NJEFA
New Jersey Educational Facilities Authority
Building futures
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NJEFA's 6th Annual Education Conference focuses on post-issuance compliance

By Katherine A. Newell, Esq.
NJEFA Senior Advisor

Speakers pictured from left to right are NJEFA's Senior Advisor Katherine Newell; Linda Schakel from Ballard Spahr Andrews & Ingersoll, LLP; NJEFA Executive Director Roger L. Anderson; and Richard Chirls from Orrick Herrington & Sutcliffe, LLP.

In response to recent IRS audit and compliance initiatives, the NJEFA's 6th Annual Education Conference focused on post-issuance compliance for tax-exempt bonds.

Last year, the IRS began an audit program targeting bonds issued for Section 501(c)(3) organizations. The program focused on post-issuance compliance primarily for health care bonds. This year, the IRS released draft revisions to the Form 990 which included a schedule requesting detailed and technical information about all tax-exempt debt of the entity filing the form. The IRS also sent a Tax Exempt Bond Financing Compliance Check Questionnaire (the "Questionnaire") to over 200 Section 501(c)(3) organizations, including colleges and universities, to gather information about their procedures and policies to assure post-issuance compliance.

Two nationally recognized tax-exempt bond experts, Richard Chirls, Esq., from Orrick Herrington & Sutcliffe, LLP, and Linda Schakel, Esq., from Ballard Spahr Andrews & Ingersoll, LLP, joined us to discuss these recent IRS initiatives. The day's program covered major areas of post-issuance compliance for tax purposes: arbitrage (including rebate, allocation and timing of expenditures), private use monitoring and record retention.

Private Business Use

Richard Chirls focused on "Private Business Use," which is defined as use by a "nongovernmental" person in a trade or business. This can include the federal government and Section 501(c)(3) non-profit organizations.

Chirls emphasized that only a *de minimis* amount of bond proceeds may be used in private use without causing loss of tax-exemption. For public colleges and universities, the general rule is that no more than 10% of bond proceeds may be used in private business use. For private colleges and universities, no more than 5% may be used in private business use. This 5% is further reduced by any costs of issuance paid with bond proceeds, so as little as 3% of the issue may be used in private use.

For colleges and universities, private business use can occur as a result of management contracts (e.g., for food service or bookstores), research agreements, leases to "nongovernmental" persons and in other ways such as the granting of "naming rights." Chirls noted

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Building futures is a publication of the New Jersey Educational Facilities Authority. For further information, please contact NJEFA at 103 College Road East, Princeton, NJ 08540, by phone at 609.987.0880 or visit our website at **www.njefa.com**.

***2008 BOARD CALENDAR**

DATE	LOCATION
January 23	NJEFA
February 27	NJEFA
March 26	NJEFA
April 23	Rider University
May 28	NJEFA
June 25	NJEFA
July 23	NJEFA
August 27	NJEFA
September 24	College of St. Elizabeth
October 22	NJEFA
December 24	NJEFA

*Meeting dates subject to change.

Supporting our state treasures, NJ's colleges and universities

By Roger L. Anderson, NJEFA Executive Director

The Chair of the State Commission on Investigation recently called New Jersey's colleges and universities "a state treasure if ever there was one." He said the colleges provide great benefits to both their students and the State as a whole.

The connection between higher education and economic prosperity has long been recognized. As NJEFA was being established, Governor Hughes said, "Our State's economic and social potential are bound closely to a well-educated vigorous citizenry."

In today's knowledge economy, the connection is even closer. The Bureau of Labor Statistics estimates that nearly half of all job growth in the U.S. in the next ten years will be in positions requiring college degrees. Governor Corzine identified world-class higher education as a priority for the State's prosperity. The State's Economic Growth Strategy found that, "[T]he state's universities and colleges . . . require state-of-the-art equipment, buildings, libraries and distance learning capacity."

The Strategy builds on the fact that nearly three of eight adults in New Jersey hold at least a bachelor's degree, the tenth highest percentage in the country. That educational achievement has caused total personal income in the State to be 12% higher than the national average.

To help the State succeed, New Jersey's colleges and universities have expanded enrollment by 15% over the last seven years. Over the same period, the number of degrees and certificates awarded has grown by almost 25%.

The colleges could not have achieved this growth, could not have "state-of-the-art equipment, buildings, libraries and distance learning capacity" and would not be "a state treasure" without significant capital investment. The State has not been able to provide significant funds, however, so the colleges have had to do so on their own.

Roger L. Anderson

NJEFA was established to help provide the financial resources "to enable institutions of higher education in the state to provide the facilities which are sorely needed . . . all to the public benefit and good," and we are proud of the help we have given. We have worked closely with almost every institution in the State to craft what our founding Executive Director, Ed Bambach, calls financing packages tailored to each institution's needs and circumstances.

Last year was the fourth year in the last six in which we've set a new financing record. We issued nearly $1.1 billion (see chart on page 7) for such projects as new residence halls for the growing student populations at Kean, Drew, Rider and Stockton; and academic buildings at the Institute for Advanced Study, Princeton and Stockton.

As John Nelson says on page 3, "High debt and low capital support are really two sides of the same coin." Any analysis of college debt that does not consider both the State's lack of capital support and the fact that the investments made possible by debt have helped the colleges and universities become "a state treasure" is incomplete.

We encourage the SCI to do a more thorough and open analysis, and we stand ready to continue to provide our full cooperation to help the SCI achieve an accurate understanding of the tax-exempt financing process.

Any analysis of college debt that does not consider both the State's lack of capital support and the fact that the investments made possible by debt have helped the colleges and universities become "a state treasure" is incomplete.

— *In my opinion*—
Credit strengths and challenges of NJ public institutions
Interview with John Nelson, Moody's Investors Service

By Sheryl A. Stitt
NJEFA Director of Communications

Moody's Investors Service rates the debt of nearly all of the nation's public universities and focuses heavily on financial trends and challenges in public university governance as higher education across the country becomes more market-driven. I recently sat down with John Nelson, Moody's Managing Director of Public Finance, to talk about what some of these challenges may mean for New Jersey's public colleges and universities.

STITT: Moody's has reported that public institutions nationally are relying less and less on state funding, a trend that is certainly true in New Jersey despite significant enrollment growth. Based on inflation-adjusted appropriations, state aid for public colleges in New Jersey, according to the NJ Association of State Colleges and Universities, is less today than it was 10 years ago. **How has this shift in funding for higher education impacted your credit review of public institutions?**

NELSON: Public universities are increasingly relying on sources of revenue other than state government appropriations even as they expand their resources and missions to provide access to more students, promote economic development and help train future labor force. While each state is unique, the national trends are unmistakable. New Jersey, for example, has long provided less state funding for capital projects compared to most other states, so an increase in borrowing by public universities debt occurred more quickly and to a greater degree in New Jersey. However, other states are also now experiencing similar trends as public university borrowing rises around the nation.

The competitive market for higher education now has global reach and in order to compete, market-driven public universities today operate less like government agencies and more like not-for-profit corporations that have a public mission. The use of selected business practices in marketing, pricing and financial management, largely adapted from the private sector, is now common in the public higher education sector as universities seek revenues and capital resources from diversified sources to supplement traditional state funding. Following the proven strategies of private universities, many larger publics have widened their geographic draw to attract more out-of-state students, expanded research and academic programs, invested endowments in diversified and less transparent asset classes, established large-scale fundraising initiatives and created technology-transfer capacity for economic development.


John C. Nelson

The credit implications of this shift have generally been positive as many public universities have built more market and financial strength independent of state taxing power, reducing their vulnerability to inevitable swings in economically-sensitive tax revenue collected by state governments. Nevertheless, new policy and funding challenges can and have arisen in areas such as tuition affordability, financial aid, governance oversight, operating independence, employee compensation, economic development, labor force training and financial management.

STITT: At the same time that state capital support in New Jersey has declined, our institutions have been severely criticized for high debt levels. Several, as you know, are among the most highly leveraged in the country. The colleges' response is that the investment has been necessary in order to address the challenges of meeting their public missions, growing student demand and competition. **What is your perception of the level of institutional debt at our public colleges in light of these challenges and successive years of a difficult state economy?**

NELSON: High debt and low capital support are really two sides of the same coin. As public universities expand and invest around the nation, those that receive less public capital funding are much more likely to borrow on their own credit to finance their projects and become more dependent on student market revenues as a result. Governance structures can also have an effect on this trend. New Jersey, like Illinois and Ohio, has free-standing public universities rather than a tightly governed central system of universities. These universities do not benefit from cross-subsidization that might occur in a large system, and they also have separate boards and management teams that become especially market-oriented and skilled in executing competitive strategies not often possible in a large, multi-campus system environment. Such strategies are often financed with aggressive use of debt, especially in states where capital funding from government is low.

New Jersey's publics are typically smaller and more selective than their national peers. While they are rated somewhat lower than similar-sized public institutions in other states because of lack of state capital support and weak balance sheets, they are still rated in the middle of the investment grade scale which says a great deal about their credit strength, which is largely derived from their ability to generate consistent student demand. New Jersey's public universities operate in a state with very high demand for public higher education which enables them to be selective and generate stable or rising enrollments. These universities are also comparatively younger institutions and have not yet developed robust private fundraising support, so they have had to become increasingly adept at balancing their budgets and managing their cash flow to pay for debt on new capital projects.

Although they are more leveraged than the U.S. average, NJ public universities tend to generate the favorable operating margins that are needed to provide a buffer for coverage of high debt service. Moody's pays close attention to operating margins and future student demand when rating New Jersey's public universities. We expect strong student demand for these public universities to continue.

STITT: One of the most understated areas of higher education finance is the complexity of the competitive forces that drive institutional decision making at every level, from expanding access, to providing opportunity in new fields of academic study, to building and modernizing facilities that accommodate both. **What do you perceive to be the greatest competitive forces driving institutional decision making today?**

NELSON: Across the nation, public universities are becoming increasingly important economic institutions with a more prominent and complex role to play in local and state economies. One result of this is that there are many different stakeholders who care what the university does. Because public universities are no longer so dependent on state funding, they have developed a more market-oriented approach that includes building deeper partnerships with business and all parts of government, from the federal to the local level. A public university's potential ability to attract out-of-state talent, educate a large share of the resident population, tailor some programs to the needs of employers, embark on new technology and health care research initiatives, create new start-up companies, improve the local sense of place and identity through sports and cultural programs, are all

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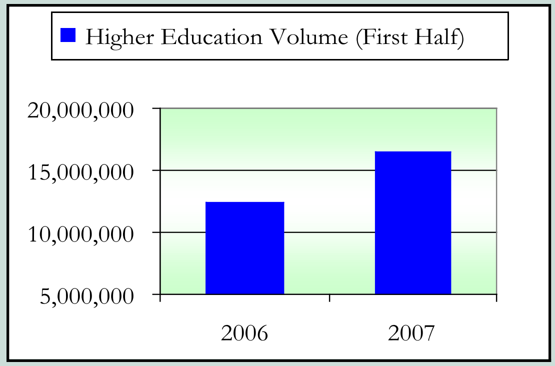
Year-end review of 2007 and what is ahead in 2008?

By Katherine Clupper
Senior Managing Consultant
Public Financial Management, Inc.

Amazingly, year end totals for all municipal bonds seem to be heading for another record-breaking level. Total sales as of October of this year, which equal $366.1 billion, are ahead of last year's amount of $298.4 as well as being slightly ahead of the record breaking 2005 levels of $337.3 billion. This volume increase is in part due to an increase in refundings earlier in the year, a 60% increase from last year. Several larger issues in excess of $1 billion were also brought to the market in October which helped push the volume over the 2005 record.



Education issues also experienced a surge in volume. Higher education volume increased 33% during the first half of this year over the same period in 2006. This increase is not only due to refundings, since a large percentage of the education volume was new money issues. Continued investment in capital projects on campuses throughout the country in order to stay competitive and attract new students helped contribute to the increased volume. Additionally, decreasing state support has also resulted in additional bonds being issued by public universities trying to maintain aging buildings and remain competitive.

Volume in New Jersey is also on the rise, with a 33% increase during the first half of 2007. The New Jersey Educational Facilities Authority ranked second, after the $3.6 billion Tobacco Settlement Finance Corporation issue, for total volume during this period, issuing $894 million, which is almost 3.5 times the amount issued during the first half of 2006. It should also be noted that New Jersey public institutions are also experiencing the pressures of decreasing state support and the resulting reality of having to issue additional debt. In fact, New Jersey institutions are among the highest leveraged in the nation with median debt per student at $22,221 versus $10,529 nationally.

The second half of 2007 was also marked with increased volatility caused by widespread credit and liquidity concerns prompted by a slowdown in the housing market. Rising mortgage defaults have threatened the value of mortgage-backed securities requiring many Wall Street investment banks to write down massive losses related to sub-prime mortgage-backed securities and related structured investment vehicles. The "sub-prime mortgage crisis" has affected the municipal market in several areas: 1) credit spreads have widened as investors become more discriminating with their capital, 2) liquidity has tightened as market participants reduce balance sheet exposure, and 3) a cloud of uncertainty hovers over the AAA rated mono-line bond insurers, many of whom have insured billions of dollars worth of the sub-prime securities in question. The rating agencies have completed extensive reviews of the bond insurers that have resulted in the some of the insurers being placed on credit watch or possibly downgraded. The attached summary is as of 12-20-2007 and news is changing daily.

	Moody's Investors Service				Standard & Poor's Rating Services				Fitch Rating Services			
Insurer	Prior Rating	Revised Rating	Prior Outlook	Revised Outlook	Prior Rating	Revised Rating	Prior Outlook	Revised Outlook	Prior Rating	Revised Rating	Prior Outlook	Revised Outlook
FGIC	Aaa	Aaa	Stable	Negative Watch	AAA	AAA	Stable	Negative Watch	AAA	AAA	Stable	Negative Watch
MBIA	Aaa	Aaa	Stable	Negative	AAA	AAA	Stable	Negative	AAA	AAA	Stable	Negative Watch
XL Capital	Aaa	Aaa	Stable	Negative Watch	AAA	AAA	Stable	Negative	AAA	AAA	Stable	Negative Watch
FSA	Aaa	Aaa	Stable	Stable	AAA	AAA	Stable	Stable	AAA	AAA	Stable	Stable
CIFG	Aaa	Aaa	Stable	Negative	AAA	AAA	Stable	Negative	AAA	AAA	Stable	Stable
Assured Guaranty	Aaa	Aaa	Stable	Stable	AAA	AAA	Stable	Stable	AAA	AAA	Stable	Stable
Ambac	Aaa	Aaa	Stable	Stable	AAA	AAA	Stable	Negative	AAA	AAA	Stable	Negative Watch
ACA	NR				A	CCC	Negative Watch	Developing Watch	NR			
Radian	Aa3	Aa3	Stable	Stable	AA	AA	Negative Watch	Stable	AA	A+	Negative Watch	Evolving Watch

These three factors have caused some concern in the municipal market as investors, particularly retail investors, wrestle with uncertainty surrounding the bond insurers and refine their credit analysis to look more closely at the underlying rating of the borrower. Last year alone, bond insurers backed $59.8 billion of education bonds or 56% of the total amount issued. The assumed safety of bond insurance has made entering the bond market easy for a wide variety of credits. The prospect of a potential downgrade will result in investors being much more sensitive to the underlying rating of issuers.

What does this mean going forward? Colleges and Universities will have to be more mindful of their underlying credit profile. The level of debt on an institution's balance sheet will continue to be a critical factor in the overall credit analysis. Not only in terms of total amount, but also in comparison to operating expenses,

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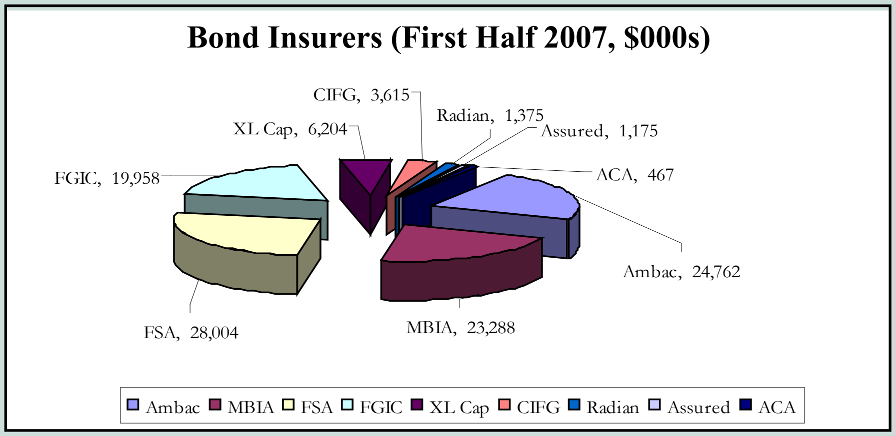
Year-end review,

Continued from page 4

total revenues and levels of liquidity. Asset/Liability management strategies or "managing the liability side of the balance sheet" will need to be developed as institutions continue to enter the debt market to fund capital projects. The good news is however that Moody's mentions "increasingly sophisticated asset, liability and risk management" as among recent credit trends they have noticed in the industry. This positive trend is critical as investors will also become more discriminating and will conduct their own credit assessment beyond the bond insurance before investing in municipal bonds.



In my opinion,

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attributes that are in demand by communities around the nation. New Jersey is no exception to this trend. This means that university managements face a wider array of constituencies than ever before even as the financial challenges and opportunities facing the university become much greater.

STITT: New Jersey's industry has been grappling with issues of transparency and accountability that started with the scandals of UMDNJ and has been more recently addressed in a report on public higher education by the State Commission on Investigation. Both examples have caused a focus on governance structure, board responsibilities and, political and ethical conflicts. **What changes in governance have you seen in recent years and have they furthered the success of our industry?**

NELSON: Higher education institutions across the nation face the challenge to be more open and transparent about how they operate, even as they become more independent and economically important. As implied from my answers above, today's board members have to think strategically about the university's market position, competitiveness and impact on their communities, including the need to explain university decisions to multiple stakeholders, not the least of which is the state government. This typically means weighing short-term political factors less and longer term economic factors more in deciding the future direction of the university. Efforts to attract students on a more national, and even international level, are often opposed by state legislatures who are focused on improving in-state participation and graduation rates as well as economic development, even as funding pressures from other state functions often means reduced funding to higher education.

Nationally, public university boards have had to approve more rapid tuition increases and targeted recruitment of higher-paying out-of-state students to provide some financial relief in an environment of shrinking state funding. Board members must increasingly weigh conflicting options of approving higher tuition for economic and strategic reasons against keeping tuition low and cutting programs to maintain the perceived level of affordability for in-state students.

Other trends include the need to have particular expertise available among board members, especially in institutions involved in medical research and clinical services, or those that are reliant on complex federal student aid programs. Public university board members will likely become increasingly responsible for generating philanthropic support and building community and corporate relationships.

As a result of a growing reliance on alternative revenue sources, including gifts, research grants, tuition and fees, public university boards are beholden to a broader base of constituents than they were in the past. Board members need to balance their vision for the university against the compelling needs of the state and local governments, staff, faculty, student body, alumni, donors, funding research agencies, and other constituencies.

STITT: Is there a "best selection process" for higher education trustee boards?

NELSON: In New Jersey, like the majority of states, board members are appointed by the governor. This process can create governance ambiguity and conflicts as market-driven universities need to evolve much more rapidly in an environment of declining state support. State funding is likely to decline even further in coming years. As it does, the state-university relationship in most states is likely to evolve more toward that of partnership, rather than parent-subsidiary, as universities demonstrate that they can help promote education and economic development as well as, or better than, other state-funded policies and strategies.

Many current models for board selection are unlikely to best advance the financial strength and mission-oriented activities of most public universities. These existing processes can result in selection of many board members who have little experience governing, managing, or working in higher education or any other not-for-profit or public sector organization. The increasingly complex strategies and programs being adopted by public universities, which are simultaneously market and mission-oriented, will require more economically informed governance.

So to answer your question, Moody's believes that more diverse board member selection processes, reflecting the growing number of stakeholders and the need for more financial and business expertise, are likely to evolve in the public university sector.

Moody's rates nearly 200 four-year public colleges, universities and higher education systems in the U.S. that collectively have over $80 billion in outstanding debt on a non-credit enhanced basis. Collectively these universities and university systems enroll more than 90% of public university students in the U.S. With the exception of Thomas Edison State College, Moody's rates all of New Jersey's senior public institutions and research universities. As of the date of this publication, the median rating was A2.

NJEFA's Conference,

Continued from page 1

that private 501(c)(3) borrowers also need to monitor unrelated trade or business use which counts toward the permitted 5% (or less). This is particularly important for Section 501(c)(3)s since a lease to another non-profit may not constitute "private business use" but may be impermissible "unrelated trade or business use."

The IRS has issued some guidelines, which, if met, exempt a management contract from causing private business use. For example, a contract with a term of no more than 3 years (including extensions) which meets certain requirements of the guidelines relating to the form of compensation paid, can meet a "safe harbor" test and not cause private business use. Use by the general public does not constitute private business use and IRS regulations provide other exceptions to treatment as private business use such as an exception for short-term use.

If a contract does cause private business use, the use must be measured. Chirls explained that measurement is important in order to assure that the permissible *de minimis* percentage is not exceeded. He also noted that it is necessary to know how a facility is used because, if the issue is refunded, the use must be counted for the refunding issue.

IRS regulations generally require private use to be measured over the term of the bonds and of any refunding bonds. In addition, use is measured over each annual period during the term of an issue. Chirls commented that this should allow an averaging of private use over the entire term of the issue. However, he said he has not encountered this issue in an audit so it is uncertain how the IRS will actually handle averaging of use.

IRS regulations generally require private use to be measured over the term of the bonds and of any refunding bonds. In addition, use is measured over each annual period during the term of an issue.

The Questionnaire and its Focus on Recordkeeping

In order to monitor private use over the term of an issue, and to establish compliance with arbitrage and rebate rules, issuers and borrowers must maintain adequate records. This was the central focus of Linda Schakel's remarks as she reviewed the IRS's recordkeeping requirements.

The IRS has published Tax Exempt Bond Frequently Asked Questions about Record Retention Requirements. The FAQs describe a general rule that records relating to tax-exempt bonds should be kept for the entire term of the issue and any refundings plus 3 years. Currently, there is no general guidance in IRS regulations regarding recordkeeping so an issuer or borrower must keep all bond documents and certificates; all construction contracts, invoices and requisitions; all investment records including trade confirmations and any agreements and trustee reports; all rebate calculation; all contracts of a type which may give rise to private business use or unrelated trade or business use; and any other documents relating to a particular bond issue.

The importance of recordkeeping is evident, according to Schakel, from the Questionnaire the IRS recently sent to more than 200 Section 501(c)(3) organizations including colleges and universities. It asks many questions about an organization's recordkeeping policies, procedures and practices and states that failure to respond may lead to a referral of the organization for audit.

Although the Questionnaire is directed to Section 501(c)(3) organizations, the IRS has announced that it plans to send a similar questionnaire to public institutions and to monitor their compliance as well. NJEFA plans to work with its clients to ensure that we have procedures in place and maintain appropriate records to be able to answer questions the IRS may raise in future compliance activities.

Planning for Compliance

NJEFA has begun the process of managing post-issuance compliance by engaging BondLogistix, LLC, one of NJEFA's rebate servicers, to conduct a post-issuance compliance test case. As part of the test case, BondLogistix will review each series of bonds issued by NJEFA to finance facilities at an institution for arbitrage, rebate and private business use compliance. BondLogistix will issue a report that will provide information on all of these areas in an accessible form so that the information will be available for use throughout the remainder of the term of that series or a future refunding. If the results are as we hope, NJEFA will make this post-issuance review available to all of our borrowers.

We are also developing a "Post-Issuance Compliance Checklist" for new issues that will be modeled after one that was developed by The National Association of Bond Lawyers (NABL) and commented on by the Government Finance Officers Association (GFOA). Like the NABL Checklist, once complete, NJEFA's will identify tax compliance issues identified in the Questionnaire; namely, private use, timing and allocation of expenditures, calculation of rebate and recordkeeping. It will also include post-issuance requirements such as continuing disclosure and contractual agreements such as financial covenants and notification requirements.

We hope that NJEFA's 6th Annual Education Conference provided valuable information to all who attended. NJEFA will continue to follow the IRS's post-issuance compliance efforts, and to keep its clients informed as we work with NJ's colleges and universities in developing appropriate post-issuance compliance guidelines.

For more information about this topic, please contact Katherine Newell, Esq., NJEFA Senior Advisor, at 609.987.0880 or visit www.irs.gov.

NJEFA financings in 2007; a record-breaking year

INSTITUTION	PROJECT	CLOSING	AMOUNT
PUBLIC			
Montclair State University	Refunding	4.4.07	$ 6,150,000
New Jersey City University	Refunding	4.4.07	17,910,000
Rowan University	Refunding	4.5.07	121,355,000
Kean University (two issues)	2 residence halls; parking deck; refunding	4.13.07	274,035,000
Kean University	Lease purchase	6.28.07	916,666
Thomas Edison State College	Lease purchase	9.28.07	2,700,000
The Richard Stockton College of NJ	Renovation and/or construction of Housing V Phase II; safety and infrastructure improvements; heat pump replacement; Arts and Science Building exterior; fire safety upgrades and replacement; geothermal infrastructure upgrades; F-wing roof top units; Campus Center; College Walk; and site and roadway improvements	12.12.07	40,250,000
PRIVATE			
Centenary College	Refunding of a bank loan; capital improvements	3.15.07	4,784,617
Institute for Advanced Study	Academic building addition; network and utility upgrades; renovations to academic buildings	3.15.07	20,000,000
Drew University	Residence hall; renovations to existing dorms; capital improvements; equipment	4.12.07	29,135,000
Princeton University (two issues)	Refunding; capital improvements	6.19.07	392,620,000
Rider University	Residence hall; parking facility; infrastructure improvements	6.21.07	22,000,000
Georgian Court University	Wellness center; refunding	7.19.07	26,980,000
Stevens Institute of Technology	Refunding	8.2.07	71,060,000
Georgian Court University	Land acquistion	9.28.07	1,050,000
Saint Peter's College (two issues)	Refunding	12.28.07	39,901,926
		GRAND TOTAL	**$1,070,848,209**

Rendering of Kean University residence halls

Rendering of Drew University residence hall

Rendering of Bloomberg Hall extension at the Institute for Advanced Study

NJEFA
New Jersey Educational Facilities Authority
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Princeton, NJ 08540

2007/2

NJEFA welcomes new staff members, promotes another

NJEFA welcomed several new staff members in 2007.

JENNIFER ZOCCALI joined the Authority in February and serves as Project/Communications Assistant. In addition to supporting the functions of Project Management with client financings, Ms. Zoccali also assists the Communications staff with production of publications, special events and conference support, and website maintenance.

Prior to joining NJEFA, Ms. Zoccali worked in sales and marketing as a Corporate Account Executive at Smith and Solomon. She is a graduate of Georgian Court University with a B.S. in Business Administration.

VITO L. GALLUCCIO was welcomed by NJEFA as a Project Manager in July. His responsibilities include assisting in the management of debt issuance by the Authority.

Mr. Galluccio brings 10 years experience in corporate and government banking to the Authority. He came to us from TD Banknorth, where he served as Vice President and State Team Leader of Government Banking for New Jersey and Pennsylvania. Earlier in his career, he was a Senior Business Analyst in Citigroup's Corporate and Investment Bank and also a Junior Analyst for First Union Capital Markets in both the Public Finance and Government Banking divisions.

Mr. Galluccio is a graduate of the City University of New York's Bernard M. Baruch College with a B.S. in Finance. He will receive his M.A. in Public Administration from Rutgers University in the spring of 2008.

DENISE CARROLL joined NJEFA's Accounting staff as Administrative Assistant in September. Ms. Carroll's responsibilities include processing requisitions and assisting with the Department's accounts payable and receivable functions.

Prior to joining the Authority, Ms. Carroll worked as a clerk for the New Jersey Department of Personnel. She is currently attending Mercer County Community College and will receive her A.S. in Business Administration in the spring of 2008.

STAFF PROMOTION

SHEILA R. TOLES was promoted in December to Executive Assistant/Human Resources Specialist in recognition of her increasing responsibilities in the area of human resources for the Authority.