



Strengthening New Jersey One Student at a Time:

HESAA's 2019 Annual Report

Expanding Access to Opportunity through Higher Education



HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY



Message from NJ Governor Philip D. Murphy

I am pleased to recognize the New Jersey Higher Education Student Assistance Authority (HESAA) for its pivotal role in providing financial aid resources and information to prepare the students and families of New Jersey for success in both their lives and careers. This work will help achieve the “65 by 25” goal set in our State Plan for Higher Education: 65 percent of working-age adults with a quality postsecondary credential by 2025.

Several of HESAA’s initiatives designed to meet the needs of students and make college more affordable are also included in our government-wide JobsNJ strategy to develop the talent that businesses need to grow and thrive in the Garden State. In 2019, HESAA’s programs to reduce students’ financial barriers to postsecondary education empowered more New Jerseyans than ever before to build these important skills and pursue career opportunities – boosting the talent-driven success of our state’s economy.

The Tuition Aid Grant (TAG) program is a vital part of New Jersey’s efforts to make a college education accessible and affordable. Last year, TAG ranked as the top need-based financial aid program in the nation in terms of dollars awarded per student enrolled. Nearly one-third of all full-time undergraduates in New Jersey received TAG awards, laying the foundation for our state’s complementary efforts to support student success, including the Educational Opportunity Fund.

I also salute HESAA for the successful launch of the Community College Opportunity Grant (CCOG) program, offering tuition-free scholarships that have already made community college more affordable for thousands of students. In partnership with Secretary of Higher Education, Dr. Zakiya Smith Ellis, and New Jersey’s 18 county colleges, HESAA successfully launched this brand-new financial aid program in 2019. We will continue this momentum and build on the initial success of CCOG to guarantee affordable, predictable college prices to even more New Jersey students.

In April 2019, I was proud to sign two laws to address student loan debt by making HESAA’s recent reforms to the NJCLASS loan program permanent. These new programs offer affordable repayment options to borrowers facing economic hardship, as well as manageable installment plans enabling those with defaulted loans to repair their credit scores. We also enacted a new law to improve the transparency of college tuition and fees, by providing students clear information on net costs and expected debt levels on a financial aid “shopping sheet.” Having this information available and accessible will help student borrowers make better informed decisions.

Through JobsNJ and the State Plan for Higher Education, we are putting the promise of postsecondary education in reach for all New Jersey residents, and delivering the highly skilled and educated workforce that our economy needs.

Sincerely,

A handwritten signature in black ink that reads "Philip D. Murphy". The signature is written in a cursive, flowing style.

Philip D. Murphy
Governor





Message from Executive Director David J. Socolow

It is my pleasure to present this 2019 Annual Report on the work of the New Jersey Higher Education Student Assistance Authority (HESAA).

Building on *Where Opportunity Meets Innovation: A Student-Centered Vision for New Jersey Higher Education*, Governor Murphy's student-centered State Plan for Higher Education announced last year, HESAA's initiatives helped more New Jersey students and families overcome financial obstacles to achieving a postsecondary degree by improving college access, equity, and affordability. As detailed in this report, we began innovative projects in collaboration with Secretary of Higher Education Dr. Zakiya Smith Ellis and in coordination with several other state agencies. And we strengthened our continuing partnerships with the dedicated financial aid teams at the colleges and universities in our state, as well as secondary schools counselors and community-based organizations.

Last year, we launched the Community College Opportunity Grant (CCOG) program to make community college tuition- and fee-free for students with family adjusted gross incomes from \$0 to \$65,000, through "last-dollar" scholarships that cover tuition and approved educational fees by filling any gaps remaining after students receive all other grants and scholarships. CCOG eliminates these students' need to borrow student loans, allowing them to attempt more credits per semester, reduce their time to degree completion, and boost their prospects for success.

HESAA also reformed the NJCLASS family loan program through lower interest rates, new low-cost refinance loan options, and discounts for automatic monthly payments. With the support of HESAA's Board, we also kicked off a project to design and develop a new back-end servicing technology system for NJCLASS loans. This new system is being customized to serve the needs of NJCLASS borrowers and HESAA's in-house loan servicing and finance teams; implementation is scheduled for mid-2020.

On December 31, 2019, HESAA ended its role as a guaranty agency for the Federal Family Education Loan Program (FFELP). As no new FFELP loan has been originated since 2010 when this federal loan program was discontinued, HESAA has guaranteed and serviced a dwindling portfolio of FFELP loans over the past decade. Our team worked tirelessly on the data migration and other tasks needed to transfer the FFELP portfolio to a successor guarantor. Thanks to this successful project, HESAA will free up resources to address our core operations: providing grants and scholarships, NJCLASS loans, college savings options, and financial aid counseling to New Jersey students and families.

Thanks to the team at HESAA and all our partners for making students the center of all we do.

Sincerely,

A handwritten signature in black ink that reads "David J. Socolow". The signature is fluid and cursive, with a long horizontal stroke at the end.

David J. Socolow
Executive Director



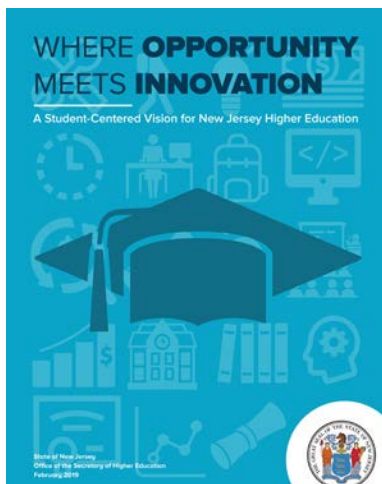
Table of Contents

Implementing the Student-Centered State Plan for Higher Education	6-7
Expanding Community College Opportunity Grants to Reach More Students	8-9
“Shopping Sheets” Clarify the Net Costs of College for Students and Families	10
Tuition Aid Grants: Continuing the State’s Commitment to Need-Based Financial Aid	11
Other Financial Aid Grants and Scholarships Administered by HESAA	12-13
NJCLASS Family Loan Program: Enhanced Options and Lower Interest Rates	14-15
New Consumer Protections for Student Loan Borrowers	16
NJBEST 529 College Savings Plan and NJBEST Scholarship Program	17
Loan Redemption Programs	18
Reaching Students and Families Across New Jersey with Valuable Information	19
HESAA Board Members	20
HESAA Executive and Senior Staff	21
New Jersey Advisory Committee on Student Aid	22
Student Advisory Committee	23
Ensuring Compliance through Institutional Management Reviews	24
Audited Financial Statements	25-26
Financial Aid Awarded in Academic Year 2018-19 by Program and Sector	27
Executive Order #37 Certification	28



Implementing the Student-Centered State Plan for Higher Education

In March 2019, Governor Phil Murphy and Secretary of Higher Education Zakiya Smith Ellis announced the release of “Where Opportunity Meets Innovation: A Student-Centered Vision for New Jersey Higher Education,” a new state plan to ensure higher education meets student needs and bolsters New Jersey’s innovation economy.



leader in the innovation economy and effectively prepare students for success after college.

Listening to the Voices of Students on the Garden State Graduation Tour

The state plan commits to a vision that every New Jerseyan, regardless of life circumstances, should have the opportunity to obtain a high-quality credential that prepares them for life after college. The plan outlines the strategies needed to reach the state’s overarching goal of achieving 65 percent postsecondary attainment among New Jersey working-age adults by 2025. These strategies for action are organized among five main objectives:

- Expose students to postsecondary pathways through enhanced partnerships and access to fee-free college-preparatory programs;
- Ensure college access and affordability by examining new partnerships between the state and institutions to meaningfully reduce higher education costs for students and their families;
- Build support systems necessary to make sure students thrive in college and get across the graduation stage;
- Ensure students feel safe, supported, and included in their chosen learning environments; and
- Cultivate research, innovation, and talent to deepen and recapture our place as a

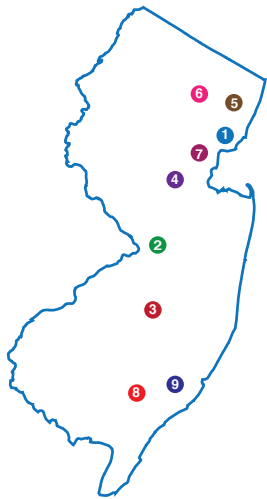
In the spring of 2019, we visited nine campuses across New Jersey to meet with students and hear their diverse, real-life stories of triumph as well as the challenges they face in pursuing higher education. At each stop along this Garden State Graduation Tour, Secretary of Higher Education Zakiya Smith Ellis and HESAA’s Executive Director David J. Socolow hosted a panel discussion to hear directly from dozens of students, who spoke candidly about their day-to-day realities of not only paying for tuition but also for the cost of books, childcare, transportation, and food.

Many students described how financial aid made a crucial difference in their ability to work toward their degree, including the positive impact of the State’s



Students at Hudson County Community College gather with the college President Christopher Reber (second from left) during the Garden State Graduation Tour. Students shared their personal stories about access and affordability of higher education in New Jersey.





1. Hudson County Community College
2. Mercer County Community College
3. Rowan College at Burlington County
4. Middlesex County College
5. Fairleigh Dickinson University
6. Montclair State University
7. Essex County College
8. Atlantic Cape Community College
9. Stockton University

Stops along the Garden State Graduation Tour, April-May 2019

grants, scholarships, and other supports, while others offered valuable insights on remaining unmet needs. Students’ voices remain at the center of the ongoing dialogue about implementing the State Plan and improving access and affordability of higher education in New Jersey.

State Plan Working Groups on College Affordability and Student Success

In the next phase of the state plan’s implementation, HESAA supported the Office of the Secretary of Higher Education (OSHE) in coordinating working groups tasked with addressing two of the five topics above: college affordability and student success. These working groups brought together students, college leaders, financial aid professionals, faculty, community-based organizations and others to develop practical recommendations as follows:

Making College Affordable:

- Identifying best practices and creating a guide for dealing with non-tuition costs faced by students, such as costs of books, food, housing, child care, and other material needs
- Developing options for affordable, predictable pricing guarantees to make the net costs of college more transparent for prospective and continuing students

- Proposing a outcomes-based model for state funding of higher education that prioritizes degree completion and equity in serving traditionally underserved populations

Student Success:

- Exploring and recommending alternatives to developmental education
- Identifying creative strategies that can accelerate students’ progress to a degree and reduce the impact of students’ financial challenges
- Exploring opportunities to expand and standardize college credit for prior learning models

Investigating evidence-based multi-intervention models to boost college completion and close equity gaps in student success

After meeting throughout the spring, summer, and fall, the working groups concluded their work at the end

“Every New Jerseyan, regardless of life circumstances, should have the opportunity to obtain a high-quality credential that prepares them for life after college.”

of 2019, and the deliverables are available [here](#). Higher education stakeholders made great progress over the past year in defining solutions to these challenges, and we will continue to follow this road map to expand access and ensure that all New Jersey students can afford to pursue and successfully complete high-quality postsecondary degree programs.



Expanding Community College Opportunity Grants to Reach More Students

To work toward Governor Murphy's promise of tuition-free community college, the Fiscal Year 2019 budget included start-up funds to pilot a new Community College Opportunity Grant (CCOG) program in the spring semester of 2019, and the program was expanded into the fall 2019 and spring 2020 semesters through additional funding in the Fiscal Year 2020 budget.



The initial trial of CCOG met significant financial needs for thousands of county college students. Many lower-income students who qualified for some federal or state grants struggled to afford the remaining tuition and fees that were not fully covered by other financial aid resources. Last spring, at all 18 of New Jersey's county colleges, HESAA awarded need-based, last-dollar Community College

Opportunity Grants to 5,445 students with family adjusted gross incomes from \$0 to \$45,000, which covered any remaining tuition and approved educational fees after all other grants and scholarships were applied to these students' accounts. The publicity around tuition-free college also encouraged other students to apply for federal and state financial aid grants, causing a ripple effect for many more who were found eligible for other grants that fully covered tuition and fees.

With the Governor's recommendation to expand CCOG, the Fiscal Year 2020 Appropriations Act provided additional funding for Academic Year 2019-2020 to increase eligibility to students from families with adjusted gross incomes from \$0 to \$65,000. In the fall 2019 semester, 7,610 county college students received CCOG awards. Once again, due to the heightened awareness of this support, thousands more students had their entire tuition and fees covered without needing CCOG.



In May 2019, Governor Phil Murphy and HESAA Executive Director David Socolow visited the campus of Rowan College at Burlington County (RCBC) in Mount Laurel, NJ to review the successful tuition-free Community College Opportunity Grant pilot, joined by Secretary of Higher Education Zakiya Smith Ellis, Burlington County Freeholder Director Tom Pullion, and RCBC student Erin Finter, whose college goals are more affordable thanks to CCOG.



CCOG assists the county college students facing the greatest economic challenges, from part-time students to full-time students, and both dependent and independent students. Working adult students make up more than 55% of the students receiving CCOG, helping those striving to earn a degree and improve their career while juggling full-time jobs, part-time college coursework, and family obligations. By enabling students to borrow less in student loans, the program encourages them to enroll in additional courses each semester, reduce the number of semesters required to complete their degree, and increase their chances of success.

OSHE and HESAA also raised awareness among high school counselors, college financial aid officers, community-based organizations, churches, youth groups, and families through a series of CCOG workshops and webinars, as well as digital marketing on the web. And thanks to outreach partnerships with other state agencies including New Jersey Transit and the Departments of Human Services and Labor and Workforce Development, many additional unemployed, underemployed, and struggling families heard about this opportunity.



Passaic County Community College students gathered with David Socolow on the Garden State Tour in Paterson, NJ, and explained how the financial support of the Community College Opportunity Grant allowed them to focus on their studies.

While better financial aid improves college access and opportunity, it is not all that is needed to foster academic success. To complement HESAA's CCOG awards to students, the Office of the Secretary of Higher Education (OSHE) provided grants to county colleges in 2018-19 and 2019-20 for outreach, recruitment, and student success initiatives such as mentorship programs; events to assist students and families with financial aid applications; and efforts to address students' material hardships, including lack of access to food, medical care, housing, child care, and transportation.



“Shopping Sheets” Clarify the Net Costs of College for Students and Families

To provide students and families with clear and comprehensible financial information about the net cost of college, New Jersey now requires each institution to provide students a “Financial Aid Shopping Sheet.” This measure was signed into law on July 30, 2019 by Acting Governor Sheila Oliver.

Students and their families can now compare college costs on an “apples-to-apples” basis. The Shopping Sheet template illustrates both the total cost of college and the net cost which families have to pay (or borrow in student loans) after all other financial aid has been applied, so students and their families can better understand the real price of attending college and can more easily compare financial aid package offers



HESAA’s Chief of Staff, Hanifa L. Barnes, joins Seton Hall University student Axel Esquivel and Axel’s family at the bill signing on July 30, 2019. As a HESAA Student Advisory Committee member, Axel had the honor of introducing Lt. Governor Oliver on his own campus.

State of New Jersey
Financial Aid Shopping Sheet for Academic Year 2020-2021

Total Cost of Attendance		Indirect Expenses		Expected Family Contribution (EFC)	
Direct Costs (what you will be billed)				\$ _____ /yr	
Tuition:	\$ _____	Books & Supplies:	\$ _____	Federal calculation of student and family financial resources used to define need for financial aid. www.studentaid.ed.gov/sa/fafsa/need-sheets/how-calculated	
Fees:	\$ _____	Transportation:	\$ _____	Additional information within this section can be found at: https://collegeconcordia.edu/gov	
Food & Housing: (if you live in campus housing)	\$ _____	Food & Housing: (if you live off campus)	\$ _____	Graduation Rate Percentage of full-time students who graduate within 150% of normal time to degree	
		Loan Fees:	\$ _____	National Average for a Student Seeking a Associate Degree - 31.6%	
		Dependent Care:	\$ _____	This Institution - _____%	
Total Direct Costs:	\$ _____	Total Indirect Expenses:	\$ _____	Repayment Rate Percentage of borrowers entering into repayment within 3 years of leaving school	
Total Cost of Attendance (Direct Costs and Indirect Expenses combined):	\$ _____			This Institution - _____%	

Grants and Scholarships to Pay for College	
Merit-Based Scholarships	
Scholarships from your school	\$ _____
Scholarships from your state	\$ _____
Other scholarships	\$ _____
Need-Based Grant Aid	
Federal Pell Grants	\$ _____
Grants from your school	\$ _____
State Grants	\$ _____
Other forms of grant aid	\$ _____
Employer Paid Tuition Benefits	\$ _____
Total Grants and Scholarships (aid that does not have to be paid back)	\$ _____ /yr

What Will You Pay for College	
Direct Net Cost (Direct costs minus total grants and scholarships)	\$ _____ /yr
Total Net Cost (Total Cost of Attendance minus total grants and scholarships)	\$ _____ /yr

Options to Pay Net Costs	
Work Options	
Work-Study (Federal, state, or institutional)	\$ _____ /yr
Work-Study - Estimated earnings from working	\$ _____ /yr
Federal Student Loan Options* (Must be repaid)	
Federal Direct Subsidized Loan (For current interest rates click here)	\$ _____ /yr
Federal Direct Unsubsidized Loan (For current interest rates click here)	\$ _____ /yr
* You must repay loans, plus interest and fees. Note that the amounts listed above are the maximum available to you - you are allowed and encouraged to borrow less than the maximum amount.	
Other Loan Options (Must be repaid)	
Parent PLUS Federal Loan** (For current interest rates click here)	\$ _____ /yr
Private Loan**	\$ _____ /yr
Institutional Loan (_____ % interest rate)	\$ _____ /yr
** These loans are loaned to parents or may require a credit worthy cosigner. In addition, such loans do not have the same borrower protections as Federal Direct Student loans, and include higher fees. You must repay loans, plus interest and fees. The amounts listed above are the maximum available to you - you are allowed and encouraged to borrow less than the maximum amount.	

Median Borrowing Students who borrow at this institution typically take out \$ _____ in Federal loans for their undergraduate study. The Federal loan payment over 10 years for this amount is approximately \$ _____ per month. Your borrowing may be different.
Student Loan Default Rate Percentage of borrowers entering repayment and defaulting on Federal loans. National Average - 10.8% This Institution - _____%
Repaying your loans To learn about loan repayment choices and work out your Federal loan monthly payment, go to: http://studentaid.gov/repay-loans/understand-plans
NJ Grants and Scholarships Visit www.nj.gov and log into your NJFAMS account or call our customer care line at 609-584-4480

For more information & next steps:

Contact: _____, NJ _____ Telephone: _____ Email: _____

Other Info/Deadline(s): _____

Higher education institutions in New Jersey are required to provide the information above, which you can use to compare colleges' net costs and financing options. For more information, please contact the Higher Education Student Assistance Authority at client_services@hesaa.org.

New Jersey’s templates for the Financial Aid Shopping Sheet are available in formats for higher education institutions granting both 2-year and 4-year degrees. These model forms can be found online: [click here](#).

from institutions across New Jersey. This format is designed to avoid the confusion that many students and families experienced when puzzling through different college financial aid packages – especially when these aid notifications lumped loans together with grants and scholarships, masking the true net cost.

As the Acting Governor stated on the day of the signing, this new comparison sheet will allow students and families to “know before they go.”



Tuition Aid Grants: Continuing the State’s Commitment to Need-Based Financial Aid



The Tuition Aid Grant (TAG) program is the centerpiece of New Jersey’s commitment to providing need-based financial aid to help low- and moderate-income students pay for college. The TAG program supports the college dreams of nearly one-third of all full-time undergraduate students enrolled in New Jersey institutions. The most recent survey from the National Association of State Student Grant and Aid Programs reported that New Jersey awarded more need-based grant dollars per enrolled undergraduate student than any other state in the country.

Another cohort of students received robust financial aid from TAG in Academic Year 2018-2019, when 70,872 students received a cumulative total of nearly \$441 million in TAG awards. These college students were spread across the state and enrolled in all sectors – public, private, two- and four-year degree-granting institutions. With TAG awards based on students’ financial need, the program enables state residents to choose to attend a wide variety of colleges and universities in New Jersey.

Maximum TAG Awards for Academic Year 2018–2019, by Sector Average	
County College	\$2,786
State College	\$7,380
Public Research Universities	\$11,428
Independent Colleges and Universities	\$12,938
Maximum Part-Time TAG Awards at County Colleges for Academic Year 2018–2019	
½ Time Semester Award (6-8 credits)	\$696
¾ Time Semester Award (9-11 credits)	\$1,044

To support college access and affordability by building on New Jersey’s significant commitment to need-based financial aid, a new State Commission will evaluate policy options for the future of the TAG program, pursuant to P.L. 2019, c. 298, which was enacted at the end of the 2018-19 legislative session. The TAG Study Commission is charged with conducting a 12-month investigation to identify any barriers, gaps, or deficiencies in the successful operation of TAG and developing recommendations for improvements to the program in a final report to the Governor and the Legislature. The 10 Commission members include representatives of New Jersey’s public research universities, State colleges and universities, county colleges, independent colleges and universities, and licensed degree-granting proprietary schools, as well as the executive director of HESAA and four public members appointed by the leaders of the Senate and Assembly.



Other Financial Aid Grants & Scholarships Administered by HESAA

While Tuition Aid Grants are the premier source of need-based financial aid in New Jersey, HESAA offers students in the Garden State several other opportunities to qualify for grants and scholarships.

NJ STARS and STARS II

The State of New Jersey has provided these merit-based scholarships to high-achieving high school students since 2004. The New Jersey Student Tuition Assistance Reward Scholarships (NJ STARS and NJ STARS II) support New Jersey high school graduates who rank in the top 15.0 percent of their class during junior or senior years of high school and choose to enroll in their home community college after high school graduation. HESAA provides qualifying students NJ STARS awards which fully cover tuition at their local county college. Students are eligible for NJ STARS II awards if they first receive NJ STARS scholarships and graduate from their county college or earn an associate's degree through an eligible dual enrollment program at their high school, and then transfer to a participating bachelor's degree-granting college or university in New Jersey. The STARS II scholarship is up to \$2,500 per academic year (\$1,250 per semester), for up to four semesters.

In early 2019, Governor Murphy signed an expansion of a law allowing NJ STARS recipients to attend college and receive aid through the NJ STARS program with less than full-time enrollment in cases of medical hardship. Learn more about this legislation [here](#):

In Academic Year 2018-19, a total of 2,388 New Jersey high school students earned affordable access to a postsecondary degree through the NJ STARS and NJ STARS II merit scholarships. For a breakdown of NJ STARS II by sector, see page 27.

Governor's Urban Scholarship

The merit-based Governor's Urban Scholarship (GUS) is awarded to students ranked within the top five (5) percent of their high school class who have a minimum grade point average of 3.0 at the end of their junior year. An additional eligibility requirement includes residency in one of 14 designated cities in New Jersey: Asbury Park, Camden, East Orange, Irvington, Jersey City, Lakewood, Millville, Newark, New Brunswick, Paterson, Plainfield, Roselle, Trenton, or Vineland. The award is renewable for up to four years of study at a TAG-participating institution in New Jersey, and provides students with a persistency bonus in their last semester upon degree completion.

In Academic Year 2018-19, 945 students received a total of \$472,073 in GUS awards and 61 received GUS persistency bonuses totaling \$30,500. For a breakdown by sector, see page 27.

Governor's Industry Vocations Scholarship (GIVS)

The Governor's Industry Vocations Scholarships are administered by HESAA and funded by the School Development Authority. This scholarship benefits women and minority students pursuing a postsecondary certificate or degree program in a construction-related field. The scholarship pays up to \$2,000 per year for the cost of enrollment in an eligible program at one of New Jersey's county colleges, county vocational/technical schools, or a TAG-eligible proprietary trade school. In Academic Year 2018-19, 159 students received \$239,706 in Governor's Industry Vocations Scholarships. To review the funding by sector, see page 27.



Law Enforcement Officers Memorial Scholarship (LEOM)

The LEOM scholarship is available to dependent children of New Jersey law enforcement officers killed in the line of duty. The award covers the cost of attendance, less other scholarships, grants, benefits, and other financial aid through HESAA. Awards are renewable for up to four years.

There were 8 recipients of the LEOM scholarship in the 2018-19 Academic Year, totaling \$194,234.

Survivor Tuition Benefits (STB)

The STB scholarship benefits eligible children and surviving spouses of New Jersey firefighters, emergency service workers, and law enforcement officers killed in the line of duty. The award provides students with free tuition at any public or private institution of higher education in New Jersey. The award amount cannot exceed the highest tuition charged at a New Jersey public institution. In the final legislative session of 2019, a law was passed that

eliminated the time limit on tuition benefits for spouses. Originally, the tuition benefit expired eight years after the spouse's death; under the new law, there is no deadline and these surviving spouses can pursue postsecondary education when it is right for them. To access the details of this law, click [here](#).

In Academic Year 2018-19, there were 4 STB recipients who received a total of \$18,983.

World Trade Center Scholarship

The WTC scholarship benefits the dependent children and surviving spouses of New Jersey residents who were victims of the terrorist attacks on September 11, 2001. The award amount is \$5,000 per year (\$2,500 per semester). Eligible students can apply for this funding to attend in-state and out-of-state institutions.

In Academic Year 2018-19, 85 students were awarded WTC scholarships for a total of \$382,500.



NJCLASS Family Loan Program: Enhanced Options and Lower Interest Rates

New Jersey students and families often seek supplemental loans to finance the costs of postsecondary education that are not covered by grants and scholarships and exceed the caps on federal direct loans. To meet these needs, HESAA is dedicated to strengthening the NJCLASS loan program so it can offer lower interest rates than most New Jersey’s families would be charged for private supplemental loans or federal Parent PLUS loans. Unlike the credit-scored tiers of interest rates on other supplemental loans from private lenders, NJCLASS loans do not charge higher interest rates to borrowers

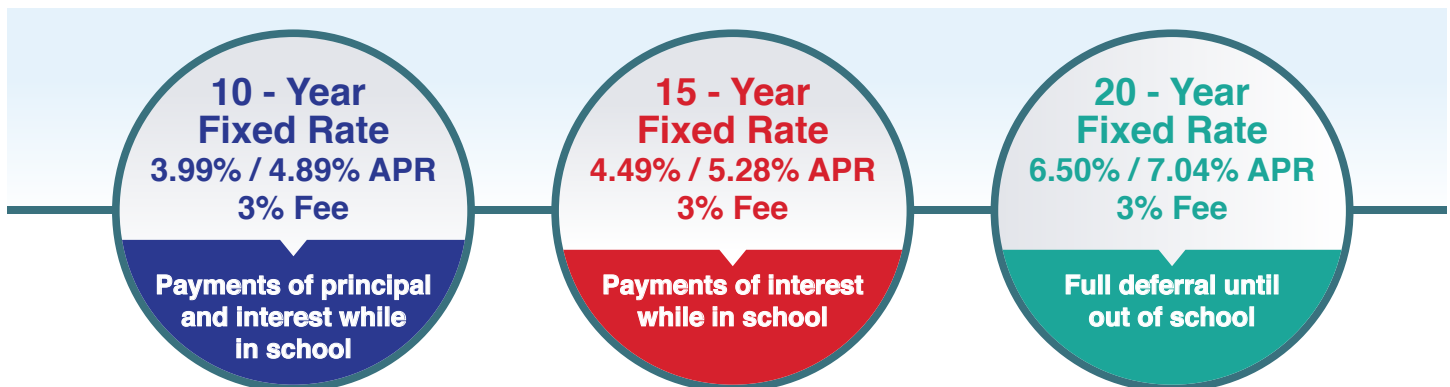
based on their income and credit score – a money-saving feature for the nearly 40 percent of NJCLASS borrowers with income between \$40,000 and \$80,000. NJCLASS loans are available to New Jersey residents for certified costs of attendance at any approved college or university. To encourage out-of-state students to seek their degree in New Jersey, these loans are also available to students who enroll in a participating New Jersey institution of higher education, no matter where the students and families reside.

Academic Year 2018-19 NJCLASS Loan Volume

County	State College/University	Proprietary	Independent
Students 142	Students 1,092	Students 85	Students 1,019
Amount \$956,981	Amount \$14,098,400	Amount \$839,554	Amount \$17,113,447
Rutgers/Montclair/NJIT/Rowan	Out-of-State	Other ¹	Total
Students 2,172	Students 4,117	Students 166	Total Students 8,794
Amount \$28,243,394	Amount \$85,895,981	Amount \$2,069,416	Total Amount \$149,217,173
Consolidation & Refi Loans	Total NJCLASS Loan Volume		
Total Students 647	Total Students 9,441		
Total Amount \$35,435,618	Total Amount \$185,652,791		

1. Other sector includes NJ trade and tech, cosmetology & beauty and career & technical institutes.

NJCLASS Family Loan Rates for Academic Year 2019-20



In 2019, HESAA offered low interest rates on Standard NJCLASS loans and NJCLASS Consolidation Loans. HESAA also added a new 15-year term option for Refinance loans, and made Refinance loans available for school-certified loans held by private lenders. In addition, new NJCLASS borrowers who enroll in automatic monthly payments now qualify for a discount of 0.25% subtracted from the interest rate on their loan.

For additional details and analysis of the NJCLASS family loan program, please see the NJCLASS annual report: <https://www.hesaa.org/Documents/Financial/AnnualReports/NJCLASSAnnualReport1August2019.pdf>

As a financial literacy tool for families considering student loans, HESAA also distributes a Student Loan Guide which can be found online in both English and Spanish.

For English, visit https://www.hesaa.org/Documents/Student_Loan_Guide.pdf and for Spanish, visit https://www.hesaa.org/Documents/Publications/Student_Loan_Guide_spanish_web.pdf



Sample Refinancing Options:

\$10,000 Loan Amount

10-Year	Credit Score 670 - 719	Credit Score 720 - 779	Credit Score 780+
	6.70% Fixed	5.50% Fixed	4.70% Fixed
APR	6.70%	5.50%	4.70%
Monthly Payment	\$115.93	\$109.91	\$106.00
Total of Payments	\$13,735.48	\$13,011.08	\$12,540.62

15-Year	Credit Score 670 - 719	Credit Score 720 - 779	Credit Score 780+
	7.20% Fixed	5.79% Fixed	4.99% Fixed
APR	7.20%	5.79%	4.99%
Monthly Payment	\$91.57	\$83.84	\$79.62
Total of Payments	\$16,384.29	\$14,983.57	\$14,214.19

\$15,000 Loan Amount

10-Year	Credit Score 670 - 719	Credit Score 720 - 779	Credit Score 780+
	6.70% Fixed	5.50% Fixed	4.70% Fixed
APR	6.70%	5.50%	4.70%
Monthly Payment	\$173.90	\$164.86	\$158.99
Total of Payments	\$20,597.61	\$19,514.48	\$18,809.01

15-Year	Credit Score 670 - 719	Credit Score 720 - 779	Credit Score 780+
	7.20% Fixed	5.79% Fixed	4.99% Fixed
APR	7.20%	5.79%	4.99%
Monthly Payment	\$137.36	\$125.77	\$119.44
Total of Payments	\$24,580.45	\$22,470.07	\$21,321.09

\$45,000 Loan Amount

10-Year	Credit Score 670 - 719	Credit Score 720 - 779	Credit Score 780+
	6.70% Fixed	5.50% Fixed	4.70% Fixed
APR	6.70%	5.50%	4.70%
Monthly Payment	\$521.70	\$494.58	\$476.98
Total of Payments	\$61,804.38	\$58,540.45	\$56,425.84

15-Year	Credit Score 670 - 719	Credit Score 720 - 779	Credit Score 780+
	7.20% Fixed	5.79% Fixed	4.99% Fixed
APR	7.20%	5.79%	4.99%
Monthly Payment	\$412.08	\$377.30	\$358.31
Total of Payments	\$73,746.70	\$67,416.80	\$63,975.05



New Consumer Protections for Student Loan Borrowers

In July 2019, the state enacted a new law to establish strong new protections for student loan borrowers by regulating the companies that service student loans. The new law requires student loan servicing companies to be licensed by the New Jersey Department of Banking and Insurance (DOBI), which will monitor servicers to ensure New Jersey borrowers are treated fairly.

By increasing scrutiny of student loan servicing companies, New Jersey aims to deter them from engaging in harmful practices such as providing flawed information to student borrowers, applying payments in ways that cause unnecessary late fees and harm borrowers' credit scores, or failing to place them in repayment plans that are best designed to assist in paying off their loans. The law also creates a New Jersey Student Loan Ombudsman within DOBI, who will help borrowers with complaints or unanswered questions about student loans and monitor and review complaints about student loan servicers operating in our state.



(From left): David Socolow, Executive Director, NJ HESAA; Paul Rodríguez, Acting Director, NJ Division of Consumer Affairs; Beverly Brown Ruggia, Financial Justice Organizer, NJ Citizen Action; Seth Frotman, Executive Director, Student Borrower Protection Center; and Chuck Bell, Programs Director, Consumer Reports.



Lt. Governor Sheila Oliver signs new student loan borrower protections into law, joined by the bill's sponsors and honored guests (from left): Seton Hall University President Joseph Nyre; Assemblyman Gary Schaer; David Socolow; Deputy Secretary of Higher Education Diana Gonzalez; Senator Sandra Bolden Cunningham; NJ Citizen Action's Beverly Brown Ruggia; Assemblywoman Mila Jasey; Seth Frotman; Seton Hall student Alex Esquivel; and Banking and Insurance Commissioner Marlene Caride.



NJBEST 529 College Savings Plan & NJBEST Scholarship Program

To support families who are saving for future college expenses, HESAA operates NJBEST, the state’s 529 college savings plan that provides a tax-advantaged college savings option. Long-term consistent savings enable families to reduce the amount of debt they take on when their student goes on to enroll in college.

NJBEST has helped fund higher education for thousands of students. In 2019, 245,162 students were benefiting from their savings in NJ 529 funds, with a total of \$5.7 billion in assets.

Year ¹	Dollars Invested	Student Beneficiaries
2019	\$5.7 Billion	245,162
2018 ²	\$5.5 Billion	248,250
2017	\$5.2 Billion	249,270
1 Fiscal Year ends June 30th		
2 Fiscal Year 2018 student beneficiaries has been updated		

To further encourage saving, HESAA offers the NJBEST scholarship. When account holders use the assets saved through NJBEST to pay for qualified expenses at any accredited postsecondary school in New Jersey, the student beneficiary of the NJBEST account can receive a tax-free scholarship.

The minimum scholarship amount is \$500, which requires a contribution of at least \$1,200 and the account to have been open for at least four years. The amount of the scholarship increases by \$250 for every two additional years the account was open and for every \$600 in additional savings contributions, up to a maximum scholarship amount of \$1,500, depending on the number of years and level of contributions.

To receive a scholarship:

- Student must be the beneficiary of an NJBEST 529 College Savings Plan opened for at least four years.
- Total contributions to the NJBEST 529 plan must be at least \$1,200.
- The contributor must have made a withdrawal for qualified education expenses from the NJBEST account for which the student is the beneficiary.
- Either the student or contributor must be a New Jersey resident at the time of college attendance.
- The student must be enrolled at least half-time in an eligible New Jersey higher education institution.
- The scholarship may be awarded only once to an eligible beneficiary for attendance at any eligible New Jersey institution of postsecondary education.

In academic year 2018-19, HESAA awarded NJBEST Scholarships to 560 students, for a combined award amount of \$715,000.



Loan Redemption Programs

Primary Care Practitioner Loan Redemption Program

The Primary Care Practitioner Loan Redemption Program promotes equity in access to primary care services by supporting primary care health providers who choose to practice in medically underserved areas of New Jersey, including physicians, dentists, physician assistants, certified nurse practitioners and certified nurse midwives. This program provides for the redemption of eligible primary care practitioners' student loan expenses in exchange for specified periods of service in medically underserved areas. The program provides up to \$120,000 in student loan redemption for two to four years of service as a primary care practitioner in areas ranked by the New Jersey Department of Health as experiencing a health professional shortage. State funding for this program is used to match a federal grant from the National Health Service Corps. In academic year 2018-19, 57 primary care practitioners received loan redemption through the program.

Nursing Faculty Loan Redemption Program

The Nursing Faculty Loan Redemption Program addresses the current and projected critical shortage of nurse faculty in the State of New Jersey. The program offers up to \$50,000 of student loan redemption in exchange for full-time faculty employment at a school of nursing in the State of New Jersey for a five-year period following completion of the approved graduate degree program. In academic year 2018-19, 4 Nursing Faculty participants received loan redemption through the program.

John R. Justice Loan Redemption Program

The John R. Justice Student Loan Repayment Program provides loan repayment assistance for state

and federal public defenders and state prosecutors who agree to remain employed as public defenders or prosecutors for at least three years. This program is funded solely through a federal grant from the U.S. Department of Justice, and is offered contingent upon receiving those funds. In academic year 2018-19 this federal grant supported 18 loan redemptions of \$2,409 per participating attorney, 9 public defenders and 9 prosecutors.

STEM Loan Redemption Program

The STEM loan redemption program was enacted in 2018 to provide an incentive for professionals to build and maintain their careers in certain high-growth occupations in science, technology, engineering, and mathematics (STEM) fields in New Jersey. The program offers student loan redemption in exchange for an employee's commitment to full-time employment in a designated high-growth STEM occupation at an employer in New Jersey for at least four years and up to eight years. After an employer certifies that an employee has worked for at least four years in a designated high-growth STEM occupation in New Jersey, up to \$2,000 in eligible student loan expenses will be redeemed each year for up to four years, up to a maximum of \$8,000 (half from state funds, matched by a contribution from the participant's current employer). Potential participants will be eligible to apply beginning in December 2022.



Reaching Students and Families Across New Jersey with Valuable Information

Throughout 2019, HESAA reached more than 61,000 individuals through informational events for students, families, school counselors, and community groups in every county of New Jersey.

More than 1,000 secondary school counselors participated in one of 15 Financial Aid Training Institutes conducted by HESAA staff at different locations statewide. These counselors appreciate this professional development opportunity, which allows them to bring back lessons from the workshops to the high school students and families they advise.

HESAA delivered financial aid presentations at 466 high schools and presented information at several dozen additional venues, including libraries, community support centers, constituent services conferences sponsored by legislators, adult learning centers, Upward Bound and GEAR UP events, and college/ career fairs. HESAA employees also delivered REAL Money 101, HESAA's financial literacy presentations, at libraries, YMCAs, and neighborhood centers last year, covering topics such as banking, savings, budgeting, investments, and financing college.

New Jersey continues to be one of the top states in the nation in supporting completion of the Free Application for Federal Student Aid (FAFSA). This is the essential first step that students must take to qualify for financial aid from the federal and state government as well as their college or university and other sources. To further boost FAFSA completion or completion of the New Jersey Alternative Financial Aid Application, in the fall of 2019 HESAA kicked off a concentrated outreach effort in locations including Newark, Trenton, Camden, Jersey City, and Elizabeth, all of which are all on pace for record-breaking FAFSA completion percentages for the high school graduating class of 2020.

Through a series of in-person HESAA University training sessions, webinars, and workshops, last year HESAA continued to train the financial aid staff of New Jersey's colleges and universities on technical updates and provide skill-building opportunities for professional development. Recognizing that student aid alone is not always sufficient to support students' persistence in college, in 2019, HESAA began empowering financial aid staff to think holistically about students' financial needs and how public benefits can fill in the gaps by addressing the indirect costs of attending college, beyond the direct costs of tuition and fees. To equip financial aid staff to connect eligible students with public programs that offer food, health care, cash assistance, child care, housing, and other services and supports, HESAA built new partnerships with experts from the New Jersey Department of Human Services (DHS) and the Department of Community Affairs (DCA). Our DHS and DCA colleagues raised awareness of the State's new policies to increase needy college students' access to food assistance through the SNAP program, help low-income parents pay for child care, improve monthly cash assistance payments, and offer housing vouchers and rental assistance.



HESAA Board Members



Message from HESAA Board Chair Christy Van Horn

In 2019, HESAA advanced important priorities to provide students the financial resources they need to succeed in college and beyond. Just to name a few,

last year HESAA strengthened and expanded the State's financial aid grants and scholarships, reformed the NJCLASS family loan program, and implemented New Jersey's new tuition-free community college program.

On behalf of the HESAA Board, I would like to express our thanks to Governor Murphy for the student-centric vision he laid out in the State Plan for Higher Education, and for making college affordability a central part of that vision.

To each of my fellow Board members, thank you. I sincerely appreciate your work as individuals, as committee members, and as a collective Board. Your careful consideration and guidance of our state's financial aid system makes a difference for the students and families of New Jersey.

It is also my great pleasure to welcome Bea Daggett, the newest member of the Board, and thank her for the thoughtful approach she brings to our work.

Finally, a thank you to Executive Director David Socolow and all of HESAA's staff. I look forward to working with all of you to continue improving New Jersey's financial aid programs.

Sincerely,
Christy Van Horn

Executive Committee

Chairperson
Christy Van Horn
Public Member

Vice Chairperson
Maria Ivette Torres
Public Member

Secretary-Treasurer
David J. Socolow
Executive Director, HESAA
Ex-Officio

Elizabeth Maher Muoio
State Treasurer
Ex-Officio
Treasurer's Designee
Robert Shaughnessy

Dr. Jon Larson
Representative
Community Colleges

Members

Beatrice Daggett*
Public Member

Dr. Zakiya Smith Ellis
Secretary of Higher Education
Ex-Officio

Bader Qarmout
Representative
Educational Opportunity Fund
Ex-Officio

Jean McDonald Rash
Representative
Rutgers University

Stephanie Berdugo-Hernandez
Chair, Student Advisory Committee
Ex-Officio

Madeline Perard
Vice Chair, Student Advisory
Committee
Ex-Officio

**Beatrice Daggett's appointment as a new member of the Board was confirmed by the New Jersey Senate at the end of the 2018-2019 legislative session, and she was sworn in at the January 2020 meeting.*



HESAA Executive and Senior Staff

David J. Socolow
Executive Director

Jerry Traino
Chief Financial Officer

Hanifa L. Barnes, Esq.
Chief of Staff

David Gillespie
Director of Student Loans

Kathryn Safran
Director of Grants and Scholarships

André Maglione
Acting Director of Client Services

Gregory Foster, Esq.
Chief Compliance Officer
and Ombudsman

Marnie Grodman, Esq.
Director of Legal and
Government Affairs

Ruth Odom
Chief Information Officer

Arthur Quaranta, CPA
Controller

Lorraine Palmer
Associate Director of Student Loan
Programs

Richard Bates
Associate Director of Servicing
& Collections

Patricia Maske
Director of Human Resources

Jill Schmid
Director, Audits and
Quality Assurance

Jennifer Azzarano
Director of Communications



New Jersey Advisory Committee on Student Aid for Academic Year 2019-2020

NJACSA committee representatives provide valuable recommendations and guidance to HESAA on the operations and policies of all grant, scholarship, and loan programs currently administered by the Authority.

State College and Universities Representative

Wil Casaine

Executive Director of Financial Aid
Division of Enrollment Management
The College of New Jersey

County College Representative

Karyn Arnold

Associate Director of Financial Aid
Brookdale Community College

Rutgers (The State University of NJ) Representative

Ann Marie Bouse

Manager of Compliance & Quality Assurance
Rutgers University

Secretary of Higher Education Representative

Hasani Carter

Statewide EOF Executive Director

NJASFAA Representative

Rabbi Gedalya Green

Associate Director of Financial Aid
Beth Medrash Govoha of America

Independent Colleges and Universities Representative

Susan Gross

Director of Financial Aid
Stevens Institute of Technology

NJ Bursar's Association Representative

Orley Guzi

Director of Student Accounting
Kean University

Educational Opportunity Fund Representative

Ruben Melendez

EOF Director
Union County College

Representative of State Research Universities

Ivon Nunez

Director of Student Financial Aid Services
New Jersey Institute of Technology



Student Advisory Committee for Academic Year 2019-2020



Chair
Stephanie Berdugo-Hernandez
Rowan College at Burlington
County



Vice-Chair
Madeline Perard
Rutgers, The State University
of New Jersey – Newark

Manuela Paula Alonso
Montclair State University

Tariq Baxley
Rutgers, The State University of New Jersey

Arisleidy Reyes Castillo
New Jersey Institute of Technology

Nelson Ejezie
Essex County College

Axel Esquivel
Seton Hall University

Kaitlin McGee
Rutgers, The State University of New Jersey

Brian Ross
Atlantic Cape Community College

Katherine Stiefel
Princeton University

Michael J. Webster, Jr.
Rowan University

Mariella Zijdel
Ramapo College of New Jersey



Ensuring Compliance through Institutional Management Reviews

To fulfill HESAA's role as a responsible steward of the taxpayers' money and promote compliance with state law, each year HESAA conducts institutional management reviews to verify that New Jersey's higher education institutions properly follow all applicable federal and state statutes, regulations, policies, and procedures governing the awards and record-keeping for state-funded grant and scholarship programs.

The management reviews are also designed to provide institutions with recommendations on how to improve the operations of all business offices assisting in the administration of their students' financial aid, such as the Financial Aid, Admissions, Registrar, Bursar, and Accounting offices.

HESAA conducts two principal categories of institutional reviews: Limited and Full-Scale. Limited reviews focus on areas with the greatest potential for error such as reconciliations, certification of student eligibility, dependency override, and professional judgment cases. Full-scale reviews have more in-depth testing and consist of the limited review components as well as adding a review of verification and professional judgment cases. Multiple variables are evaluated to determine if an institutional review is going to be limited or full-scale. These variables include, but are not limited to, the total dollar amount of awards received, length of time since the last review, recent news or changes at the institution, unexpected trends observed, and findings reported in single audit reports.

During the 2018-2019 fiscal year, HESAA's program review team performed three full-scale reviews and five limited reviews. Additionally, ad-hoc reviews were conducted to follow up on the single audit findings of four institutions.



Audited Financial Statements

State of New Jersey
Higher Education Student Assistance Authority
Combined Statements of Net Assets

	As of June 30,	
	2019	2018
Assets		
Cash and Cash Equivalents		
NJBEST	\$ 1,902,302	\$ 3,215,087
NJCLASS/FFELP	497,963,133	542,915,289
Other	27,349,797	13,732,046
Investments		
NJBEST	5,729,851,498	5,498,510,257
NJCLASS/FFELP	16,052,570	15,052
Other	63,095,867	62,057,086
Receivables		
Federal government	1,960,133	3,280,730
Loans	1,585,467,016	1,685,994,513
Other	60,866,568	61,615,470
Fixed Assets, Net	3,912,530	3,159,585
Total Assets	\$ 7,988,421,414	\$ 7,874,495,115
Deferred Outflow - Interest Rate Swaps	-	-
Liabilities and Fund Balances		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 53,016,131	\$ 51,417,449
Due to Federal Government	3,700,239	7,289,276
Revenue Bonds Payable	1,798,030,000	1,964,045,000
Total Liabilities	1,854,746,371	2,022,751,724
Financial Instrument Liability - Interest Rate Swaps	-	-
Fund Balances		
Reserved for Loan Servicing	313,172,116	280,518,907
Restricted	5,820,502,927	5,571,224,484
Total Fund Balances	6,133,675,043	5,851,743,390
Total Liabilities and Fund Balances	\$ 7,988,421,414	\$ 7,874,495,115



Audited Financial Statements

**State of New Jersey
Higher Education Student Assistance Authority
Combined Statements of Revenues, Expenditures and Changes in Net Assets**

	For the Years ended June 30,	
	2019	2018
Revenues		
State Grant & Scholarship Appropriations	\$ 478,806,490	\$ 441,805,299
Federal and Other Grants	32,310,544	38,658,251
Fees	17,699,323	22,553,168
Investment Earnings		
NJBEST	134,505,272	112,131,964
NJCLASS	122,339,914	123,915,803
Other	1,494,088	694,789
NJBEST Subscriptions	3,608,617,797	1,486,530,302
Net Realized and Unrealized Gain/(Loss) on NJBEST Investments	207,019,237	209,895,362
Other	1,484	2,282
Total Revenues	4,602,794,148	2,436,187,219
Expenditures		
Direct Grant Aid to Students	462,799,230	444,807,282
NJBEST Redemptions	3,692,149,133	1,502,079,560
Program Expenses	72,695,572	85,112,912
Administrative Expenses	21,336,455	18,919,333
Debt Service Interest	71,882,105	83,066,308
Total Expenditures	4,320,862,495	2,133,985,394
Operating (Deficit) Surplus	281,931,653	302,201,825
Less:		
Year-end Lapsed Funds	-	(910,591)
Net Assets - Beginning of Year	5,851,743,390	5,550,452,156
Net Assets - End of Year	\$ 6,133,675,043	\$ 5,851,743,390



Financial Aid Academic Year 2018-19 Awarded by Program and Sector

County								
Program	TAG	Part-Time TAG for County Colleges	Community College Opportunity Grant (CCOG)	NJ STARS	Governor's Urban Scholarship	NJBEST Scholarship	Total	
Students	12,565	5,068	5,445	1,596	20	102	24,796	
Amount	\$29,683,648	\$7,421,542	\$6,038,231	\$4,744,860	\$16,500	\$130,500	\$48,035,281	
Rutgers/Montclair/NJIT/Rowan								
Program	TAG			NJ STARS II	Governor's Urban Scholarship	NJBEST Scholarship	Total	
Students	29,394			437	290	240	30,361	
Amount	\$194,450,183			\$961,839	\$263,073	\$313,000	\$195,988,095	
State College/University								
Program	TAG			NJ STARS II	Governor's Urban Scholarship	NJBEST Scholarship	Total	
Students	13,477			255	96	99	13,927	
Amount	\$76,790,026			\$536,358	\$93,500	\$134,500	\$77,554,384	
Independent								
Program	TAG			NJ STARS II	Governor's Urban Scholarship	NJBEST Scholarship	Total	
Students	12,305			100	95	90	12,590	
Amount	\$121,820,007			\$233,750	\$92,500	\$112,500	\$122,258,757	
Proprietary								
Program	TAG			NJ STARS II	Governor's Urban Scholarship	NJBEST Scholarship	Total	
Students	1,851			0	7	1	1,859	
Amount	\$17,765,510			0	\$6,500	\$1,500	\$17,773,510	
Total Awards	70,872	5,068	5,445	2,388	508	532	Grand Total Awards	83,533
Total Amount	\$440,509,374	\$7,421,542	\$6,038,231	\$6,476,807	\$472,073	\$692,000	Grand Total Amount	\$461,610,027



Executive Order #37 Certification

We jointly certify that in compliance with Paragraph 2 of Executive Order #37 (Corzine), HESAA has, to the best of our knowledge, followed all of the Authority's standards, procedures, and internal controls. We further jointly certify that HESAA fully participated in the prescribed Internal Control Assessment as directed by the Office of Management and Budget and no significant internal control weaknesses were revealed.

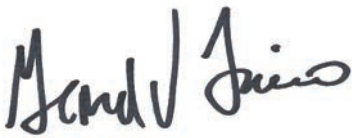
We hereby certify that the foregoing statements are true to the best of our knowledge. We understand that if any of the foregoing statements are willfully false, we are subject to punishment.

By:



David J. Socolow
Executive Director

By:



Gerald V. Traino
Chief Financial Officer





www.hesaa.org