

MINUTES

NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP FUND BOARD

July 22, 2010

The World Trade Center Scholarship Fund Board of Trustees (WTC Board) held a teleconference meeting on July 22, 2010 at 3:00 pm at the HESAA offices in Hamilton.

PRESENT: Mr. Rick Cahill; Ms. Gina LaPlaca; Ms. Nancy Style, Treasurer's Designee; Mr. Peter Traphagen and Ms. Kathleen Wisniewski.

ABSENT: Ms. Gisele Joachim

HESAA Staff: Fran Andrea; Gloria Green; Michael Angulo; and Marnie Grodman.

CALL TO ORDER

Fran Andrea called the meeting to order at 3:10 pm and stated that the meeting had been noticed in compliance with the requirements of the Open Public Meetings Act.

Ms. Andrea welcomed the Board members, DAG Cheryl Clarke, and Dave Reiner of the Governor's Authorities Unit. No members of the public signed up to speak.

Cheryl Clarke swore in new member, Mr. Rick Cahill. Ms. Andrea welcomed Rick Cahill to the Board.

Janet Cooper called the roll.

CONSIDERATION OF MINUTES OF THE MAY 5, 2010 MEETING

A motion to approve the minutes of the May 5, 2010 meeting was made by Peter Traphagen and seconded by Gina LaPlaca. The minutes were approved unanimously with two recusals, James Gray and Nancy Style, who did not participate in the May 5, 2010 meeting.

2009-2010 YEAR END REPORT

Gloria Green gave the 2009-2010 Year End Report. Ms. Green reported that there were 72 student scholarship recipients with a total scholarship expenditure of \$368,939. Ms. Green explained that not all of these students received a scholarship for both semesters, nor did every student receive the entire \$3250 each semester.

Ms. Green explained that three of the 72 students received the 8 maximum number of payments resulting in 69 with remaining eligibility in the 2010-11 academic year.

Ms. Green further advised that 17 scholarship recipients attended a New Jersey school and 55 attended an out-of-state school. Seven of the 17 New Jersey students attended a 4-year public college 6 attended a 4 year private college and 4 attended a county college. Of the 55 out of state students, 10 attended public institutions and the remaining 45 attended private institutions. This data is consistent with previous years, with more students attending out-of-state schools than in-state and more students attending private institutions than public institutions.

FY2011 PROPOSED BUDGET

Fran Andrea reported that the FY2011 Appropriations Act was signed into law by Governor Christie on June 29, 2010 including a \$202,000 appropriation for the WTC Scholarship Fund. The budgetary footnote language provided that, notwithstanding the provisions of any law or regulation to the contrary, funds appropriated for the NJ World Trade Center Scholarship Program shall only be used to fund awards in fiscal year 2011 to students who have previously received awards in the same program.

Upon Peter Traphagen's request for clarification, Ms. Andrea explained that while State resources are limited to returning students, private donations can be used for new students. Gina LaPlaca asked whether this distinction would require additional information from applicants. Ms. Andrea explained that HESAA will be able to retain the information as to whether student are returning and eligible for the appropriated funds or are new and are to be funded fully from private donations.

CURRENT FUND BALANCE

Gloria Green presented the FY 2011 World Trade Center Fund Balance, including funds from the FY 2011 State Appropriation, the remaining State appropriation from FY 2010, the Tax Return Check-off as of June 30, 2010, Investment Earnings, and Donations. Ms. Green explained that returning students, including those that received scholarships in past years even if they did not attend school in the 2009-2010 Academic Year, are eligible for awards out of the total amount of funds, equaling \$1,450,480. New students, those who never received a payment, can only be paid from the donations which total \$1,038,467.

Gina LaPlaca asked for confirmation, that any money from the State, not just the FY2011 appropriation of \$202,000, is limited to existing students. Nancy Style confirmed. Peter Traphagen questioned where the investment earnings fall. Marnie Grodman explained that because the investment earnings were commingled from State and donated funds the investments could only be used for continuing students.

Nancy Style stated that the Board needs to decide whether the donation money should be used for new students or if it should only be used for continuing students.

Mr. Traphagen asked where the donations came from. Ms. Green stated the largest portion of the donations; \$1 million came from Panasonic Corporation initially and was paid out over four years. The remaining \$38,467 came from individuals.

Ms. Wisniewski asked what the state appropriation for FY 2010 was and was told \$450,000.

RESOLUTION 01:10 ESTABLISHMENT OF THE 2010-2011 SCHOLARSHIP AWARD AMOUNT

Gloria Green provided the Board with different scenarios to help determine the award amount for the 2010-2011 academic year. Based on the assumption that all 69 students who attended last year, plus 15 additional students, and 10 returning students who did not attend last year, may receive scholarships in the 2010-2011 academic year, there may be a total of 94 students.

Ms. Green presented scenarios showing (1) the cost of funding all returning students for one year at different award amounts; (2) the cost of funding all returning students at different award amounts till they each reach their maximum number of payments; (3) the cost of funding 15 new students at different award amounts for one year (I believe this should be one year please check); and (4) the cost of funding 15 new students at different award amounts for 8 semesters.

There was discussion that if returning students were funded at the same amount and new students at a lower amount, the entire fund would be used up by the end of their eligibility.

The Board discussed the different options, considering whether the commitment should be to the current students or looking forward to new students in the future. Nancy Style stated that the FY 2012 appropriation is unknown. Peter Traphagen agreed and questioned whether cutting awards for next year would provide enough funding for future students.

Nancy Style pointed out that it is tough on families to cut awards in July when they made decisions based on an assumption of a \$6500 annual award.

Peter Traphagen questioned the wording in resolution, 01:10 with regards to, “determining amount of each scholarship award based on the financial need of the applicants and the resources available to the applicant to meet his/her higher education costs.” Based on this language Mr. Traphagen suggested that there could be some students that are needier than others and awards could be reduced for those who are more financially capable than those are not.

Ms. Green explained that the WTC Board has always determined that a student demonstrates need if s/he lost a parent or a spouse. Additionally, every institution annually establishes a cost of attendance, and then based upon financial data, the student might be eligible for Federal or State need based aid. The WTC scholarship makes up the difference between the cost of attendance and the needs unmet by other resources.

There was further discussion regarding whether HESAA has yet received any applications. Ms. Green explained that the application is not yet posted on the website.

There was additional discussion regarding a possible two tier model, with new students receiving a lower award. Mr. Traphagen highlighted the fact that if new students received a lower award amount this year, they will receive a much lower award than returning students over the course of all of their semesters of eligibility.

Ms. Wisniewski asked if there would be any money left in the fund if all returning students and 15 new students were funded at \$6500 for 2010-11. Ms. Green explained that funding all students at \$6500 for all semesters of eligibility would cost \$1.4 million.

Nancy Style pointed out that at that rate this would be the last class accepted into the program, and that there is not currently enough money in the fund to fully fund all of the students to completion.

Ms. Wisniewski asked for clarification as to the cost to fund the students for just the 2010-2011 academic year.

Funding the 69 continuing students, 15 projected new students, and 10 students who may return would cost \$575,000 for one year, leaving the fund with \$900,000.

The Board then discussed the possibility of lowering the award amount to \$5,000 for 2010-2011, in order to ensure that all students would be funded through completion.

Kathy Wisniewski pointed out that next year is the 10th Anniversary of the September 11 attacks. There will be huge programs for the 10th Anniversary with different agencies doing fund-raising. Ms. Wisniewski believes that the WTC Scholarship Fund Board may be able to receive further donations.

After weighing all options, the Board agreed that the scholarship amount should be \$5,000 for all students, returning and new. Marnie Grodman advised that Resolution 01:10, provided to Board members for consideration, provided blanks for the award amount to be inserted. The vote would be on the Resolution with the insertion of \$5,000 in each blank spot.

Motion to approve the resolution was made by Peter Traphagen and seconded by Rick Cahill. The motion was adopted unanimously by roll call.

Kathy Wisniewski requested that the letter to the families include a sentence stating that the Board regretted reducing the awards but the Board had no alternative due to current economic times.

NEW BUSINESS

Fran Andrea advised the Board Gloria Green has tendered her resignation and will be moving on from the Authority. Ms. Andrea expressed her appreciation to Ms. Green for all of her work on the WTC Scholarship and announced that she will be the HESAA liaison to the WTC Scholarship Fund Board.

OLD BUSINESS

It was decided that the Fundraising Subcommittee will need to schedule a meeting in the near future.

ADJOURNMENT

A motion to adjourn was made by Rick Cahill and seconded by Kathy Wisniewski.

The meeting was adjourned at 4:23.

RESOLUTION 01:10

ESTABLISHMENT OF NEW JERSEY WORLD TRADE CENTER SCHOLARSHIP PROGRAM AMOUNT

Moved by: Peter Traphagen
Seconded by: Rick Cahill

WHEREAS: The New Jersey World Trade Center Scholarship Fund was established by N.J.S.A. 18A:71B-23.1 et seq. as a non-lapsing fund to provide assistance to the surviving dependent children and spouses of victims of the September 11, 2001 terrorist attacks on the World Trade Center; and

WHEREAS: Pursuant to N.J.S.A. 18A:71B-23.5 the World Trade Center Scholarship Board of Trustees ("Board") is charged with establishing procedures for determining the amount of each scholarship award, based on the financial need of the applicants and the resources available to the applicant to meet his higher education costs; and

WHEREAS: The Board has reviewed the available resources as well as the number of projected World Trade Center Scholarship recipients; and

WHEREAS: The Board has determined that based on the available resources, and the projected number of World Trade Center Scholarship recipients, the amount of the annual World Trade Center Scholarship award shall not exceed \$5000 for the 2010-2011 Academic Year

NOW, THEREFORE, LET IT BE:

RESOLVED: That the Board approves and authorizes setting the annual World Trade Center Scholarship award at an amount not to exceed \$5000 for the 2010-2011 Academic Year.

July 22, 2010