**

Programs and training for non-traditional postsecondary education are essential to support emerging and evolving industries in New Jersey. Collaboration among the Department of Labor and Workforce Development (DOL), the Office of the Secretary of Higher Education (OSHE), the Department of Education (DOE), and HESAA as stakeholders would identify policy, eligibility, implementation, and funding mechanisms for such initiatives. The history and purpose of HESAA's existing financial aid programs require pursuit of a degree. New programs, separate and distinct from existing program, would be necessary to provide financial support for non-degree, certification, and skillset training.

Recommendation: Collaborate with stakeholders, including DOL OSHE, and DOE to create new financial aid programs to support non-degree granting certification programs.

Action required: inter-agency collaboration; statutory change; technical support

### **Outreach**

The Authority's Outreach & Communications (O&C) unit provides a robust number of outreach services to high school guidance counselors and students throughout the State. Throughout the academic year, O&C team members give financial aid presentations that include detailed instructions on how to create an NJFAMS account as well as how to complete the FAFSA. Information on HESAA's grants and scholarships is also provided, and HESAA financial aid literacy discussions are facilitated.

The financial aid material that HESAA provides has the potential to go farther in illustrating the impact of student loan borrowing. For instance, students may not know the job prospects following a degree in a particular major or the average salary of those prospects. Therefore, there is literature that should be developed to not only include a timeline of when to file pertinent documentation throughout the four years of high school, college, and after, but also literature to illustrate the degrees with the best and worst returns on investment. New financial literature could also provide examples of monthly higher education repayment costs based upon graduation from public, independent, and proprietary institutions in New Jersey.

Furthermore, according to the Washington Student Achievement Council, statistics show that financial aid outreach should actually begin prior to student enrollment in high school, with the ideal age for a financial aid introduction being 13 (or 7<sup>th</sup> grade). The Authority has not yet conducted presentations for this demographic or the guidance counselors who work within it, thus creating an exciting new opportunity for financial literacy outreach.

Another demographic on which HESAA has not yet focused much of its outreach is the veteran population. According to a Department of Veterans Affairs' New Jersey State Summary, nearly 30% of New Jersey's veterans have some college, but no degree. Providing information on all financial aid available for veterans may encourage those in this population to re-enroll and complete their degree.

Recommendation: expand outreach to middle school guidance counselors.

Action required: create age-appropriate financial literacy and financial aid materials; revise financial aid presentations; ensure staffing levels are sufficient to support the additional services

Recommendation: provide secondary schools with degree and financial aid timelines for student distribution.

Action required: create financial literacy in conjunction with timelines; ensure staffing level are sufficient to support the additional services

Recommendation: enhance outreach to veterans.

Action required: create veteran-focused financial literacy; inter-agency collaboration

### **Inviting Collaborations with Other New Jersey State Agencies**

The Authority works in collaboration with other New Jersey State Agencies – such as the New Jersey Department of Human Services (DHS) and the Office of the Secretary of Higher Education (OSHE) – in outreach material. Still, additional collaboration with both DHS and OSHE, as well as other New Jersey State Agencies, should be developed to further keep the cost of higher education to a minimum. For instance, while the Lampitt Law of 2008 provided a better pathway for students transferring from a two-year institution to a four-year institution, students are still often required to retake classes at their four-year institution that were already completed and passed while attending a two-year institution (with the class occasionally even taught by the same adjunct professor), costing both time and money. Additional collaboration with the Department of Labor and Workforce Development (DOL) should also be developed not just for residents seeking aid to finance a vocational certification, but also for residents looking to upgrade their already established skillset in order to transition into a new position.

Lastly, to fund scholarships, internships and/or apprenticeships, collaboration among State agencies, businesses (both public and private), and institutions of higher education should take place to engender additional public/private partnerships.

Recommendation: provide support to the OSHE in advocating for improvements to the transfer process.

Action required: statutory change

Recommendation: collaboration with OSHE and DOE on providing support for dual enrollment programs.

Action required: regular collaborative meeting between OSHE, DOE, and HESAA, and the presidents of New Jersey's institutions of higher education.

Recommendation: collaborate with DOL and OSHE to assist residents in affording additional certificates or degrees to enhance job growth.

Action required: potential statutory change; collaborative meetings among HESAA, DOL, and OSHE; technological support

Recommendation: pursue further public/private partnerships.

Action required: create a listing of potential partnerships; facilitate meetings to stakeholders

### **The Use of Data**

The Authority currently uses data to track a variety of statistics for the programs it administers, including but not limited to: the number of student recipients of the Community College Opportunity Grant (CCOG) and the Garden State Guarantee (GSG); the award amount for CCOG and GSG; and the graduation rate of CCOG and GSG recipients. In so doing, HESAA can monitor the impact of its financial aid programs.

Other statistics that HESAA tracks are the percent of tuition covered by TAG and the percent of cost attendance funded by TAG. Given the economic fluctuations over the last twenty years, New Jersey aid to public institutions fell below tuition costs. As such, the State may see a better return on investment by increasing direct aid to students.

Because New Jersey is in its first of a three-year FAFSA Completion Pilot program, tracking the rate of college completion beginning with the college class of 2029 will provide insights about the impact of mandatory FAFSA completion and the obtainment of postsecondary education.

Recommendation: review previous TAG Tables to evaluate the diminished value of tuition assistance grants.

Action required: analyze all versions of HESAA's TAG Tables; potential statutory change

Recommendation: continue the tracking of statistics, paying particular attention to the college completion rate of the Class of 2029, 2030, and 2031.

Action required: potential statutory change; technological support

### **Conclusion**

During its meetings throughout the summer and fall of 2024, the Ad Hoc Committee on Financial Aid Policy reviewed current program statistics and met with financial aid experts to develop recommendations to enhance the State's already robust need-based financial aid programs. After careful consideration of various ideas and proposals, the Committee is confident that the recommendations described above will assist both traditional and non-traditional students, whether they are pursuing traditional degrees, certifications, or other forms of workforce training. HESAA remains committed to continuously updating its financial aid programs, policies, and outreach to meet the continuously changing needs of New Jersey's students and families.

**RESOLUTION 30:24**  
**ADOPTING A BOARD BUDGET POLICY STATEMENT FOR**  
**STATE FISCAL YEAR 2026**

Moved by: Mr. Robert Tighue

Seconded by: Ms. Ivona Szaro

**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 8, 2024 the Board's Budget Committee met with staff to review background information and to draft a FY 2026 budget policy statement for consideration by the full Board; and

**WHEREAS:** In May 2024 the Board Chair convened an Ad Hoc Committee on Financial Aid Policy to explore transformative financial aid policies and recommend proposals to assist New Jersey residents in pursuit of a postsecondary education; and

**WHEREAS:** The Ad Hoc Committee proposed long term financial aid policy recommendations that are included in the Fiscal Year 2026 Board Budget Policy Statement.

**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 2026 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 2026 resources available for State-funded student assistance programs in keeping with the attached budget policy statement, subject to refinement of underlying projections.

October 23, 2024

**HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY  
OCTOBER 23, 2024 BOARD MEETING  
EXECUTIVE DIRECTOR REPORT AGENDA**

I. Programming Updates

II. Academic Year 2024-2025: Update

III. Academic Year 2025-2026: Looking Ahead

IV. Staffing Updates