Mission

HESAA is the only state agency with the sole mission of providing students and families with the information and resources necessary to attain an education beyond high school. HESAA serves a dual role as both a federal guaranty agency and a State higher education authority. This dual role allows HESAA to provide comprehensive one-stop shopping for all state and federal financial aid programs.
# Table of Contents

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- Promoting the State’s Economic and Growth Strategies
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Message from the Board Chairman
Anthony J. Falcone, CPA

Since January of 2012 it has been my privilege to serve as a Board member - and now as Board Chairman - of the Higher Education Student Assistance Authority (HESAA). Each year, HESAA is the gateway for thousands of students who wish to pursue their education beyond the high school level. Our grant, scholarship and loan programs make higher education accessible and affordable for so many students and families across the Garden State.

While students and families are the Authority’s first priority, HESAA also recognizes the importance of engaging both the college and university financial aid officers and the high school counselors. HESAA’s Audit and Quality Assurance Unit provides best practice guidance and ensures that the institutions’ financial aid offices are disbursing funds in accordance with all State statutes and regulations. HESAA’s Client Services Unit provides annual training to school counselors so they are equipped to point students in the right direction before they embark on their college careers.

As a practicing Certified Public Accountant for the last 25 years, I am not only impressed with HESAA’s mission but how HESAA fulfills its mission. As a steward of both state and federal monies, HESAA holds itself to the highest fiduciary standards. Various independent reviews by oversight entities, including the U.S. Department of Education and the Authority’s external independent auditor firm, have all affirmed HESAA’s strict compliance and competent management.

Higher education has never been more important to individual success and self reliance. The programs and work chronicled in this report demonstrate the substantial contribution HESAA makes to higher education in our State. Along with my colleagues on the HESAA Board, I am honored to present this report to the citizens of New Jersey.

Sincerely,

Anthony J. Falcone, CPA
As the cover of this report proudly announces, the Tuition Aid Grant Program (TAG) celebrated its 35th anniversary in 2013. Since 1978, TAG has helped over two million students attend college in New Jersey with the assistance of over four billion dollars in grants. As a former TAG recipient and the first person in my family to go to college, I can personally attest to the importance of TAG. But TAG has done more than simply help individual students. It has established the notion throughout this state that you need not be born to educated or affluent parents in order to obtain a higher education. That is a tremendous legacy.

While 2013 was a momentous year for TAG, other HESAA programs also flourished. NJCLASS interest rates were lowered for the second consecutive year. For example, our 10-year loan was reduced from 6.15% to 5.49%, while our 15-year loan was reduced from 7.05% to 6.65%. In addition, NJCLASS defaults plummeted in 2013. The volume of loan defaults for calendar year 2013 decreased by 40.2% from $56.6 million to $33.8 million.

Last year was also a significant year for families engaged in the important goal of saving for the costs of college. As of the end of October 2013, NJ BEST college savings under management exceeded the $4 billion mark for the first time. To put this in perspective, ten years ago assets under management only totaled $148 million. While the cash value of accounts has grown, equally important, the number of accounts has also grown. Ten years ago, there were 27,447 accounts open. Today, more than 158,000 accounts have been established for New Jersey beneficiaries. Our savings plans’ success has garnered the attention of industry observers. For example, SavingforCollege.com ranked the New Jersey plans among the top three in the nation for one-year performance as of September 30, 2013.

Last but certainly not least, website applications such as MappingXpress, the Net Price Calculator interface and Check the Status of My NJ Grants have made it easier for students to determine and receive the aid they need.

With 2013 as a backdrop, the entire HESAA team and I are eager to continue moving the Authority forward.

Sincerely,

Gabrielle Charette, Esq.
Executive Director

HESAA 2013 Annual Report  5
Board Members
As of December 31, 2013

Executive Committee

Chairperson
Anthony J. Falcone
Public Member

Vice Chairperson
Christy Van Horn
Public Member

Secretary-Treasurer
Gabrielle Charette, Esq.
Executive Director
Ex-Officio

Andrew P. Sidamon-Eristoff
State Treasurer
Ex-Officio
Treasurer’s Designee
Christopher McDonough

James P. Allen, C.F.E.
Public Member

Dr. Jon Larson
Representative
County Colleges

Members

Michael L. Braden, S.J.
Representative
Independent Institutions of Higher Education

George Garcia, Esq.
Public Member

Rochelle Hendricks
Secretary of Higher Education
Secretary’s Designee
Audrey Bennerson

Dr. Harvey Kesselman
Representative
State Colleges

Julio Marenco
Representative
Educational Opportunity Fund
Ex-Officio

Sumana Prasai*
Vice Chair
Student Advisory Committee
Ex-Officio

Jean McDonald Rash
Representative
Rutgers University

David Reeth
Chair
Student Advisory Committee
Ex-Officio

Maria Torres
Public Member

*Member as of July 24, 2013

Vice Chairwoman Christy Van Horn presents a resolution to the HESAA Board
Student Advisory Committee
Academic Year 2012-2013

Committee Chairs

Chair
Michele Petrucelli
Essex County College

Vice Chair
David Reeth
Caldwell College

Members

Nicole Boary
Essex County College

Francis Yangello
Salem County College

Kyle Magliaro
The College of New Jersey

Ozioma Onyegbule
Montclair State University

Devin Dimmig
The College of New Jersey

Joe Forte
Rider University

Ciara Moore
Berkeley College

Ludine Daux
Rutgers University

Kara McCloskey
Rutgers University
New Jersey Advisory Committee on Student Aid
2012-2013

Members

**County College Sector**
Karyn Arnold
Associate Director of Financial Aid
Brookdale Community College

**EOF**
Azizah Hamiduddin
Director, Graduate EOF
Rutgers University

**Graduate Representative**
Cheryl White
Director of Financial Aid
UMDNJ

**Independent Sector**
Shawn O’Neill
Director of Financial Aid
Stevens Institute of Technology

**NJASFAA Representative**
Mark Singer
Director of Financial Aid
Ramapo College of New Jersey

**N.J. Bursars Association Representative**
Philip Sanders
Bursar
Thomas Edison State College

**NJIT**
Ivon Nunez
Director of Student Financial Aid Services
NJIT

**Non-Traditional Sector**
Al Cama
Director of Student Finance
DeVry University

**Rutgers Representative**
Eo Hunt
Deputy Director of Financial Aid
Rutgers University

**State College Sector**
Jim Anderson
Director of Financial Aid
Montclair State University

“NJACSA gives me the opportunity to meet with peers, who represent each sector across the state. The meetings allow us to join with HESAA staff for productive and beneficial dialogue. As a result, we are able to improve the lives of students.”

Eo Hunt, Deputy Director of Financial Aid, Rutgers, the State University of New Jersey
Grants and Scholarships

Tuition Aid Grant

An important milestone in State financial aid occurred in 2013. The Tuition Aid Grant (TAG) program celebrated its 35th anniversary. On January 26, 1978, then Governor Brendan Byrne signed into law the TAG program as we know it today. Originally TAG awards had only been granted to students attending an independent institution of higher education. In 1978, the program was opened to students attending community colleges and state colleges and universities as well as non-public institutions. Since 1978, over two million New Jersey students have received a TAG award and over $4 billion in TAG funds have been disbursed. The National Association of State Student Grant and Aid Programs (NASSGAP) has consistently ranked New Jersey’s premier need-based aid program as one of the most generous in the nation.

<table>
<thead>
<tr>
<th>Maximum TAG awards for AY 12-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>County College</td>
</tr>
<tr>
<td>State College</td>
</tr>
<tr>
<td>Public Research</td>
</tr>
<tr>
<td>Non-Public</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>County College</td>
</tr>
<tr>
<td>State College</td>
</tr>
<tr>
<td>Public Research</td>
</tr>
<tr>
<td>Non-Public</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Maximum Part-Time TAG for County Colleges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Half-Time</td>
</tr>
<tr>
<td>Three-Quarter Time</td>
</tr>
</tbody>
</table>

| Half-Time   | $633 |
| Three-Quarter Time | $950 |
Below is the Western Union Mailgram then Governor Brendan Byrne sent to guests to attend the signing ceremony for what is now the Tuition Aid Grant program.

MAILGRAM SERVICE CENTER
MIDDLETOWN, VA. 22645

4=073703E024 01/24/78 ICE IPMM2Z CIP NWSK
609232900 MGM TDMP TRENTON NJ CTB NJ 100 01-24 1239P EST

> BROOKDALE COMMUNITY COLLEGE
BRET LIEF
765 NEAMANS SPRINGS RD
LINCOLFT NJ 07738

DUPLICATE OF TELEPHONED TELEGRAM

ON THURSDAY, JANUARY 26, 1978, I WILL SIGN ASSEMBLY BILLS 3410 AND 3412
CHANGING ELIGIBILITY REQUIREMENTS AND LIMITS APPLIED BY THE STUDENT
ASSISTANT BOARD FOR SCHOLARSHIPS UNDER THE "GARDEN STATE SCHOLARSHIP
ACT." PLEASE JOIN ME AT MY OFFICE IN TRENTON AT NOON FOR THE CEREMONY.

GOVERNOR BRENDAN BYRNE
21:24 EST
MGMCOMP MGM
Governor’s Urban Scholarship

Created in 2012, this is a merit-based award of up to $1,000 annually for students ranked within the top five percent of their high school class and who have a minimum GPA of 3.0 at the end of their junior year. The award is renewable for up to four years and provides students with a persistency bonus in their last semester before degree completion. To be eligible for this award, students must reside, but not necessarily attend high school, in one of the following communities:

- Asbury Park
- City of Camden
- East Orange
- Irvington
- Jersey City
- Lakewood
- Millville
- Newark
- New Brunswick
- Paterson
- Plainfield
- Roselle
- City of Trenton
- Vineland City

Customer Care Line Manager Heather Hillman encourages students to file a FAFSA and apply for scholarships such as the Governor’s Urban Scholarship, during a recent presentation that included the City of Camden’s Mayor, Dana Redd at Woodrow Wilson High School in Camden.
NJ STARS and NJ STARS II

In May of 2012, Governor Chris Christie signed P.L. 2012, c.8, which made a number of changes to the NJ STARS and NJ STARS II programs commencing with the 2012-2013 academic year. The most notable changes were to the NJ STARS II program. The NJ STARS II scholarship was limited to $2,500 per annum, paid for entirely by the State of New Jersey with no institutional match required and the scholarship can be used at either a public or non-public institution of higher education. After the law was signed by the Governor, HESAA hosted a training session at its headquarters for the financial aid officers of New Jersey’s non-public institutions to introduce them to the NJ STARS II program.

“New Jersey STARS I and II helped me succeed in my college career because the program helped me financially as well as academically. The program took a financial stress off of me as I proceeded towards my bachelor’s from Kean University in History with a minor in Criminal Justice. This program kept me grounded to maintain a high GPA which allowed for me to graduate with honors. This program is an excellent program and I recommend for all eligible students to take full advantage of this worthy program.”

– Kelsey Devlin
Student Loans

NJCLASS
The New Jersey College Loans to Assist State Students (NJCLASS) program entered its 22nd year in 2013. After a successful bond sale of $200,000,000 in May 2013, HESAA was able to lower interest rates on its 10-year and 15-year loan products. The 10-year loan interest rate was lowered from 6.15% to 5.49%, while the 15-year loan interest rate was lowered from 7.05% to 6.65%. The 20-year loan interest rate remains at 8.05%. The NJCLASS Loan Program continues to assist many students who need additional funds to attend school, and HESAA disbursed loan funds to over 600 institutions to help students meet educational costs.

In 2012, HESAA implemented program modifications to the NJCLASS program, specifically increasing the minimum income, revising the credit score eligibility, and reducing the volume of fully deferred loans. HESAA services the $2 billion portfolio of outstanding NJCLASS Loans, sending monthly billing statements, reminder notices, and responding to phone and email inquiries. Outreach programs include routine contacts with borrowers whose loans are scheduled to begin repayment or whose loans are in the early stages of delinquency, alerting borrowers of the need to make payments to resolve any payment issues before the delinquency escalates to default. In combination, these program changes have resulted in a 40.2% decrease in the volume of loan defaults for calendar year 2013, as compared to the previous year. By guiding applicants to make smart choices with the repayment option they select, borrowers are forming good payment habits that translate into regular payments after graduation.

FFELP Loans
Although new loan guarantees for the Federal Family Education Loan Program were eliminated effective July 2010, HESAA continues to perform its guaranty agency-related duties and responsibilities on outstanding loan guarantees in its portfolio. During FY 2013, HESAA worked in unison with participating lenders who service the $2.3 billion portfolio of HESAA guaranty loans, and responded to the lenders’ request for default aversion assistance by generating over 204,000 letters to delinquent borrowers. The letters remind borrowers of the need to bring their loans current, and advise them to contact their lender for additional deferment or forbearance assistance. HESAA paid default claims of approximately $65M during the fiscal year, representing an 11.7% decrease from claims paid during FY 2012.

The Authority’s continued successes are apparent in the calculation of the agency’s cohort default rate which analyzes the volume of borrowers defaulting on their student loans within the first three years of repayment. HESAA’s cohort default rate for Federal Fiscal Year 2011 is projected at 7.5%, a reduction from the three-year rate of 9% for FFY 2010.

HESAA staff continually contact the 45,000 borrowers whose federal loans have defaulted and assist them in resolving their outstanding student loan obligation by making regular monthly payments, earning the benefits of loan rehabilitation, or obtaining a loan consolidation.
College Savings

As the cost of education continued to climb in 2013, HESAA and our investment manager Franklin Templeton Distributions continued to encourage families to save for education costs through the State’s 529 college savings plan, NJBEST. In 2013, total NJ BEST assets exceeded $3.5 billion.

HESAA offers NJBEST savers a one-time scholarship if they save a certain amount over a certain period of years and attend college in the State of New Jersey.

Tara Egenton’s parents began saving in the NJ Best 529 program when she was in preschool. She is now a student at Monmouth University in their 5 year English and Elementary Education Masters program. Tara won two Student Council Outstanding Leadership and Community Service awards in high school. She searched for a college where she could further enhance her leadership skills. As Monmouth prides itself on their slogan, “Where Leaders Look Forward,” both Tara and her parents knew this was the right investment for her education.
Outreach

Publications
On January 14, 2013, Governor Chris Christie signed P.L. 2013, c.1, which requires HESAA to prepare a student loan guide for distribution to New Jersey students in 11th and 12th grades.

The Student Loan Guide is available on HESAA’s website at www.hesaa.org.

In addition to The Student Loan Guide, HESAA authors and provides several publications including:

- Going to College in New Jersey
- Life 101
- The Financial Aid Dictionary
- The State and Federal Financial Aid for Undergraduate and Graduate Students
- Reach Higher
School Counselor Training Institute

Every fall, HESAA hosts its annual School Counselor Training Institute. In 2013 the Institute took place at the following locations.

- Bergen Community College
- Rider University
- Wyndham Philadelphia-Mount Laurel Hotel
- Georgian Court University
- Seton Hall University
- Richard Stockton College of New Jersey

Over 800 high school counselors were trained on the latest developments in both State and federal student aid.

Jean Ciner is a school counselor at Jackson High School who participated in the School Counselor Training Institute and worked at HESAA advising students during the summer of 2013.
Technology Initiatives

Net Price Calculator

HESAA developed an electronic interface between its TAG Estimator and institutional net price calculators. This interface allows students to receive more precise TAG estimates when using institutional net price calculators.

Check the Status of My NJ Grants

This new feature, launched in 2013 on HESAA’s secure student portal, helps students and families expedite grant applications. With this feature, students can confirm the status of applications for the Tuition Aid Grant (TAG) and Educational Opportunity Fund (EOF) programs. Also displayed are estimated TAG and EOF award amounts. Students can check the date HESAA mailed notices about missing information required to make a final award determination. Students selected for State verification can view a sample copy of the initial verification selection letter mailed to them.

MappingXpress

This electronic document collection tool allows students to upload documents in PDF format to HESAA through a secure network. MappingXpress eliminates the need for fax or postal mail. MappingXpress was implemented in NJCLASS in 2013 and will be deployed in Grants and Scholarships in 2014.

Raju Konduru is HESAA’s Senior System Architect. At HESAA, the saying goes, “if you can imagine it, Raju can build it.”
Audits and Quality Assurance

To ensure HESAA’s programs are in compliance with federal and State statutes, regulations, policies and procedures, HESAA’s Audits & Quality Assurance unit (A&QA) is tasked with conducting internal reviews of HESAA’s own processes as well as reviews of external parties with which HESAA conducts business.

In 2013 A&QA successfully completed its annual internal control evaluation required by the New Jersey Office of Management and Budget (OMB), served on several project teams to assist in the development/improvement of internal controls, assisted in the completion of four FFELP lender reviews through participation in the Common Review Initiative, completed reviews of two law firms engaged in the collection of defaulted FFELP and NJCLASS loans, and reviewed six colleges and universities resulting in $678,018 being returned to the State General Fund.

Gena Carapezza, Director of Audits and Quality Assurance and Taina Morales, Program Specialist review data submitted to HESAA as part of an institutional audit.
Promoting the State’s Economic Growth Strategies

HESAA’s student financial aid programs, debt management education, default aversion outreach, and financial literacy training all contribute to the State’s economic growth strategies. Despite the significant costs of higher education, its importance has never been greater. Studies show a growing disparity in employment and salary levels between those with post secondary education and those without. Moreover, studies also show that these trends will continue as more and more jobs in the future require higher education.

The Pew Research Center issued a report based on its analysis of the Current Population Survey as of March 2013, as well as its own survey of 2,002 adults interviewed by phone from October 7, 2013 - October 27, 2013. The Pew report indicated that young adults equipped with a high school diploma earned salaries that were only 62% of the typical salaries of their college-educated peers. For instance, college graduates ages 25 to 32 who were working full-time now typically earn about $17,500 more annually than employed young adults with just a high school diploma ($45,500 vs. $28,000). That percentage is down from 81% in 1965, the earliest year for which comparable data are available. In 1965, the inflation adjusted gap was just $7,449.

All indicators point to the increasing necessity of higher education both for workers and employers.

In December of 2013, a task force of the New Jersey Presidents’ Council issued a report on aligning higher education with the needs of the future workforce, and the educational attainment of workers to meet those needs. The task force was led by Dr. Nariman Farvardin, the President of Stevens Institute of Technology, who is pictured above.

The task force report cited studies by the Georgetown University Center on Education and the U.S. Bureau of Labor Statistics. The Georgetown study projected the growth in the number of jobs in the U.S. that will require postsecondary education by the year 2018. Specifically, the nation will need 22 million new college degrees by 2018 to meet workforce demands. The study also projected a shortfall of at least 3 million workers with the postsecondary credentials necessary to fill these jobs.

“Technological innovation and critical thinking underpin our State’s and our Nation’s ability to solve our era’s most pressing challenges in healthcare, energy, security, and many other complex challenges that face current and future generations. A well-educated workforce and a vibrant and diverse higher education system are the very foundations that facilitate these capabilities. HESAA plays a vital role in broadening opportunities to New Jersey citizens to pursue higher education, contributing to improving the future for individuals, for New Jersey, and for our global society,” Dr. Nariman Farvardin, President of Stevens Institute of Technology.
Promoting the State’s Economic Growth Strategies (continued)

In addition to providing nationwide data, the Georgetown study broke its analysis down on a state-by-state basis. Georgetown predicts that by 2018 an additional 148,000 jobs in New Jersey will require postsecondary education. Furthermore, New Jersey ranks second in the nation in terms of the proportion of its 2018 jobs that will require a bachelor’s degree.

Given these trends and projections for New Jersey, it is clear that providing students with the financial resources to attain a higher education promotes the State’s economic well being.
Executive Staff

Executive Director
Gabrielle Charette, Esq.

Chief Financial Officer
Eugene Hutchins

Chief of Staff
Greg Myer

Chief Compliance Officer
Joel Mayer, Esq.

Acting Chief Information Officer
Ruth Odom

Director of Legal and Government Affairs
Marnie Grodman, Esq.

Senior Staff

Director of Student Loans
Teresa Gervasio

Director of Grants and Scholarships
Larry Sharp

Acting Director, Client Services
Andrè Maglione

Director, Audits and Quality Assurance
Gena Carapezza, CPA

Director of Human Resources
Patricia Maske

Controller
Robert Clark, CPA

In Memoriam
Amy Novosel employed by HESAA for over 10 years, passed away on October 1, 2013.
“I am a mechanical engineering senior at Rowan University. As I come close to fulfilling my lifetime dream of getting an engineering degree, I would like to take a few minutes to thank HESAA for its support throughout these four years in college.

These have been years of great struggle but also great success. With a 3.99 cumulative GPA, I am on track to graduating with the highest grade point average of the 2014 engineering class and one of the highest in the history of the College of Engineering. This and many other of my accomplishments would not have been possible without your support.

A big THANK YOU! I hope these words of gratitude will reach people at HESAA and continue to fuel your genuine passion for education. You made this possible!” – Euver Joaquin Castillo
# Student Aid Awards and Funds Distributed by HESAA in FY 2013 by Program and by Sector

## County College Sector

<table>
<thead>
<tr>
<th>Program</th>
<th>TAG</th>
<th>Part-Time TAG for County Colleges</th>
<th>Distinguished/Urban Scholars*</th>
<th>NJ STARS</th>
<th>Governor’s Urban Scholarship</th>
<th>NJBEST Scholarship</th>
<th>NJCLASS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awards</td>
<td>23,266</td>
<td>10,272</td>
<td>1</td>
<td>2,001</td>
<td>42</td>
<td>124</td>
<td>169</td>
<td>35,875</td>
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<tr>
<td>Amount</td>
<td>$37,727,787</td>
<td>$8,379,551</td>
<td>$465</td>
<td>$5,074,308</td>
<td>$38,000</td>
<td>$129,000</td>
<td>$916,480</td>
<td>$52,265,591</td>
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</table>

## Senior Public Sector

<table>
<thead>
<tr>
<th>Program</th>
<th>TAG</th>
<th>Part-Time TAG for County Colleges</th>
<th>Distinguished/Urban Scholars*</th>
<th>NJ STARS II</th>
<th>Governor’s Urban Scholarship</th>
<th>NJBEST Scholarship</th>
<th>NJCLASS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awards</td>
<td>18,692</td>
<td>624</td>
<td>843</td>
<td>71</td>
<td>170</td>
<td>2,647</td>
<td>23,047</td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td>$86,536,540</td>
<td>$548,351</td>
<td>$2,052,044</td>
<td>$67,500</td>
<td>$170,250</td>
<td>$30,121,615</td>
<td>$119,496,300</td>
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## Research Sector

<table>
<thead>
<tr>
<th>Program</th>
<th>TAG</th>
<th>Part-Time TAG for County Colleges</th>
<th>Distinguished/Urban Scholars*</th>
<th>NJ STARS II</th>
<th>Governor’s Urban Scholarship</th>
<th>NJBEST Scholarship</th>
<th>NJCLASS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awards</td>
<td>14,758</td>
<td>830</td>
<td>364</td>
<td>72</td>
<td>149</td>
<td>1,976</td>
<td>18,149</td>
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<tr>
<td>Amount</td>
<td>$98,779,950</td>
<td>$740,280</td>
<td>$851,587</td>
<td>$71,500</td>
<td>$149,500</td>
<td>$22,277,485</td>
<td>$122,870,302</td>
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## Non-Profit Independent Sector

<table>
<thead>
<tr>
<th>Program</th>
<th>TAG</th>
<th>Part-Time TAG for County Colleges</th>
<th>Distinguished/Urban Scholars*</th>
<th>NJ STARS II</th>
<th>Governor’s Urban Scholarship</th>
<th>NJBEST Scholarship</th>
<th>NJCLASS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awards</td>
<td>12,061</td>
<td>331</td>
<td>48</td>
<td>44</td>
<td>78</td>
<td>1,659</td>
<td>14,221</td>
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<tr>
<td>Amount</td>
<td>$93,169,867</td>
<td>$284,324</td>
<td>$97,248</td>
<td>$42,500</td>
<td>$76,500</td>
<td>$25,085,085</td>
<td>$118,755,524</td>
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## Proprietary Sector

<table>
<thead>
<tr>
<th>Program</th>
<th>TAG</th>
<th>Part-Time TAG for County Colleges</th>
<th>Distinguished/Urban Scholars*</th>
<th>NJ STARS II</th>
<th>Governor’s Urban Scholarship</th>
<th>NJBEST Scholarship</th>
<th>NJCLASS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awards</td>
<td>2,478</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>139</td>
<td>2,623</td>
<td></td>
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<tr>
<td>Amount</td>
<td>$17,019,364</td>
<td>$930</td>
<td>$5,000</td>
<td>$1,000</td>
<td>0</td>
<td>$1,178,926</td>
<td>$18,205,220</td>
<td></td>
</tr>
</tbody>
</table>

| Grand Total | 431,592,937 |

*Effective FY2011, Distinguished and Urban Scholar funding was limited to renewal students.
Credits

Gabrielle Charette, Esq. - Executive Editor

Jules Cornelious - Technical and Creative Editor

Carol Muka - Statistical Analyst

Karen Chamberlin - Photographer

Linda Nasta - Assistant Editor
# Financial Statements

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

<table>
<thead>
<tr>
<th>Assets</th>
<th>2013</th>
<th>2012 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NJBEST</td>
<td>62,346</td>
<td>505,150</td>
</tr>
<tr>
<td>NJCLASS/FFELP</td>
<td>536,536,776</td>
<td>511,926,138</td>
</tr>
<tr>
<td>Other</td>
<td>17,798,823</td>
<td>22,143,506</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NJBEST</td>
<td>3,695,776,285</td>
<td>3,133,775,452</td>
</tr>
<tr>
<td>NJCLASS/FFELP</td>
<td>3,695,586</td>
<td>11,728,916</td>
</tr>
<tr>
<td>Other</td>
<td>38,425,628</td>
<td>44,824,985</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Government</td>
<td>6,919,008</td>
<td>11,232,681</td>
</tr>
<tr>
<td>Loans</td>
<td>2,089,735,376</td>
<td>2,105,375,024</td>
</tr>
<tr>
<td>Other</td>
<td>66,529,076</td>
<td>66,243,970</td>
</tr>
<tr>
<td>Fixed Assets, Net</td>
<td>270,288</td>
<td>579,538</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>6,455,751,192</td>
<td>5,908,335,360</td>
</tr>
</tbody>
</table>

Deferred Outflow - Interest Rate Swaps

<table>
<thead>
<tr>
<th>Deferral Outflow - Interest Rate Swaps</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11,508,885</td>
<td>16,574,020</td>
</tr>
</tbody>
</table>

Liabilities and Fund Balances

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>55,235,385</td>
<td>79,844,092</td>
</tr>
<tr>
<td>Due to federal government</td>
<td>6,668,983</td>
<td>6,927,384</td>
</tr>
<tr>
<td>Revenue bonds payable</td>
<td>2,486,155,000</td>
<td>2,493,510,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>2,548,059,368</td>
<td>2,580,281,476</td>
</tr>
</tbody>
</table>

Financial Instrument Liability - Interest Rate Swaps

<table>
<thead>
<tr>
<th>Financial Instrument Liability - Interest Rate Swaps</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11,508,885</td>
<td>16,574,020</td>
</tr>
</tbody>
</table>

**Fund Balances**

<table>
<thead>
<tr>
<th>Fund Balances</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserved for Loan Servicing</td>
<td>156,491,163</td>
<td>162,844,909</td>
</tr>
<tr>
<td>Restricted</td>
<td>3,751,200,661</td>
<td>3,165,208,975</td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td>3,907,691,824</td>
<td>3,328,053,884</td>
</tr>
</tbody>
</table>

**Total Liabilities and Fund Balances**

<table>
<thead>
<tr>
<th>Total Liabilities and Fund Balances</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,455,751,192</td>
<td>5,908,335,360</td>
</tr>
</tbody>
</table>

HESAA 2013 Annual Report 25
## Financial Statements

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

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State grant &amp; scholarship appropriations</td>
<td>350,208,437</td>
<td>311,925,768</td>
</tr>
<tr>
<td>Federal and other grants</td>
<td>51,859,722</td>
<td>63,253,396</td>
</tr>
<tr>
<td>Fees</td>
<td>29,818,290</td>
<td>28,529,465</td>
</tr>
<tr>
<td>Investment earnings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NJBEST</td>
<td>69,544,030</td>
<td>66,980,909</td>
</tr>
<tr>
<td>NJCLASS</td>
<td>149,265,445</td>
<td>147,018,697</td>
</tr>
<tr>
<td>Other</td>
<td>240,285</td>
<td>310,792</td>
</tr>
<tr>
<td>NJBEST Subscriptions</td>
<td>1,007,224,673</td>
<td>849,715,850</td>
</tr>
<tr>
<td>Net realized and unrealized gain (loss) on NJBEST Investments</td>
<td>340,985,764</td>
<td>(112,714,584)</td>
</tr>
<tr>
<td>Other</td>
<td>31,902,669</td>
<td>8,748,550</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>2,031,049,335</td>
<td>1,363,768,842</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Grant Aid to Students</td>
<td>352,832,543</td>
<td>326,412,566</td>
</tr>
<tr>
<td>NJBEST Redemptions</td>
<td>832,688,926</td>
<td>674,562,356</td>
</tr>
<tr>
<td>Program expenses</td>
<td>126,061,586</td>
<td>154,442,916</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>13,582,009</td>
<td>27,535,291</td>
</tr>
<tr>
<td>Debt service interest</td>
<td>108,023,711</td>
<td>107,246,665</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>1,433,188,777</td>
<td>1,290,199,794</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excess of Revenues over Expenditures</strong></td>
<td>597,860,558</td>
<td>73,569,048</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year-end Lapsed Funds</td>
<td>(7,724,426)</td>
<td>(3,976,799)</td>
</tr>
<tr>
<td>Cumulative Effect of Accounting Change</td>
<td>(10,498,192)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Assets - Beginning of Year</strong></td>
<td>3,328,053,884</td>
<td>3,258,461,635</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Assets - End of Year</strong></td>
<td>3,907,691,824</td>
<td>3,328,053,884</td>
</tr>
</tbody>
</table>
Certification of Compliance with Executive Order #37 (Corzine)

We jointly certify that in compliance with Paragraph 2 of Executive Order #37, 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 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:  
Gabrielle Charette, Esq.  
Executive Director

By:  
Eugene Hutchins  
Chief Financial Officer