

HESAA STATE UPDATE FOR NJASFAA SPRING CONFERENCE

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April 14, 2010





Overview of the Governor's Proposed FY 2010 State Budget

- Total State budget appropriations of \$29.3 billion
- \$10.7 billion below budget projection for current year
- Net increase of \$18.6 million for student aid programs



TAG Volume

- Increased application volume
 - 500,100 applicants, 16.8% increase
 - Awards to approximately 70,000 – 75,000 Full-time TAG students totaling \$312.5 million
- Funded through state appropriations, supplemental appropriations and the American Recovery and Reinvestment Act



TAG Funding Levels

- Full-Time
 - Recommended funding level of \$292.6 million
 - 8.6% increase over adjusted FY 2010
 - TAG awards for 2010-11 will be reduced from 2009-10 levels
 - Reduces TAG award for independent schools to level of public-four year colleges
 - Notifications of final award values will be completed after July Board meeting



TAG Funding Levels (continued)

- Part-Time TAG for County Colleges
 - Recommended funding level of \$9.6 million
 - Level funding from adjusted FY 2010 which included supplemental appropriations
 - Will accommodate projected increase in number of awards
 - Awards for 2010-11 will be reduced below 2009-10 levels
- Part-Time TAG for EOF Students
 - Recommended level funding of \$558,000



NJ STARS and NJ STARS II

- Funding
 - Recommended funding level of \$20.1 million
 - Suspends funding for non-renewal, freshman students
 - Funding will be unavailable for summer 2010 and 2011
 - All other students already in NJ STARS will be unaffected



Other Programs

- Garden State Scholarship Programs
 - Recommended funding \$5.35 million
 - Award level will be \$930
 - Non-renewal students will not be funded
- Suspend program to all new (non-renewal) applicants and level fund the following programs:
 - Survivor Tuition Benefits \$ 38,000
 - Veterinary Medical Education \$170,000
 - (reflects continuing phase out)
 - Social Services Loan Redemption Program \$700,000



Other Programs (continued)

- Primary Care Physician and Dentist Loan Redemption \$1.5 million
- World Trade Center Scholarship \$ 202,000
- Teaching Fellows Program \$ 70,000

The Dana Christmas Scholarship for Heroism will not be funded in FY 2011 and was not funded in FY 2010.



Federal Budget

- FFELP and DL will be consolidated into Direct Lending
- New Maximum Pell Limits
 - 2010 – 2013 \$5,550
 - Maximum estimated award of \$5,975 (based on annual CPI increases) to be reached in 2017
- Payment of Pell Grant shortfall
- New Pell Grant Payment and Disbursement Schedules



Federal Budget (continued)

- Community Colleges - \$2 billion over 4 years
- HBCU and Minority Serving Colleges - \$2.55 billion
- Income Based Repayment Program
 - For loans taken out beginning 2014
 - Reduces repayment requirement from 15% to 10%
 - Forgives balances after 20 years in repayment
 - Forgives balances after 10 years in repayment for public service jobs



Federal Budget - HESAA's Role

- Continue to service \$4 billion loan portfolio
- Originating and Servicing NJCLASS
- Administration of NJBEST
- Non-profit servicing contracts under DL
- College Access Challenge Grant



TAG Data Collection

- Direct link from FAFSA delayed by USDE
- HESAA is using Skip Logic, only requesting pertinent information
- Items required:
 - Driver's License number and the state of issuance
 - Untaxed Social Security and Earned Income Credit for dependent students and their parents
 - Veteran's educational benefits for independent students in addition to social security benefits and any earned income credit



TAG Data Collection

- Student Notification – e-mail or postcard
- Students will be directed to website to enter data online
- Applicant roster layout includes indicator to identify those who have yet to respond
- Information may also be submitted via the electronic NJ Change Form or through an electronic file



HESAA Visits

- Significant changes in enrollment patterns and state aid
 - PJ Flag not set on ISIR
 - PJ determination must be consistent with HESAA practice
 - Incomplete Verification
 - Awards must be cancelled on April 23rd roster
 - Certification of Enrollment Status
 - Enrollment status must be accurate as of the day TAG award is credited to account



NJCLASS

- 24,522 loans totaling \$345 million
- New Bond Auction Issue \$387 million



NJCLASS (continued)

- Three repayment options will continue:
 - Options 1 & 2 will continue to have a 2% origination fee
 - Option 2 interest will be billed monthly
 - Option 3 will be charged a slightly higher interest rate and a 3% origination fee
 - 1% to be deposited in our default reserve fund



NJCLASS (continued)

- New repayment option – 10 year loan term
 - Lowest NJCLASS interest rate
 - Lower fees than Direct PLUS
- Truth-in-Lending disclosures and Self-Certification embedded in online application
 - 98% Completion Rate



NJCLASS (continued)

- Online account access
 - Payment history
 - Tax interest statements (1098E)
- New online payment process - May
 - No convenience fee for checking or savings account payments



FFELP Continues

- Enrollment Tracking
- NSLDS Reporting
- Delinquency/Default Aversion Requests
- Delinquency and Default Aversion Counseling
- Financial Literacy Training
- Entrance and Exit Counseling
- Cohort e-Manager for Direct Loans



Training Workshops

- New Beginnings – April 20, 2010
 - Training for new Financial Aid Administrators or those new to state aid processing
- State Grant and Scholarship Funds Reconciliation – April 29, 2010
 - BYOB – Bring Your Own Bursar



HIGHER EDUCATION STUDENT ASSISTANCE AUTHORITY

www.hesaa.org