



LEGISLATIVE LEADERSHIP CONFERENCE

NASFAA held its annual Legislative Leadership Conference February 28th through March 3rd in Washington DC. Traditionally the conference has given new state and regional association leaders a venue to exchange ideas and the opportunity to gain valuable information regarding association finance and leadership. This year, in addition to the Association Management sessions, NASFAA offered a new set of sessions or “pathways” for new and aspiring directors. The conference drew over 180 attendees from across the country, including Tammi Hussey, NJASFAA Vice President, and Joanna Cellary, NJASFAA Treasurer. Lucy Candal-Fernandez, co-chair of the Government Relations Committee, also attended as a member of the NASFAA Association Management Task Force.

The three day conference concluded on Tuesday after many attendees met with legislators on Capitol Hill to discuss topics of interest to the financial aid community. Tammi and Joanna met with Will Cunningham, an education aide to [Senator Corey Booker](#). Among the topics discussed were the importance of maintaining and increasing the Pell Grant levels, the financial and educational benefits students derive from Perkins Loans as well as the negative impact of converting the program to an Unsubsidized Stafford loan. Additional issues and areas of focus included the [FAST Act](#) and simplification of the FAFSA to a two question form, and how the IRS Data Retrieval Tool assists in improving the ease and accuracy of FAFSA filing. In keeping with the norm, their meeting was brief but allowed them to introduce NJASFAA and some of the major concerns on campuses today. One of the main goals of the “hill visit” is to connect the names of financial aid leaders with congressional members in order to encourage legislators to solicit input when questions arise or proposed legislative action is considered. Tammi and Joanna were successful in leaving their mark for NJASFAA on Capitol Hill. §



HESAA UPDATE ON NJ STUDENT AID

The [Young Invincibles](#), a national nonprofit organization devoted to young adults, recently gave New Jersey an “A” for higher education aid to students. Given current aid levels nationwide and the Governor's proposed funding levels for the upcoming fiscal year, it is easy to see why New Jersey earned a stellar grade.

Christie once again demonstrated robust support for student aid in general and the Tuition Aid Grant (TAG) in particular.

On February 24, before a joint session of the New Jersey Legislature, the Governor proposed total TAG expenditures of \$385.83 million.

SEE HESAA, PAGE 2

Despite the serious fiscal challenges confronting the State, Governor

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SPECIAL POINTS OF INTEREST

- The FSA Pin
- TAG Grad Rate Reporting
- New PLUS Counseling
- New Jersey laws & bills



HESAA (CONT. FROM PG. 1)

This includes an additional \$11.095 million for the current fiscal year as well an additional \$19.574 million in Fiscal Year 2016.

Since Governor Christie has taken office, more than \$125 million in new State funding has been added to the TAG program. This academic year (2014-2015) the maximum TAG award is slightly over \$12,000. Compare that to the maximum Pell award of \$5,730.

With respect to HESAA's two other need-based aid programs, Part-Time TAG for County College Students and Part-

Time TAG for EOF, the Governor's proposed budget provides sufficient funding for all anticipated students. Specifically, the Governor is proposing funding of \$8.737 million for Part-Time TAG and \$558,000 for Part-Time TAG for EOF Students.

With respect to merit-based aid, the Governor has taken the recommendation of the HESAA Board to increase funding for the Governor's Urban Scholarship program. The proposed Fiscal Year 2016 budget has \$945,000 available to fund a fourth cohort of awardees. The proposed budget also includes sufficient funding to accommodate all anticipated NJ STARS and NJ STARS II students with funding of \$4.49 million and \$2.47 million, respectively.

The [proposed Fiscal Year 2016 budget](#) now goes to the Legislature for its consideration. The Senate and Assembly

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FSA CONFERENCE

If you attended the Department of Education's Federal Student Aid Conference this past fall you couldn't help but hear discussions about 150 percent and increased institutional responsibility.

For those of you who were not able to attend, it's not too late. Many [important topics](#) for beginner to seasoned financial aid administrators were covered in great detail. We suggest you experience the virtual session presentations and recordings available by visiting the [FSA Conference web site](#). §

budget committees will hold hearings in April and May and HESAA will participate in those hearings on the higher education budget.

HESAA will be sure to keep NJASFAA members advised as the final Fiscal Year 2016 budget is approved. §

THE END OF THE PERKINS LOAN PROGRAM AS WE KNOW IT?

President Obama and Congress have been looking to make changes, or end, the Perkins Loan program for some time now. Under the Higher Education Act (HEA), the authority for schools to issue a Federal Perkins Loan ended on September 30, 2014, with an automatic one-year extension to September 30, 2015. Unless Congress takes specific action to extend the program, schools may not issue Federal Perkins Loans to new borrowers after September 30, 2015. If, prior to October 1, 2015, a school makes the first disbursement of a Federal Perkins Loan to a student for the 2015-2016 award year, the school may make any remaining disbursements of that 2015-2016 loan after September 30, 2015.

There are also provisions in the HEA that allow for additional Perkins Loans to students who received a first disbursement of Perkins prior to October 1, 2015, for up to five additional years in order to assist those students in finishing their program.

All of these details are yet to be finalized. We also have not heard details about schools' outstanding Perkins Loan portfolios as well as if, and when, Perkins money will need to be returned to the government. So there is much to come. If you want to save the Perkins Loan program as it is currently in place, now is the time to contact your Senators or Congressional leaders! §



New Jersey LEGISLATURE



Higher Education has been a hot topic in the New Jersey Legislature so far this year. A

number of bills relating to higher education have either passed Committee, one House of the Legislature, or been signed into law by the Governor. Below is a synopsis and status of the bills that have gained traction during the first quarter of 2015.

S-979 - Sponsored by Senate President Sweeney, this bill establishes the "College Affordability Study Commission" to examine issues and develop recommendations to increase the affordability of higher education in New Jersey. The bill passed both Houses of the Legislature and was signed into law by the Governor on February 2, 2015.

S-1970 - Sponsored by Senators Van Drew and Cunningham, this bill requires the Secretary of Higher Education in consultation with various entities, to design a manufacturing career pathway to provide students with skills necessary to gain employment in the manufacturing sector. This bill passed the Senate Higher Education Committee and the full Senate by a vote of 38-0 on March 16, 2015. The bill must now move through the General Assembly before it is sent to the Governor for his consideration.

S-487 - Sponsored by Senator Cunningham, this bill requires the graduation rates of State Tuition Aid Grant recipients. The bill was amended in Committee to conform the legislation to the data report HESAA is preparing for institutions to begin completing in September 2015. As amended, the bill passed the Senate Higher Education Committee. It now goes to the full Senate for its consideration.

S-2165 - Sponsored by Senators Cunningham and Pou, this bill requires the Secretary of Higher Education to adopt a new, comprehensive master plan within six months and every seven years thereafter. The bill passed the Senate Higher Education Committee and the full Senate by a vote of 39-0 on March 16, 2015. The bill must now move through the General Assembly before it is sent to the Governor for his consideration.



If you are interested in learning more about these or other bills you may visit the [New Jersey Legislator web site](http://www.njleg.state.nj.us) for details. If you have concerns about other bills moving through the NJ Legislation or just want us to take a closer look at a particular bill, please do not hesitate to reach out to a government relations committee member. §

ESTABLISHING A LAW IN NEW JERSEY

The process for establishing laws in New Jersey is quite comprehensive. Below is a high level summary that can give some perspective on this process and how the financial aid community can get involved.

1. **Idea Developed**—An idea may come from anyone but must be sponsored (or co-sponsored) by a legislator.
2. **Bill Drafted**—The Office of Legislative Services helps research and prepare a “bill” that conforms to a standard format.
3. **Bill Introduced**—The bill is read in its “First Reading” and provided to the public for review.
4. **Committee Reference**—The bill is referred to a committee for further review.
5. **Committee Action**—In a public meeting the committee may make changes, additions, etc. and decide to move the bill forward or hold it for further review or development.
6. **Second Reading**—The bill is read again and can be amended during this reading.
7. **Third Reading**—The Senate President or Assembly Speaker schedules this reading and if amendments are needed the bill must be returned to the Second Reading by a vote.
8. **House Votes**—The bill goes to either the Senate or Assembly for a vote and must be approved by a majority of the authorized members.
9. **Second House**—The bill moves on to the second house for a similar voting process.
10. **Governor’s Action**—If the bill passes both Houses it’s sent to the Governor for final approval.
11. **Law**—Upon the Governor’s signature or after 45 days if no action is taken by the Governor, the bill becomes Law.

Reference:
<http://www.njleg.state.nj.us/legislativepub/legprocess.asp>

REMINDEERS:

HERE COMES THE FSA ID

Beginning in April 2015, the FSA ID will replace the PIN. The FSA ID will comprise a user-selected username and password. This change will eliminate the need for individuals to enter personal identifiers (Social Security Number, name and date of birth) each time they log in. In April, additional information will be available on www.fafsa.gov. §

REPORTING NJ TAG GRADUATION RATES

Last summer, HESAA held a series of sessions related to new legislation that would require the annual reporting of graduation rates for all TAG recipients beginning in Fall 2015. HESAA will update financial aid administrators during the opening session's State Update at NJASFAA's spring conference on May 1, 2015, at the Pines Manor. §

NEW PLUS COUNSELING REQUIREMENTS

Starting March 29, 2015, PLUS loan applicants with an adverse credit decision will have a PLUS counseling requirement to complete. For information, visit IFAP and view electronic announcement 2015-02-27. §

WHAT YOU NEED TO KNOW ABOUT 150% DIRECT SUB LOAN LIMITS & ENROLLMENT REPORTING

As of October 1, 2014, all schools must have implemented the new enrollment reporting processes and file layouts in agreement with the "Moving Ahead for Progress in the 21st Century Act" and the 150% Direct Loan time limited eligibility provisions of Public Law 112-141. The changes provide ED with the new required fields so they can calculate a student's subsidized loan usage which limits a first-time borrower's eligibility for Direct Subsidized Loans to a period not to exceed 150 percent of the length of the borrower's educational program. Under certain conditions, the provision also causes first-time borrowers who have exceeded the 150 percent limit to lose the interest subsidy on their Direct Subsidized Loans.

Please visit the 150 Percent Direct Subsidized Loan Limit web site for additional information.

<http://ifap.ed.gov/150PercentDirectSubsidizedLoanLimitInfo/index.html>

What You Do Matters!

There are several areas that are important.

- Timely reporting of enrollment status changes
- Accurately reporting the location where the student attends
- Ensuring students are :
 - o Notified early about entering repayment
 - o Informed in a timely manner of in-school deferments
 - o Serviced appropriately

What You Don't Do Matters!

Failure to begin reporting under the new enrollment reporting requirements will likely result in:

- Enrollment records being rejected by NSLDS
- School being out of compliance
- Potential sanctions
- Potential over award of subsidized loans
- Loss of interest subsidy
- Improper loan servicing

NSLDS Customer Support Center:
Phone: 1-800-999-8219
Toll: 785-838-2141
Fax: 785-838-2154
Web: www.nslsdfap.ed.gov

Using a Third-Party Servicer?

Many schools use a third-party servicer to report enrollment data to NSLDS.

- We recommend:
 - o Schools verify that new and transfer students are being added to the correct school location
 - o Schools ensure that students certified as enrolled at multiple locations are actually attending multiple school locations
 - o Schools verify that new and transfer students are being added to the appropriate roster.
 - o All third-party servicers must be added to your school's Eligibility and Certification Report (ECAR)

FEDERAL PROGRAM REVIEWS

Federal program reviews evaluate whether institutions of higher education are able to comply with federal rules and statutes. These compliance reviews seem to be on the rise. Just recently, several New Jersey schools have undergone program reviews. What makes a school more likely to be selected for a program review, and what can we as financial aid administrators do to prepare?

According to FSA, these are the criteria that make a school more likely to undergo a program review:

- High cohort default rate or dollar volume of default (25%+)
- Significant fluctuations in Federal Pell Grant or loan volume
- Reported deficiencies or financial aid problems by state or accrediting agency
- High annual dropout rates
- Any other institution the Department determines may pose significant risk of failure to comply with administrative capability or financial responsibility requirements

All of this information and more can be found on FSA's page for past conference sessions.



“What makes a school more likely to be selected for a program review, and what can we as financial aid administrators do to prepare?”

The FSA Conference presentation about program reviews provides a lot of helpful information about this topic, including pre- and post-review tips. Please visit the FSA conference session page at <http://fsaconferences.ed.gov/2014sessions.html>.

According to FSA, these are the most common findings in program reviews:

Top Audit Findings

1. Repeat Finding – Failure to Take Corrective Action
2. Return of Title IV (R2T4) Calculation Errors
3. Student Status – Inaccurate/Untimely Reporting
4. R2T4 Made Late
5. Verification Violations
6. Pell Overpayment/Underpayment
7. Qualified Auditor's Opinion Cited in Audit
8. Student Credit Balance Deficiencies
9. Entrance/Exit Counseling Deficiencies
10. G5 Expenditures Untimely/Incorrectly Reported



Top Program Review Findings

1. Verification Violations
2. Student Credit Balance Deficiencies
3. Entrance/Exit Counseling Deficiencies, and R2T4 Calculation Errors
4. Crime Awareness Requirements Not Met, and Satisfactory Academic Progress Policy Not Adequately Developed/Monitored
5. Inaccurate Record Keeping
6. R2T4 Made Late
7. Consumer Information Requirements Not Met
8. Information in Student Files Missing/Inconsistent
9. Pell Overpayment/Underpayment
10. Student Status – Inaccurate/Untimely Reporting, and Lack of Administrative Capability

**New Jersey Legislature
Higher Education Committees**

Senate

Cunningham, Sandra B.—Chair

Pou, Nellie—Vice Chair

Kean, Thomas H.

Sarlo, Paul A.

Singer, Robert W.

Early, Tina—Democratic Aide

Gorman, John—Republican Aide

Haimowitz, Sarah B.—OLS Aide

Tang, Jonathan—OLS Aide

Assembly

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Giblin, Thomas P.—Vice Chair

DiMaio, John

Gove, DiAnne C.

Holley, Jamel C.

McGuckin, Gregory P.

Schaer, Gary S.

Stender, Linda

White, Keith—Democratic Aide

Nedza, Kevin—Republican Aide

Crook, Adrian G.—OLS Aide

Federal & State Resources

NJ Legislature

<http://www.njleg.state.nj.us/>

U.S. Congress

<https://www.congress.gov/>

US House of Representatives

<http://www.house.gov/>

U.S. Senate

<http://www.senate.gov/>

Education & the Workforce Committee

<http://edworkforce.house.gov/>



NJASFAA SPRING CONFERENCE

The Government Relations Committee would like to invite NJASFAA members to attend the spring conference to be held on May 1st at the Pines Manor in Edison.

The conference provides an excellent opportunity to get the latest State and Federal updates as well as to network and exchange ideas with colleagues. Committee chairs will be available to discuss plans for the 2015/16 academic year and welcome new members. Registration is open at www.njasfaa.org. In addition, NJASFAA will be awarding 5 scholarships in the amount of \$500 to students at the conference luncheon. Deadline for nominations is April 6th. Details are also available on the NJASFAA website. §



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