

MINUTES

HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

February 22, 2010

The Higher Education Student Assistance Authority (HESAA) Board held a meeting on February 22, 2010 at 10:00 a.m. at the HESAA offices in Hamilton.

PRESENT: Mr. Michael Angulo, Esquire; Mr. Richard Garcia; Mr. Edward Graham (teleconference); Ms. Wilma Harris; Dr. Harvey Kesselman; Mr. Julio Marenco (teleconference); Ms. Rossy M. Matos; Ms. Jean McDonald Rash; Mr. Jonathan Nycz; Mr. Warren Smith (teleconference); Ms. Nancy Style, Treasurer's Designee; Mr. Ron Subramaniam and Ms. Maria I. Torres, members.

Participating in person were Joseph Santoro, Senior Manager, Bank of America/Merrill Lynch; and Tim Carden, Financial Advisor, Scott Balice Strategies.

CALL TO ORDER

Chairwoman Torres called the meeting to order at 10:05 am and stated that the meeting had been noticed in compliance with the requirements of the Open Public Meetings Act.

Ms. Torres led those present in the Pledge of Allegiance.

Ms. Torres welcomed the Board members. Because some members are participating via teleconference, Nancy Reffner will conduct a roll call for the resolutions.

Ms. Torres welcomed Johanna Barba Jones, Esq., from the Governor's Authorities Unit and Cheryl Clarke, Deputy Attorney General.

She advised that members of the public have registered to speak. They will each have three minutes to address the Board during New Business.

DAG Cheryl Clarke will swear in new Public Member Christy Van Horn.

Ms. Torres asked Ms. Nancy Reffner to call the roll.

CONSIDERATION OF THE MINUTES OF THE OCTOBER 21, 2009 MEETING:

A motion to approve the minutes of the October 21, 2009 meeting was made by Dr. Kesselman and seconded by Ms. Harris. The minutes were approved unanimously with three abstentions, Edward Graham, Rossy Matos and Christy Van Horn, because they did not participate in the October 21st meeting.

CONSIDERATION OF THE MINUTES OF THE DECEMBER 4, 2009 MEETING:

A motion to approve the minutes of the December 4, 2009 meeting was made by Ms. Style and seconded by Mr. Nycz. The minutes were approved unanimously with five abstentions, Edward Graham, Wilma Harris, Dr. Harvey Kesselman, Jean McDonald Rash and Christy Van Horn, because they did not participate in the December 4th meeting.

REPORT OF THE PROGRAM REVIEW AND QUALITY CONTROL COMMITTEE

Richard Garcia reported that the Program Review and Quality Control Committee met on February 2, 2010 at HESAA's Quakerbridge Plaza Office. Included in this meeting were Maria Torres, Harvey Kesselman, Rossy Matos-Miranda, Richard Garcia and Michael Angulo. Richard Garcia provided the Board with an overview of the topics discussed at the Committee meeting.

Joel Mayer, Compliance Officer and Acting Director of Audits and Quality Assurance presented the following agenda topics:

1. Brief overview of Audits and Quality Assurance unit activities;
2. Review of open and closed Federal and State Student Assistance Program reviews conducted CY 2009, and
3. HESAA's proposed 2010 Review Schedule.

Mr. Mayer provided the committee with a comprehensive overview detailing the programs performed by HESAA to ensure compliance with federal and state regulations and statutes. These include conducting mandated Federal Family Education Loan (FFEL) Program lender/servicer reviews, State Grant & Scholarship program management reviews, and Federal Common Review Initiative (CRI) reviews and collections counsel reviews. Despite significant staffing challenges, the Audit and Quality Assurance Unit remained active, efficient and professional while completing numerous reviews.

Mr. Garcia requested that Mr. Mayer provide the Board with a comprehensive overview of the various review programs conducted by the Audits & Quality Assurance Unit. By way of a summary, here are some of the significant highlights and issues:

During the committee meeting we were advised that despite audit staffing challenges, HESAA remained vigilant in successfully conducting four separate institutional management reviews in 2009, three of which were closed with the remaining review work complete. HESAA finalized an institutional review in 2009 which commenced in 2008 and a draft report is being generated for one review which began in 2008. HESAA has proposed a management review schedule for 2010 and later in the meeting the Board will be asked to consider and approve that proposed schedule. Mr. Garcia asked Mr. Mayer to provide the Board with more information in his comprehensive presentation, but in sum, the Authority recovered \$235,299 in ineligible payments awarded as a result of those reviews.

HESAA participated in independent federally mandated reviews. These reviews, known as the Common Review Initiative, are required to be conducted by all Guaranty Agencies on behalf of the USDE to ensure compliance with federal regulations. The reviews target lenders and servicers who participate in the Federal Family Education Loan Programs. These reviews are

staffed by teams comprised of reviewers from the various Guaranty Agencies. The efficient use of personnel from the multiple agencies has served to reduce overhead while successfully accomplishing the required federal oversight. Again, despite staffing challenges with the audit unit at HESAA, HESAA closed three CRI reviews and completed two others (responses are still outstanding from those lender/servicers before those reviews can be closed). HESAA will be participating in seven CRI reviews for the 2010-2011 biennium.

The committee also discussed the status of Special Counsel Reviews. These are the reviews of the seven law firms that perform litigation and recovery activities and secure judgments on delinquent federal loans. Mr. Mayer will also provide additional details on those reviews.

The last item that Mr. Mayer discussed with the committee was the Annual Internal Controls Evaluation. HESAA is one of the Authorities required to conduct annual internal control evaluations by the State's Office of Management and Budget. Mr. Mayer will present a more comprehensive review of the nature and results of last year's evaluation. In accordance with State directives, HESAA's Executive Director and Chief Financial Officer confirmed that HESAA performed the internal control evaluation as required and that HESAA's system of internal accounting and administrative controls complies with the requirements set forth by the State.

Francine Andrea, HESAA's Chief Operating Officer provided the committee with the results of the top findings which resulted from the institutional management reviews. The top finding resulted in the single largest monetary component across all of the reviews. In addition, mandatory targeted training will be required as a result of this and other findings at the institutions which were reviewed.

Mr. Garcia requested that Ms. Andrea provide the Board with a comprehensive overview of the top findings and HESAA's plans for addressing them in the upcoming year.

Joel Mayer, Chief Compliance Officer and Acting Director of Audits & Quality Assurance presented on the following.

Introduction

To ensure HESAA's programs are in compliance with federal and state statutes, regulations, policies and procedures, the Audits & Quality Assurance unit is tasked with conducting Federal Family Education Loan (FFEL) Program Reviews of lenders and schools, Institutional Management Reviews focusing on State Grants & Scholarships Programs, Special Counsel Reviews, Internal Control Reviews and Evaluations, and Quality Assurance Reviews of HESAA's programs.

Federally Mandated Reviews

Pursuant to Federal Regulation, Guaranty Agencies are responsible for taking all necessary measures to ensure the vigorous enforcement of all federal, state, and guaranty agency requirements. To ensure compliance with this requirement, HESAA's Audits & Quality Assurance unit is responsible for conducting biennial reviews of HESAA's ten largest lenders.

These reviews are conducted jointly by 35 Guaranty Agencies under the Common Review Initiative (CRI) as mentioned by Mr. Garcia.

For the 2008-2009 biennium (January 1, 2008 through December 31, 2009), all six of HESAA's required FFELP lender/servicer reviews were conducted by CRI review teams. Three of these reviews were conducted in CY 2008 and three were conducted in 2009:

- Two reviews conducted during 2008 that remained open as of last years' report were closed in June 2009;
- One review conducted during 2009 is closed; and
- Two reviews remain open; reports have been issues for both reviews and await responses from the lender/servicers.

HESAA will be participating in seven required lender/servicer reviews for the 2010-2011 biennium (January 1, 2010 through December 31, 2011). Four are scheduled to be conducted in 2010 and three are scheduled for 2011.

For the 2008-2009 biennium, USDE required Prohibited Inducement reviews of all lenders, at the lender level, to ensure compliance with the prohibited inducement provisions in federal regulations, promulgated on November 1, 2007. HESAA was assigned four (4) lenders to be reviewed during 2009.

- One review is closed;
- One review was conducted jointly with three other guaranty agencies and remains open; and
- Two remain open awaiting additional documents from the US Department of Education and the lender.

Prohibited Inducement Reviews are not required for the 2010-2011 biennium.

HESAA was the subject of one specific inducement review which was conducted by another team of CRI reviewers. Mr. Mayer was happy but not surprised to report that there were no findings against HESAA as a result of that review and that continues the Authority's perfect record with respect to all inducement or other reviews conducted over the past 2 years - not just by CRI teams but also by USDE review teams.

The US Department of Education has revised the guidance for CRI reviews beginning with the 2010-2011 biennium. The new guidance requires increased sample sizes. Due to the increased work required, CRI is in the process of revising the make-up of the review teams which will need additional on-site team members and sharing of desk review work in order to conduct the reviews in an efficient manner. HESAA has not actively participated in the on-site review portion of the CRI but has actively participated in the development and review of the work papers and materials received from the audited entities. HESAA staff is committed to participate in two on-site CRI reviews in 2010-2011.

In addition, HESAA is also required to conduct reviews of all schools whose cohort default rate exceeds 20 percent and have at least \$100,000 of loans entering repayment in each of the last two

years. No New Jersey institutions were identified from the 2007 Cohort that met the review requirement.

HESAA Initiated Reviews

Institutional Management Reviews - HESAA conducts Institutional Management Reviews to ensure that institutions administer the State Grants & Scholarships programs in accordance with all applicable federal and state statutes, regulations, policies and procedures. These reviews are conducted jointly with the Director of Financial Aid Services and subject matter experts from the Grants & Scholarships unit.

These management reviews are also designed to provide institutions with recommendations on improving their enrollment management operations (for example, financial aid office, admissions, registration, and bursar/finance) as it relates to the delivery of the State Grants & Scholarships programs, as well as ensure compliance with state and federal statutes and regulations.

Review status:

1.) Four reviews were conducted in calendar year 2009.

- Two reviews were closed:
 - Beth Medrash Govoha with monetary findings totaling \$23,754. Closing letter filed in January 2010.
 - Close-out Review of Katherine Gibbs College with monetary findings totaling \$15,143.
- One final report was issued, and HESAA is currently reviewing the revised policy and procedures submitted for approval of that report. Monetary findings received with regards to that review and report were \$25,508.

2.) 2008 reviews.

- One review begun in April 2008 was closed. Monetary finding received \$26,332.
- One review begun in April 2008 remains open.
- One review begun in October 2008 is still on-going. The institution provided HESAA staff with additional supporting documentation and HESAA anticipates the issuance of a draft report in February or early March 2010. During the review the institution returned \$144,552 in cancelled TAG funds on November 26, 2008.

Total monetary findings for all reviews were \$235,299.

Special Counsel Reviews

Based upon USDE regulations and HESAA's contract with the USDE governing HESAA's roles and responsibilities on the administrations of FFELP, HESAA contracts with seven Special Counsels to perform litigation and recovery activities on delinquent FFELP loans. It is the

responsibility of those special counsels to secure judgments for the collection of federal debt. HESAA is not permitted to issue those judgments directly. Because several of HESAA's borrowers have both FFELP and NJCLASS loans, three of these Counsels also administer collection activities for delinquent NJCLASS loans. In compliance with the Authority's agreement with the USDE, the Audit and Quality Assurance unit conducts biennial program compliance reviews on all seven Special Counsel. Currently these attorneys perform collection activities for 15,201 defaulted debtors. Their defaulted loan portfolios range in size from 255 to 6,216 debtors. Reviews were opened on all seven Special Counsels during 2009. Four of those reviews remain open, one is closed and two have been completed with draft reports to be issued by early March 2010. As mentioned by Mr. Garcia, HESAA staff will be meeting with all of HESAA's special counsels at the annual meeting this coming April.

Annual Internal Control Evaluation

The State Office of Management & Budget (OMB) requires all executive branch agencies to conduct an annual self-assessment of their internal controls. For fiscal year 2009 the Office of Management and Budget selected 14 target areas, including expenditures, revenue, and segregation of duties, travel, Federal & State Grants, audit findings, agency spending plans and information security. The Authority participates in this process through a series of evaluations and discussions that are conducted each year between April and June by HESAA's program managers and the Audits & Quality Assurance unit. In addition, the Audits & Quality Assurance unit supplements these internal control evaluations by performing internal control testing of specific program areas. The results of the internal control evaluations are provided to HESAA's Executive Staff in a memorandum detailing the review requirements, review program conducted, and any weaknesses identified with recommendations.

On June 25, 2009, HESAA's Executive Director and Chief Financial Officer sent the Director of OMB a letter confirming that HESAA performed the Internal Control Evaluation as required and that HESAA's system of internal accounting and administrative controls complies with the standards prescribed by the State of New Jersey.

The proposed institutional management review that Mr. Garcia mentioned earlier is as follows:

Institution #16 – April 2010

Institution #17 – May 2010

Institution #18 – October 2010

Institution #18 – November 2010

Mr. Garcia introduced Francine Andrea, Chief Operating Officer to discuss the common management review findings. Ms. Andrea stated in an effort to assist New Jersey institutions with complying with the administrative requirements of the state grant and scholarship programs in accordance with applicable state statutes, regulations, policy and procedures, HESAA reviewed the final 2009 management reviews to determine whether or not there was a pattern or common finding that appeared across institutions. There was a common finding that appeared across the management reviews, was unresolved conflicting discrepant information. Financial Aid forms are reviewed by the Review Team when they visit an institution. Staff reviews all documents that exist in a student record. Any unresolved conflicting or discrepant information is required to be resolved prior to an institution disbursing state funds to a student. For example, the number of exemptions on a tax return is 4 but the household size on the financial aid form is

reported as 6. The institution is responsible for resolving that discrepancy before allocating state funds. The significance of this finding is supported by the fact that the resulting monetary component for unresolved conflicting discrepant information across the institutions was the single highest value. Institutions are required for state and federal funds, to develop and apply an adequate system of controls whereby they can identify and resolve these discrepancies in the information the institution receives from the different sources for each of the students. Resolution of all conflicting and discrepant information must be adequately documented by the institution. HESAA's policy is to provide training to all institutions regarding the top findings each year, and the Authority looks forward to continuing that training in 2010. This year's training program will provide additional emphasis on the importance of reducing the incidence of unresolved conflicting discrepant data and offer guidance to assist institutions for designing and maintaining an adequate system of controls to better ensure meaningful improvement in this area. There were other findings to share with the Board as well. Failure to reconcile state financial aid funds in particular tuition aid grant program resources that in a number of cases results in a late refund. Crediting TAG funds, simultaneously with the student's withdrawal, inaccurate reports and records and financial aid award letters that cross over two award periods. When HESAA conducts these reviews with institutions HESAA staff does discuss all areas of compliance with the institution directly and again as part of the exit conference. As part of the final Management review report, HESAA requires institutional staff to participate in mandatory specialized training in subject areas resulting from review findings. Sessions are conducted by the Authority staff to ensure that the institutions are compliant in accordance with State regulations, policies and procedures.

There were discussions regarding whether the trends found in this year's reviews were new trends and possible reasons for these trends. These reasons included changes in job status and economic circumstances.

Board members also recognized that HESAA could more effectively and promptly perform these responsibilities if it could hire additional staff.

After reviewing the Proposed 2010 Review schedule which was distributed at the meeting, motion was made by Mr. Garcia to approve the schedule, seconded by Dr. Kesselman. Motion was approved unanimously

REPORT ON 2009 DANA CHRISTMAS SCHOLARSHIP AWARD RECIPIENT

Michael Angulo, Executive Director, will provide an update on this program during his Executive Director's report.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Michael Angulo made the following report to the Board:

Last month, Governor Christie was sworn in as New Jersey's 55th governor. The Authority looks forward to working with Governor Christie to ensure college access and affordability in the face of another extremely challenging fiscal year.

On February 11, Governor Christie addressed a joint session of the Legislature and outlined necessary measures he was taking to balance the FY 10 budget including spending freezes and cuts to a number of programs. One of HESAA's programs, the Dana Christmas Scholarship for Heroism Program, will not receive any funding for the FY 10. Consequently, HESAA will not be able to make any awards this year. In addition, the Office of Management and Budget will recommend a phase out of funding for the Teaching Fellows Program and the Social Services Loan Redemption program. Carry forward balances for these programs plus FY 10 appropriations will be sufficient to fund payments for this year. However, HESAA will no longer accept new applications for the Teaching Fellows or the Social Services Loan Redemption program. The freeze also calls for lapses in the carry forward balances in the Garden State Scholars and World Trade Center programs, but awards for this year will be unaffected. Finally, the state administrative salary funding for HESAA has been reduced by \$35,000. These were extremely difficult decisions but necessary to balance the State budget. Collectively, Gov. Christies cut \$1.6 billion from the FY 2010 budget.

The reports from Governor Christie's Higher Education Transition Sub-Committee and the Authorities Transition Sub-Committee viewed HESAA favorably. In them, HESAA was described as an "important authority". Moreover, it was noted that "the management of HESAA has been generally deemed to be efficient, and that HESAA has maintained good relationships with the higher education community." The reports did not identify any operational or managerial concerns with HESAA. This is something the Authority can take pride in. This would not have been possible without the extremely hard work and commitment of HESAA's employees towards serving students, the general public, and institutions of the State.

At HESAA's special board meeting last December 4th, the Board authorized the issuance of bonds that would reduce exposure to the Auction Rate Securities (ARS) market which funded the NJCLASS program. Retiring HESAA's auction bonds is very important to the future stability of the Authority's financing. Under HESAA's bond indentures, HESAA pays a penalty rate of interest while the auction bonds are in the failed mode. Due to the collapse of the auction rate market, auctions are now in perpetual failure and are not expected to recover in the foreseeable future. The applicable penalty rate of interest is equal to 175% of the SIFMA rate which is the composite short-term municipal market rate. During periods of low interest rates, these penalty rates are manageable. However, if short term rates increase, the interest costs for HESAA would quickly escalate. For example, if short-term rates increase to 4%, then the penalty that HESAA would have to pay would increase to 7%. Obviously, the Authority would like to retire its entire ARC bond portfolio to avoid this penalty. The efforts to retire outstanding auction rate bonds is all the more timely given the announcement by the Federal Reserve last Thursday that it had increased the interest rate it charges on short-term loans to banks. This is only the latest example of actions being taken to tighten credit, likely resulting in increased interest rates and negatively impacting the debt service costs of HESAA's auction rate bonds.

Following the December special board meeting, the Authority issued a preliminary offering statement for a bond sale that had an initial estimated size of \$338 million in fixed rate revenue refunding bonds. At the same time, a tender offer was extended to holders of failed auction bonds in the 2004 through 2007 series. Over \$700 million in auction rate bonds were tendered. There was tremendous demand for the refunding bonds. The final size of the bond issue was \$677.12 million fixed rate revenue refunding bonds (Series 2010-1A) and \$35.88 million fixed rate revenue bonds (Series 2010-1B). In addition, the Authority was able to terminate a

significant amount of the Interest Rate Swaps associated with the offered Auction Rate Securities. At \$713 million, the NJ HESAA 2010-1 bond issue is the largest single fixed rate student loan backed financing ever completed. The overwhelming demand for the new fixed rate bond issue is a testament to the high quality of the NJCLASS program's underlying credit, and HESAA's effective operations.

In addition to strengthening its financial position, the Authority has also taken steps to save the State tens of millions of dollars going forward. As has been well publicized, the U.S. Department of Education has simplified the Free Application for Federal Student Aid (FAFSA) used for New Jersey's grant and scholarship programs. This was accomplished by eliminating questions from the form and expanding the use of "skip logic" in the "FAFSA on the Web" page. Through skip logic, questions are only posed to applicants with relevant characteristics. For example, students who are at least 24 or are married are automatically exempted from providing their parents' financial information - therefore those questions are "skipped."

While the use of skip logic benefits applicants by making it easier to complete the FAFSA, the loss of a number of pertinent questions used by HESAA to determine State grant eligibility, such as certain sources of untaxed income, would increase both the number of students qualifying for TAG as well as the amount of the TAG awards some students are receiving. The resultant cost would have added at least \$10 million on top of current growth projections.

Given the State's fiscal situation, this added cost could not realistically be met. Instead, awards would likely be reduced across the table - an outcome to be avoided if at all possible. Consequently, HESAA proactively developed an online process to collect pertinent data directly from applicants allowing for a more equitable distribution of awards.

HESAA will send an email advising students to login and respond to these questions. If the applicant does not respond, a second email will be sent, followed by a final postcard reminder. Applicants without email access will receive an Applicant Information Request form in the mail. HESAA is working closely with the financial aid advisory group, NJACSA, aid administrators, high school guidance counselors, and students and parents, to ensure a smooth implementation so that TAG awards are timely made.

To minimize the steps in this process, HESAA is also working with the USDE to establish a link directly from "FAFSA on the Web". This would permit certain NJ applicants to seamlessly transfer from the "FAFSA on the WEB" page to HESAA's website to respond to the additional questions required to determine State aid eligibility.

The Authority recognizes the concern that this data collection may delay awarding by institutions. However, the NJEI calculator will be available at the end of this week for institutions to use in estimating TAG Awards pending HESAA's receipt of the applicable students' information. This will allow institutions to include the estimated TAG Award in their financial aid award packages. It is worth repeating that, by collecting these data elements, the Authority will save the State at least \$10 million in year 1, and potentially more each subsequent year.

In the spirit of doing more with less, HESAA has been leveraging technology to cut costs and conserve resources. With it being tax season, HESAA recently issued the 1098E federal tax

document to nearly 80,000 FFELP and NJCLASS borrowers. The 1098E informs borrowers of the amount of interest paid on their student loan debt. To reduce paper usage, and to provide ongoing borrower access to their 1098E information, the Authority is in the process of making this important financial data available through HESAA's secure "Manage My Account" on-line tools. This also positions HESAA to reduce future mailing costs, while meeting borrowers' desire to receive information electronically instead of regular mail.

As an update on pending litigation involving HESAA, other than collection related actions, the Authority is not currently involved in any litigation. Of note, the matter of Wong v. Thomas, et al was recently dismissed. In summary, Plaintiff Elizabeth Wong, a former at-will, unclassified executive at HESAA was terminated in 2006. Thereafter, Plaintiff Wong filed complaints naming a number of defendants, including HESAA, in Federal District Court and State Superior Court alleging the following against the Authority – wrongful discharge, unlawful discrimination, civil rights violations, RICO violations/conspiracy, CEPA violations, tortious interference of economic advantage, and infliction of emotional distress. Plaintiff Wong sought a minimum of \$5 million in damages.

After extensive discovery and litigation, the District Court granted summary judgment in favor of HESAA and the other defendants on a majority of Plaintiff's claims. The District Court's order was later affirmed after the Plaintiff appealed the decision. Consequently, by Stipulation of Voluntary Dismissal, filed December 15, 2009, the Plaintiff's entire action was dismissed with prejudice.

On the federal front, Congress continues to deliberate President Obama's proposal to restructure the federal financial aid landscape. Proposed changes include significant increases to the Pell program which should help keep pace with ongoing tuition increases. The other major component would be the elimination of the Federal Family Education Loan Program, with all future federal student loans being originated through the Federal Direct Lending Program. Last September, the House passed the Student Aid and Fiscal Responsibility Act (H.R. 3221) which contained these changes. The Senate, however, has not yet introduced its version of the bill. At this point, a Senate bill may need to be passed by the Senate through the reconciliation process, bypassing the 60 vote super majority required to pass legislation through the normal order of business. Because reconciliation is also being considered for use in passing health care reform and can only be used once a year, the Senate version may need to be combined with health care reform. HESAA and other nonprofit guaranty agencies across the country are working with Senate and House staff to ensure that the valuable services that are currently provided to families and students are preserved under the new legislation. These services include public awareness and outreach, guidance counselor and financial aid administrator training, student and family financial literacy training, default aversion counseling, and assisting borrowers in resolving defaults. There has been bipartisan support for including these services in the final legislation. The Federal Reserve Board recently approved final amendments to Regulation Z, the Truth in Lending Act, which revises the disclosure requirements for private education loans. Under the amendments, creditors that extend Non-title IV loans, such as NJCLASS and MedNJ, must provide disclosures about loan terms and features at specific points in the application process. The intent of the new disclosure law is to ensure that borrowers are making an informed decision regarding their education financing options. The mandatory effective date for this change was February 14, 2010. Programming changes have been completed and the Authority is in full compliance with the regulations. HESAA is also providing training and outreach to school

partners. So far, two regional training sessions have been held for financial aid professionals and the business office staff.

The Authority's outreach efforts, especially to students from underserved communities, continue to play a core role in operations. On January 31, 2010, HESAA, along with the New Jersey Association of Student Financial Aid Administrators, co sponsored College Goal Sunday throughout the State. This is an annual event during which financial aid professionals from across the state, including many HESAA staff; volunteer to assist students and their families with the financial aid process and the completion of the Free Application for Federal Student Aid (FAFSA). This year's event was held at eight locations including Camden County College, Kean University, NJ City University, NJIT, Rutgers University, Ocean County College, Passaic County Community College, and Mercer County Community College. Bilingual presentations assisted more than 2,400 students and their families. This was the largest turn out to date for College Goal Sunday in NJ.

2010 looks to be no less challenging or eventful than these past several years. Demand for financial aid information and resources continue to grow, the federal aid landscape is potentially undergoing a significant transformation, the national economy continues to struggle, and New Jersey is facing another substantial deficit. Nevertheless, with support of Governor Christie and its Board, HESAA will continue to provide outstanding services and programs to assist New Jersey's students, families, and institutions.

Following Executive Director Angulo's report, Dr. Kesselman commended HESAA on the positive reports HESAA received in the Transition Reports from Governor Christie's Team.

There was also discussion regarding the Dana Christmas Scholarship. Board members were ensured that those awarded scholarships in previous years would not lose their funding as those awards were encumbered in previous budgets. This year's applicants will be advised that due to funding cuts there will be no award this year and that if funding is reinstated, they will be able to reapply.

Mr. Angulo asked Tim Carden and Joe Santoro to address the Board regarding recent Bond matters. They presented the attached document and lauded Gene Hutchins, Robert Clark, Michael Angulo and Francine Andrea for their dedication in completing these difficult money-saving transactions.

NEW BUSINESS

Maria Torres announced that three members of the public have signed up to speak. She asked that comments are limited to three minutes each.

Robin Bridges Johnson, Sharon Ainsworth and Molly Sword McDonough addressed the Board together regarding Ms. Johnson's personnel issues.

Ben West addressed the Board regarding his involvement with the Eagleton Institute. As part of his involvement he will be studying HESAA. He stated that he had already spoken with Executive Director Angulo who had been most helpful and would like an opportunity to speak with Board members about HESAA's processes.

ADJOURNMENT

Ms. Torres announced the next Board meeting is scheduled for April 28, 2010. She reported the Audit Committee will meet immediately following the Board meeting.

A motion to adjourn was made by Dr. Kesselman and seconded by Ms. Harris. The motion passed unanimously.

The meeting adjourned at 11:35am.