

103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540  
PHONE 609-987-0880 • FAX 609-987-0850 • anderson@njefa.com

ROGER L. ANDERSON  
*Executive Director*

April 25, 2008

**VIA UNITED PARCEL SERVICE**

Honorable Jon S. Corzine  
Governor  
State House  
125 West State Street  
P.O. Box 001  
Trenton, New Jersey 08625

**ATTN:** Sonia Frontera, Assistant Counsel  
Governor's Authorities Unit

Dear Governor Corzine:

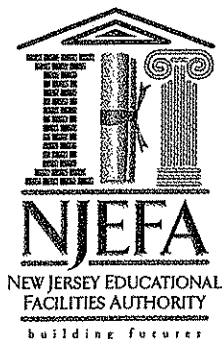
Enclosed please find an original and one copy of the minutes of the meeting of the New Jersey Educational Facilities Authority held on Wednesday, April 23, 2008.

I hereby certify that it is a true and correct copy of the proceedings.

Sincerely,

Roger L. Anderson  
Secretary

Enclosures



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*Executive Director*

**MINUTES OF THE MEETING OF THE  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
HELD AT RIDER UNIVERSITY, LAWRENCEVILLE, NEW JERSEY  
ON WEDNESDAY, APRIL 23, 2008**

The meeting was called to order at 10:34 a.m. by Chair Altman. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax on April 14, 2008, to The Star Ledger, The Times and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

**AUTHORITY MEMBERS PRESENT:**

Vivian Altman, Chair  
Roger B. Jacobs, Esq.  
Laurence M. Downes, Chair, Commission on Higher Education (represented by Kevin Collins)  
R. David Rousseau, State Treasurer (represented by Nancy Style)

**AUTHORITY MEMBERS ABSENT:**

Felice K. Vazquez, Esq.

**STAFF PRESENT:**

Roger L. Anderson, Executive Director  
Barbara L. Cannon, Deputy Executive Director  
Sheryl Stitt, Director of Communications  
Marie Mueller, Controller  
Kristen Middleton, Assistant Controller  
Debra Paterson, Project Manager  
Vito Galluccio, Project Manager  
Gary Vencius, Senior Accountant  
Nichole Doxey, Communications Specialist  
Jennifer Zoccali, Project/Communications Assistant  
Jamie Wright, Accountant  
Denise Carroll, Administrative Assistant  
Sheila Toles, Exec. Assistant/HR Specialist

**ALSO PRESENT:**

Mordechai Rozanski, President, Rider University  
Barry Sulzberg, Director of Cash Management, Rider University  
Julie Karns, Vice President for Finance and Treasurer, Rider University  
Anthony Inverso, Phoenix Advisors, LLC  
Benjamin Wolfe, Merrill Lynch & Co.  
Brian Burke, RBC Capital Markets  
Daniel Froehlich, George K. Baum & Company  
Dennis Santo, Roosevelt & Cross, Inc.  
Dominick Setari, Ramirez & Company, Inc.  
Drew Guttenberg, George K. Baum & Company  
Elizabeth Greene, Lehman Brothers  
Howard Eichenbaum, Gluck Walrath, LLP  
James Fagan, NW Capital  
Jeremy Clark, Goldman, Sachs & Co.  
Joshua Nyikita, Acacia Financial Group, Inc.  
Katherine Clupper, Public Financial Management, Inc.  
Kavin Mistry, Esq., Deputy Attorney General  
Kent Pieri, Sovereign Bank  
Mary DiMartino, J.P. Morgan Securities, Inc.  
Oliver Zlomislic, Morgan Stanley  
Sharon Landgraff, PNC Bank  
Sonia Frontera, Esq., Governor's Authorities Unit  
Thomas Holt, Bank of America

The Authority's off-site meeting opened with Chair Altman thanking the University and inviting Mordechai Rozanski, President, Rider University, to welcome the members, staff and attendees. Ms. Cannon thanked the University and Authority staff and gave a presentation on the University.

**ITEMS OF DISCUSSION**

**1. Approval of the Minutes of the Meeting of March 31, 2008**

The minutes of the meeting of March 31, 2008 were delivered via United Parcel Service to Governor Jon S. Corzine under the date of April 1, 2008. Mr. Jacobs moved that the minutes of the meeting be approved as presented; the motion was seconded by Ms. Style and passed unanimously.

**2. Report on Pending Projects**

Mr. Galluccio, Project Manager, reported that there are several projects for which various colleges and universities have requested Authority financing. Mr. Galluccio briefly described the projects and reported that the projects are under review and at various stages of development.

A summary of the projects to be financed, together with estimated financing amounts and proposed sale dates, is appended as Exhibit I.

3. **Market Update – Phoenix Advisors, LLC**

Mr. Inverso provided the members with a market update report that included commentary on current market conditions.

4. **Report on the Sale of NJEFA Revenue Refunding Bonds, Drew University Issue, 2008 Series B, In the Amount of \$10,765,000**

Mr. Anderson reported that last year on March 29, 2007, the Authority priced the 2008 Series B bonds on behalf of Drew University and described the various components of the transaction. The proceeds are being used for the current refunding of all of the Authority's outstanding 1998 Series C bonds; and certain costs of issuance.

The transaction was structured as a fixed rate, negotiated transaction with ratings of Aaa from Moody's Investors Service and AAA from Standard & Poor's Corporation and a final maturity of July 1, 2017. The issue successfully closed on April 4, 2008.

Mr. Zlomislic of Morgan Stanley, Senior Manager, commented on the transaction.

A copy of the Bond Sale Summary for the issue is appended as Exhibit II.

5. **Report on the Sale of NJEFA Revenue Refunding Bonds, Rowan University Issue, Series 2008 B, In the Amount of \$35,205,000**

Mr. Anderson reported that on March 26, 2008, the Authority priced the Series 2008 B bonds on behalf of Rowan University and described the various components of the transaction which is the first restructuring of the Authority's auction rate securities. The proceeds are being used for the current refunding of all of the Authority's outstanding Series 2003 K and Series 2006 H bonds; and costs of issuance.

The transaction was structured as a fixed rate, negotiated transaction with ratings of Aaa from Moody's Investors Service and AAA from Standard & Poor's Rating Services. The bonds are insured by Assured Guaranty Corporation and have a true interest cost of 4.839% with a final maturity of July 1, 2027. The issue successfully closed on April 10, 2008.

Mr. Burke of RBC Capital Markets, Senior Manager, commented on the transaction.

A copy of the Bond Sale Summary for the issue is appended as Exhibit III.

6. **Report on the Sale of NJEFA Revenue Bonds, Institute for Advanced Study Issue, 2008 Series C, In the Amount of \$11,255,000**

Mr. Anderson reported that on April 8, 2008 the Authority priced the 2008 Series C bonds on behalf of the Institute for Advanced Study and described the various components of the transaction. The proceeds are being used for the current refunding of a portion of the Authority's outstanding 1997 Series F bonds; the current refunding of all of the Authority's outstanding 1997 Series G bonds; and certain costs of issuance.

The transaction was structured as a fixed rate, negotiated transaction with ratings of Aaa from Moody's Investors Service and AAA from Standard and Poor's Rating Services. The bonds have a true interest cost of 3.619% and a final maturity of July 1, 2021. The issue provided

the Institute with net present value savings of 4.886%. The issue successfully closed on April 17, 2008.

Ms. Greene of Lehman Brothers, Senior Manager, commented on the transaction.

A copy of the Bond Sale Summary for the issue is appended as Exhibit IV.

**7. Adoption of Reimbursement Resolution for Saint Peter's College**

Mr. Anderson reported that Saint Peter's College has indicated its desire to proceed with a financing through the Authority for the repair, replacement, renovation, and improvement of various campus buildings and facilities including, without limitation, the repair and replacement of roofs, ceilings, doorways, HVAC equipment, sidewalks, parking lots, lighting, carpeting and other interior and exterior repairs, renovations, and improvements; and for the acquisition and renovation of property located at 813-815 Montgomery Street in Jersey City, New Jersey. Mr. Anderson requested and recommended the members' approval of a resolution declaring its official intent to reimburse expenditures for project costs incurred prior to the issuance of bonds with proceeds of debt obligations to be issued on behalf of the College.

Ms. Style moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
DECLARING ITS OFFICIAL INTENT WITH RESPECT TO THE REIMBURSEMENT  
OF EXPENDITURES FOR PROJECT COSTS FROM PROCEEDS OF TAX-EXEMPT  
BONDS

The motion was seconded by Mr. Collins and passed unanimously.

The adopted resolution is appended as Exhibit V.

**8. Report on Operating and Construction Fund Statements**

Ms. Mueller, Controller, reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments.

Ms. Style moved that the reports be accepted as presented; the motion was seconded by Mr. Collins and passed unanimously.

The reports are appended as Exhibit VI.

**9. Legislative Update**

Ms. Stitt reported on the recent Senate Budget and Appropriations Committee hearing that considered higher education services. She also reported that, in preparation for the hearing, the Authority provided information on the auction rate bond market to the Office of Legislative Services, including a complete rate history for all of the public colleges that have auction rate security or insured variable rate demand bond transactions.

The OLS analysis and a copy of the Authority's response are appended as Exhibit VII.

10. **Directors' Update**

Ms. Mueller reported that, as discussed at the March 31, 2008 meeting, the Authority established a Trust for its Other Post Employment Benefits (OPEB) obligation. On April 14, 2008 the Authority funded \$2 million of its \$2.2 million OPEB obligation, which was the balance at the end of 2007. Ms. Mueller advised that the Authority will need to obtain a new actuarial calculation to determine the liability at the end of 2008.

11. **Next Meeting Date**

Chair Altman announced that the May 28, 2008 meeting will be held at the Authority's office and reminded everyone of the last off-site meeting of the year at the College of Saint Elizabeth on September 24, 2008.

In closing, Ms. Altman invited everyone to stay for lunch and the tour of the University's campus.

Mr. Jacobs moved that the meeting be adjourned at 11:18 a.m.; the motion was seconded by Mr. Collins and passed unanimously.

Respectfully submitted,



Roger L. Anderson  
Secretary

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
REPORT ON PENDING PROJECTS**

April 23, 2008

| <u>Institution</u>                                 | <u>Project</u>                                                                                                                                                                  | <u>Estimated Size of Issue</u> | <u>Estimated Pricing Date</u> |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| <b><u>Private Institutions</u></b>                 |                                                                                                                                                                                 |                                |                               |
| College of Saint Elizabeth                         | Debt Restructuring                                                                                                                                                              | \$25 Million                   | 2nd Q 2008                    |
| Seton Hall University                              | Debt Restructuring                                                                                                                                                              | \$80 Million                   | 2nd Q 2008                    |
| Institute for Defense Analyses                     | Debt Restructuring                                                                                                                                                              | \$15 Million                   | 2nd Q 2008                    |
| Saint Peter's College                              | Conversion to Tax-Exempt Bonds, Various Capital Improvements and Acquisition of Certain Property                                                                                | \$8.8 Million                  | 2nd Q 2008                    |
| Princeton University                               | Acquisition, Construction, Renovation, Installation and Repair of Various Academic, Athletic, Residential and Administrative Facilities on the Main Campus and Forrester Campus | \$350 Million                  | TBD                           |
| <b><u>Public Institutions</u></b>                  |                                                                                                                                                                                 |                                |                               |
| New Jersey City University                         | Debt Restructuring                                                                                                                                                              | \$75 Million                   | April 16, 2008                |
| The College of New Jersey                          | Debt Restructuring                                                                                                                                                              | \$285 Million                  | April 2008                    |
| Kean University                                    | Debt Restructuring                                                                                                                                                              | \$156 Million                  | 2nd Q 2008                    |
| The William Paterson University of New Jersey      | Renovation and Expansion of the Science Building and Possible Refunding                                                                                                         | \$90 Million                   | 2nd Q 2008                    |
| The Richard Stockton College of New Jersey         | Renovation and / or Construction of Campus Center and College Walk and Site and Roadway Improvements and Debt Restructuring                                                     | \$130 Million                  | 2nd Q 2008                    |
| University of Medicine and Dentistry of New Jersey | Refinancing / Restructuring of Certain Existing Indebtedness                                                                                                                    | \$225 Million                  | 3rd Q 2008                    |

**EXHIBIT I**

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
REPORT ON PENDING PROJECTS

April 23, 2008

Estimated Size  
of Issue      Estimated  
Pricing Date

Project

Institution

Programs

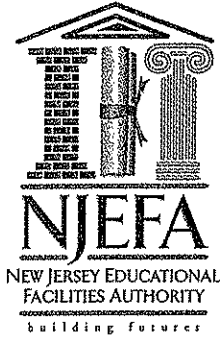
Tax-Exempt Leasing Program

Equipment Leasing for Public/Private Colleges/Universities in New Jersey

Varies

Varies





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**BOND SALE SUMMARY**

**Borrower:** Drew University, Madison, New Jersey

**Issue:** 2008 Series B

**Amount:** \$10,765,000

**Purpose:** To provide funds to finance: (i) the forward refunding of all of the Authority's outstanding 1998 Series C Bonds; and (ii) the payment of certain costs of issuance.

**Structure:** Negotiated Sale, Fixed Rate

**Final Maturity:** July 1, 2017

**True \*  
Interest Cost:** 4.16%

**Net Present \*  
Value Savings:** \$487,112 / 2.45%

**Bond Ratings:** Aaa - Moody's Investors Service  
AAA - Standard and Poor's Corporation

**Bond Insurer:** MBIA Insurance Corporation

**Pricing:** March 29, 2007

**Closing:** April 4, 2008

\* Combined with the 2007 Series D

**Professionals on the Transaction:**

|                                        |                                   |
|----------------------------------------|-----------------------------------|
| <b>Bond Counsel:</b>                   | Gibbons P.C.                      |
| <b>Authority's Counsel:</b>            | Attorney General of New Jersey    |
| <b>Financial Advisor:</b>              | Public Financial Management, Inc. |
| <b>Underwriter:</b>                    | Morgan Stanley & Co. Incorporated |
| <b>Underwriter's Counsel:</b>          | Cozen O'Connor                    |
| <b>Trustee/Escrow Agent:</b>           | The Bank of New York              |
| <b>Trustee/Escrow Agent's Counsel:</b> | McManimon & Scotland, LLC         |
| <b>Verification Agent:</b>             | BondResource Partners, LP         |



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### BOND SALE SUMMARY

**Borrower:** Rowan University, Glassboro, New Jersey

**Issue:** Series 2008 B

**Amount:** \$35,205,000

**Purpose:** To provide funds to finance: (i) the current refunding of all of the Authority's outstanding Series 2003 K and Series 2006 H Bonds issued on behalf of the University; and (ii) the payment of certain costs of issuance.

**Structure:** Negotiated Sale, Fixed Rate

**Final Maturity:** July 1, 2027

**True Interest Cost:** 4.839%

**Bond Ratings:** Aaa - Moody's Investors Service  
AAA - Standard and Poor's Rating Services

**Bond Insurer:** Assured Guaranty Corp.

**Pricing:** March 26, 2008

**Closing:** April 10, 2008

**Professionals on the Transaction:**

|                                         |                                           |
|-----------------------------------------|-------------------------------------------|
| <b>Bond Counsel:</b>                    | DeCotiis, FitzPatrick, Cole & Wisler, LLP |
| <b>Authority's Counsel:</b>             | Attorney General of New Jersey            |
| <b>Financial Advisor:</b>               | Public Financial Management, Inc.         |
| <b>Senior Manager:</b>                  | RBC Capital Markets                       |
| <b>Co-Manager:</b>                      | Powell Capital Markets, Inc.              |
| <b>Underwriters' Counsel:</b>           | Parker McCay, P.A.                        |
| <b>Trustee/ Escrow Agent:</b>           | The Bank of New York                      |
| <b>Trustee/ Escrow Agent's Counsel:</b> | McManimon & Scotland, LLC                 |
| <b>Verification Agent:</b>              | Causey Demgen & Moore, Inc.               |



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### BOND SALE SUMMARY

**Borrower:** Institute for Advanced Study, Princeton, New Jersey

**Issue:** 2008 Series C

**Amount:** \$11,255,000

**Purpose:** To provide funds to finance: (i) the current refunding of a portion of the Authority's outstanding 1997 Series F Bonds issued on behalf of the Institute; (ii) the current refunding of all of the Authority's outstanding 1997 Series G Bonds issued on behalf of the Institute; and (iii) the payment of certain costs of issuance.

**Structure:** Negotiated Sale, Fixed Rate

**Final Maturity:** July 1, 2021

**True Interest Cost:** 3.619%

**Net Present Value Savings:** \$551,856.27 / 4.886%

**Bond Ratings:** Aaa - Moody's Investors Service  
AAA - Standard and Poor's Rating Services

**Pricing:** April 8, 2008

**Closing:** April 17, 2008

**Professionals on the Transaction:**

|                               |                                   |
|-------------------------------|-----------------------------------|
| <b>Bond Counsel:</b>          | McManimon & Scotland, LLC         |
| <b>Borrower's Counsel:</b>    | Taylor Colicchio & Silverman, LLP |
| <b>Authority's Counsel:</b>   | Attorney General of New Jersey    |
| <b>Financial Advisor:</b>     | Public Financial Management, Inc. |
| <b>Underwriter:</b>           | Lehman Brothers                   |
| <b>Underwriter's Counsel:</b> | Cozen O'Connor                    |
| <b>Trustee:</b>               | The Bank of New York              |
| <b>Trustee's Counsel:</b>     | Hawkins Delafield & Wood          |
| <b>Verification Agent:</b>    | Causey Demgen & Moore, Inc.       |

RESOLUTION OF THE NEW JERSEY EDUCATIONAL  
FACILITIES AUTHORITY DECLARING ITS OFFICIAL INTENT  
WITH RESPECT TO THE REIMBURSEMENT OF  
EXPENDITURES FOR PROJECT COSTS FROM PROCEEDS OF  
TAX-EXEMPT BONDS

WHEREAS, St. Peter's College (the "College") has advised the New Jersey Educational Facilities Authority (the "Authority") that the College intends to implement a project (the "Project") consisting of the acquisition and renovation of certain real property located at 813-815 Montgomery Street, Jersey City, NJ and the repair, replacement, renovation, and improvement of various campus buildings and facilities including without limitation repair and replacement of roofs, ceilings, doorways, HVAC equipment, sidewalks, parking lots, lighting, carpeting and other necessary interior and exterior repairs, renovations, and improvements;; and

WHEREAS, the College has advised that it intends to finance the Project through the issuance of tax-exempt bonds (the "Bonds") by the Authority in one or more series and in one or more transactions over the next three years, the proceeds of which will be loaned to the College;

WHEREAS, the College has advised that it may pay for certain costs of the Projects ("Project Costs") prior to the issuance of the Bonds with funds of the College which are not proceeds of tax-exempt bonds;

WHEREAS, the College desires to preserve its right to treat an allocation of proceeds of the Bonds to the reimbursement of Project Costs paid prior to the issuance of the Bonds as an expenditure for such Project Costs to be reimbursed for purposes of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended ("Code").

NOW, THEREFORE, BE IT RESOLVED by the Members of the Authority as follows:

Section 1. The Authority reasonably expects the College to reimburse its expenditure of Project Costs paid prior to the issuance of the Bonds with proceeds of the Bonds.

Section 2. This resolution is intended to be and hereby is a declaration of official intent to reimburse the expenditures for Project Costs paid prior to the issuance of the Bonds with the proceeds of the Bonds in accordance with Treasury Regulations Section 1.150-2.

Section 3. The maximum principal amount of Bonds expected to be issued to finance the Projects is \$6,000,000 (including costs of issuance), which Bonds may be issued in one or more series and in one or more transactions over the next three years.

Section 4. The Project Costs to be reimbursed with the proceeds of the Bonds will be "capital expenditures" in accordance with the meaning of Section 150 of the Code.

Section 5. No reimbursement allocation will employ an “abusive arbitrage device” under Treasury Regulations Section 1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147 of the Code. The proceeds of the Bonds used to reimburse for Project Costs, or funds corresponding to such amounts, will not be used in a manner that results in the creation of “replacement proceeds,” including “sinking funds,” “pledged funds,” or funds subject to a “negative pledge” (as such terms are defined in Treasury Regulations Section 1.148-1) of the Bonds or another issue of debt obligations of the Authority, other than amounts deposited into a “bona fide debt service fund” (as defined in Treasury Regulations Section 1.148-1).

Section 6. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Bonds is paid, or (ii) the date the Project is “placed in service” (within the meaning of Treasury Regulations Section 1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

Section 7. This resolution will take effect immediately.

\_\_\_Ms. Style\_\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_Mr. Collins\_\_\_ and upon roll call the following members voted:

**AYE:** Vivian Altman  
Roger B. Jacobs  
Laurence M. Downes (represented by Kevin J. Collins)  
R. David Rousseau (represented by Nancy Style)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Felice K. Vazquez

The Chair thereupon declared said motion carried and said resolution adopted.



**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
2008 BUDGET VARIANCE ANALYSIS  
FOR THREE MONTHS ENDED MARCH 31, 2008**

**Executive Summary**

The NJEFA concluded the first three months of 2008 with net operating income in the amount of \$176,064, based on revenues of \$936,035 and expenses of \$759,971. As a result, net operating income is higher than budgeted by \$62,579. This difference is a result of greater than expected revenues in the amount of \$16,747 and less than anticipated expenses in the amount of \$45,832.

**Revenues**

Revenues were \$16,747 better than projected for the first three months of the year due to a positive variance in Investment Income.

**Expenses**

Operating expenditures for the first three months of the year were favorable as compared to budget by \$45,832. Attorney General Fees were \$18,966 less than budgeted because actual billings were less than those anticipated in the Legal Services Cost Projection Agreement. Most of the remaining line items display favorable deviations and are primarily the result of timing.

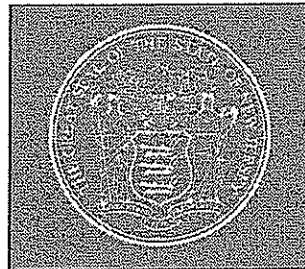
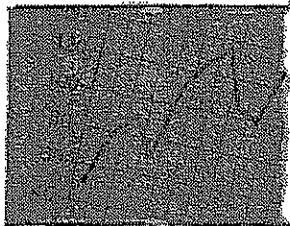
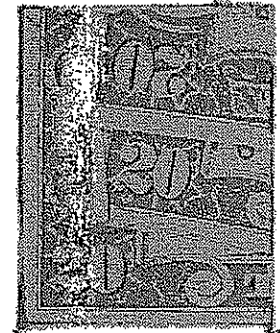
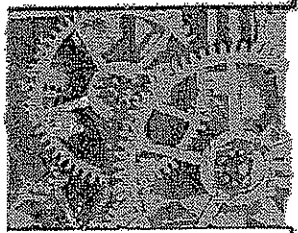
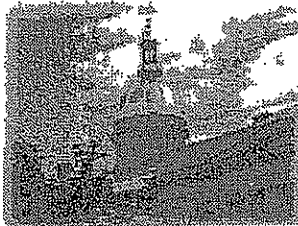
**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**  
**ACTUAL vs. BUDGET REPORT**  
**MARCH 2008**

|                                        | Month Ended<br>March 31, 2008 |                    |                  | 3 Months Ended<br>March 31, 2008 |                   |                  |
|----------------------------------------|-------------------------------|--------------------|------------------|----------------------------------|-------------------|------------------|
|                                        | <u>Actual</u>                 | <u>Budget</u>      | <u>Variance</u>  | <u>Actual</u>                    | <u>Budget</u>     | <u>Variance</u>  |
| <b><u>Operating Revenues</u></b>       |                               |                    |                  |                                  |                   |                  |
| Annual Administrative Fees             | \$275,520                     | \$275,520          | \$ -             | \$ 826,560                       | \$ 826,560        | \$ -             |
| Initial Fees                           | -                             | -                  | -                | -                                | -                 | -                |
| Investment Income                      | <u>25,693</u>                 | <u>16,364</u>      | <u>9,329</u>     | <u>109,475</u>                   | <u>92,728</u>     | <u>16,747</u>    |
|                                        | <u>\$ 301,213</u>             | <u>\$ 291,884</u>  | <u>\$ 9,329</u>  | <u>\$ 936,035</u>                | <u>\$ 919,288</u> | <u>\$ 16,747</u> |
| <b><u>Operating Expenses</u></b>       |                               |                    |                  |                                  |                   |                  |
| Salaries                               | \$112,315                     | \$113,584          | \$ 1,269         | \$ 327,715                       | \$ 330,512        | \$ 2,797         |
| Employee Benefits                      | 102,559                       | 103,821            | 1,262            | 155,308                          | 157,379           | 2,071            |
| Office of The Governor                 | 2,333                         | 2,333              | -                | 6,999                            | 6,999             | -                |
| Office of The Attorney General         | 10,000                        | 16,322             | 6,322            | 30,000                           | 48,966            | 18,966           |
| Sponsored Programs                     | -                             | -                  | -                | -                                | -                 | -                |
| Telephone                              | 2,128                         | 2,391              | 263              | 4,490                            | 5,482             | 992              |
| Gasoline & Auto Maintenance            | 526                           | 1,045              | 519              | 1,414                            | 2,590             | 1,176            |
| Rent                                   | 24,995                        | 24,683             | (312)            | 74,361                           | 74,049            | (312)            |
| Utilities                              | 1,687                         | 1,687              | -                | 5,060                            | 5,061             | 1                |
| Postage                                | 65                            | 541                | 476              | 922                              | 1,623             | 701              |
| Office Supplies & Expenses             | 2,311                         | 3,819              | 1,508            | 7,604                            | 9,638             | 2,034            |
| Travel & Official Receptions           | 1,731                         | 3,136              | 1,405            | 3,453                            | 7,772             | 4,319            |
| Staff Training & Tuition Reimbursement | 1,910                         | 2,409              | 499              | 2,429                            | 5,318             | 2,889            |
| Insurance                              | 4,460                         | 4,460              | -                | 13,380                           | 13,380            | -                |
| Annual Report & Newsletters            | -                             | -                  | -                | 4,500                            | 4,750             | 250              |
| Public Relations                       | -                             | 500                | 500              | -                                | 500               | 500              |
| Electronic Communication Program       | -                             | 1,818              | 1,818            | -                                | 3,636             | 3,636            |
| Professional Services                  | 63,770                        | 63,400             | (370)            | 79,800                           | 79,800            | -                |
| Dues & Subscriptions                   | 10,459                        | 10,450             | (9)              | 19,743                           | 21,050            | 1,307            |
| Maintenance of Equipment               | 600                           | 3,800              | 3,200            | 1,728                            | 5,800             | 4,072            |
| Depreciation                           | 7,000                         | 7,166              | 166              | 21,065                           | 21,498            | 433              |
| Contingency                            | -                             | -                  | -                | -                                | -                 | -                |
|                                        | <u>348,849</u>                | <u>367,365</u>     | <u>18,516</u>    | <u>759,971</u>                   | <u>805,803</u>    | <u>45,832</u>    |
| <b>Operating Income</b>                | <u>\$ (47,636)</u>            | <u>\$ (75,481)</u> | <u>\$ 27,845</u> | <u>\$ 176,064</u>                | <u>\$ 113,485</u> | <u>\$ 62,579</u> |

**New Jersey Educational Facilities Authority  
Summary of Construction Funds  
As of March 31, 2008**

| <u>Private</u>        | <u>Institution</u>                     | <u>Issue</u>  | <u>Description</u>                  | <u>Bond Proceeds</u>       | <u>Net Disbursed</u>       | <u>Balance</u>           | <u>% Complete</u> |
|-----------------------|----------------------------------------|---------------|-------------------------------------|----------------------------|----------------------------|--------------------------|-------------------|
|                       | Stevens Institute of Technology        | 2004 Series B | Student Residence Conversion        | \$ 12,281,959.45           | \$ (10,714,277.53)         | \$ 1,567,681.92          | 87%               |
|                       | Seton Hall University                  | 2005 Series C | Science Center/Student Housing      | 56,906,973.36              | (48,645,430.63)            | 8,261,542.73             | 85%               |
|                       | Institute for Advanced Study           | 2006 Series C | Biology Bldg., & Renovations        | 19,939,000.00              | (10,922,769.05)            | 9,016,230.95             | 55%               |
|                       | Princeton University                   | 2006 Series D | Renovations/Capital Equipment       | 75,000,000.00              | (57,190,211.79)            | 17,809,788.21            | 76%               |
|                       | College of Saint Elizabeth             | 2006 Series K | Perf. Arts Center, Renovations      | 13,943,570.20              | (11,620,075.69)            | 2,323,494.51             | 83%               |
|                       | Rider University                       | 2007 Series C | Student Housing, Parking & Improv.  | 21,013,907.29              | (4,466,678.59)             | 16,547,228.70            | 21%               |
|                       | Drew University                        | 2007 Series D | Student Housing & Renovations       | 25,314,969.30              | (2,394,363.16)             | 22,920,606.14            | 9%                |
|                       | Georgian Court University              | 2007 Series D | Wellness Center, Bookstore          | 11,327,709.22              | (9,216,150.56)             | 2,111,558.66             | 81%               |
|                       | Princeton University                   | 2007 Series E | Construction & Major Maintenance    | 329,363,288.30             | (125,864,691.56)           | 203,498,596.74           | 38%               |
|                       | Sub Total                              |               |                                     | \$ 565,091,377.12          | \$ (281,034,648.56)        | \$ 284,056,728.56        |                   |
| <u>Public</u>         |                                        |               |                                     |                            |                            |                          |                   |
|                       | The College of New Jersey              | Series 1999 A | Academic Buildings                  | \$ 54,996,856.58           | \$ (33,881,651.17)         | \$ 21,115,205.41         | 62%               |
|                       | The College of New Jersey              | Series 2002 D | Library & Various Renovations       | 137,126,158.84             | (84,396,905.17)            | 52,729,253.67            | 62%               |
|                       | New Jersey City University             | Series 2003 A | Various Projects                    | 45,779,798.13              | (42,341,067.69)            | 3,438,730.44             | 92%               |
|                       | Rowan University                       | Series 2004 C | Academic Building, Various Projects | 57,850,090.45              | (51,846,983.75)            | 6,003,106.70             | 90%               |
|                       | New Jersey City University             | Series 2005 A | Various Capital Improvements        | 21,348,611.31              | (15,372,874.86)            | 5,975,736.45             | 72%               |
|                       | Richard Stockton College of New Jersey | Series 2005 C | Various Projects & Renovations      | 25,824,484.04              | (21,653,406.78)            | 4,171,077.26             | 84%               |
|                       | Kean University                        | Series 2005 B | Various Projects & Renovations      | 91,383,145.08              | (23,395,090.22)            | 67,988,054.86            | 26%               |
|                       | Ramapo College of New Jersey           | Series 2006 D | Science Bldg., Parking & Renov.     | 48,962,668.44              | (44,284,493.99)            | 4,678,174.45             | 90%               |
|                       | Montclair State University             | Series 2006 A | Rec. Center, Parking & Renovations  | 99,691,116.44              | (19,589,779.06)            | 80,101,337.38            | 20%               |
|                       | Richard Stockton College of New Jersey | Series 2006 F | Housing V, Various Projects         | 50,675,855.72              | (31,185,133.35)            | 19,490,722.37            | 62%               |
|                       | Rowan University                       | Series 2006 G | Various Renovations                 | 46,527,357.07              | (8,588,149.77)             | 37,939,207.30            | 18%               |
|                       | Rowan University                       | Series 2006 H | Property Acquisition, Renovations   | 19,797,386.13              | (1,874,527.89)             | 17,922,858.24            | 9%                |
|                       | Kean University                        | Series 2007 D | 2 Residence Halls, Dining, Parking  | 124,287,050.02             | (4,647,282.94)             | 119,639,767.08           | 4%                |
|                       | Richard Stockton College of New Jersey | Series 2007 G | Housing V, Various Upgrades & Renov | 40,242,421.65              | (39,886.23)                | 40,202,535.42            | 0%                |
|                       | Sub Total                              |               |                                     | \$ 864,492,999.90          | \$ (383,097,232.87)        | \$ 481,395,767.03        |                   |
| <u>Other Programs</u> |                                        |               |                                     |                            |                            |                          |                   |
|                       | Public Library Grant Program           | Series 2002 A | Library Grants                      | \$ 45,380,714.58           | \$ (44,878,091.48)         | \$ 502,623.10            | 99%               |
|                       | Capital Improvement Fund               | Series 2002 A | Capital Improvements                | 195,287,675.00             | (191,507,541.02)           | 3,780,133.98             | 98%               |
|                       | * Equipment Leasing Fund               | Series 2003 A | Equipment Leasing                   | 13,343,279.40              | (13,301,513.23)            | 41,766.17                | 100%              |
|                       | Sub Total                              |               |                                     | \$ 254,011,668.98          | \$ (249,687,145.73)        | \$ 4,324,523.25          |                   |
|                       | <b>Grand Total</b>                     |               |                                     | <b>\$ 1,683,596,046.00</b> | <b>\$ (913,819,027.16)</b> | <b>\$ 769,777,018.84</b> |                   |

\* This issue has reached a completion rate of 100% and will not appear on future reports.



ANALYSIS OF THE NEW JERSEY BUDGET

# HIGHER EDUCATIONAL SERVICES

FISCAL YEAR

2008 - 2009

# HIGHER EDUCATIONAL SERVICES

Budget Pages..... C-11; D-325 to D-371; D-401 to D-410; D-468 to D-470; D-472 to D-473

## Fiscal Summary (\$000)

|                | Expended<br>FY 2007 | Adjusted<br>Appropriation<br>FY 2008 | Recommended<br>FY 2009 | Percent<br>Change<br>2008-09 |
|----------------|---------------------|--------------------------------------|------------------------|------------------------------|
| State Budgeted | \$1,441,108         | \$1,554,096                          | \$1,451,126            | ( 6.6%)                      |
| Federal Funds  | \$23,550            | \$27,553                             | \$28,246               | 2.5%                         |
| <u>Other</u>   | <u>\$7,931</u>      | <u>\$8,911</u>                       | <u>\$10,729</u>        | <u>20.4%</u>                 |
| Grand Total    | \$1,472,589         | \$1,590,560                          | \$1,490,101            | ( 6.3%)                      |

## Personnel Summary - Positions By Funding Source

|                                | Actual<br>FY 2007 | Revised<br>FY 2008 | Funded<br>FY 2009 | Percent<br>Change<br>2008-09 |
|--------------------------------|-------------------|--------------------|-------------------|------------------------------|
| State                          | 40                | 39                 | 39                | —                            |
| Federal                        | 163               | 158                | 158               | —                            |
| Other                          | 13                | 13                 | 13                | —                            |
| <u>Colleges &amp; Univ's.*</u> | <u>20,216</u>     | <u>20,216</u>      | <u>20,216</u>     | <u>—</u>                     |
| Total Positions                | 20,432            | 20,426             | 20,426            | —                            |

FY 2007 (as of December) and revised FY 2008 (as of January) personnel data reflect actual payroll counts. FY 2009 data reflect the number of positions funded.

\*Position data is displayed as "State-funded" positions for the three years.

## Key Points

- The overall FY 2009 budget recommendation for Higher Educational Services totals \$1.49 billion, a decrease of 6.3 percent from the FY 2008 adjusted appropriation of \$1.59 billion. The *Budget In Brief* (page A-22) reports total State support for Higher Education of \$2.1 billion, down \$75.6 million (3.5 percent), which incorporates funding for salary adjustments, net fringe benefit support, and facilities aid provided directly by the New Jersey Educational Facilities Authority not included in the display above.

## Higher Educational Services – Department of State

- **Colleges and Universities:** Direct operating aid for senior public institutions of higher education is recommended at \$804.6 million, a \$96.8 million (10.7 percent) decrease

## Key Points (Cont'd)

decrease from the \$1.9 million FY 2008 adjusted appropriation. The decrease reflects the Governor's intent to shift \$428,000 of HESAA's operating expenses from the General Fund to non-State sources.

- Funding for the Tuition Aid Grant Program (TAG) will increase by \$14.9 million (6.5 percent) from \$230.2 million in FY 2008 to \$245.1 million in FY 2009. The budget indicates that the FY 2009 recommended appropriation will provide an estimated 51,929 awards in the 2008-2009 academic year, 893 more than the number provided in the 2007-2008 academic year. Under the FY 2009 recommended language, the Higher Education Student Assistance Authority (HESAA) is directed to provide to students enrolled in public institutions, who are eligible for maximum awards under the TAG Program, an increase above the FY 2008 award amount equal to the difference between the in-state undergraduate 2007-2008 tuition rate for the institution and the institution's in-state undergraduate 2006-2007 tuition rate (one-year lag) with comparable increases for students who are eligible for maximum awards and were enrolled at independent institutions during academic year 2007-2008.

The language will maintain, for students with the highest need enrolled in public institutions, the existing one-year lag between award amounts and current year tuition. The language also provides comparable increases for students who are eligible for maximum awards and were enrolled at independent institutions during academic year 2007-2008.

The language also provides however, that the TAG award amounts for students newly admitted for the 2008-2009 academic year to an independent institution of higher education will not exceed TAG award amounts of comparable TAG recipients at Rutgers, The State University. Current TAG policy for students eligible for a maximum TAG award at an independent institution provides approximately 50 percent of the average tuition at the independent institutions. All TAG awards for incoming students at the independent institutions will reflect the fact that the maximum award will be based on the maximum TAG award at Rutgers, The State University rather than the average tuition at the independent institutions. The Executive has estimated that the proposed TAG policy for newly-admitted independent college students will result in savings of \$5.4 million in FY 2009.

TAG awards for students enrolled in public institutions, other than those eligible for maximum TAG awards, will be based on 2005-2006 tuition rates (three-year lag), while students enrolled at independent institutions during academic year 2007-2008 will be provided with comparable increases.

- The FY 2009 recommended budget provides \$6.0 million for the Part-Time Tuition Assistance Grant Program, an 8.7 percent or \$476,000 increase over the FY 2008 amount of \$5.5 million. This program, established on a pilot basis in FY 2004, provides tuition assistance grant awards, which are prorated against full-time grant awards, to eligible part-time county college students. Under the program, an eligible county college student enrolled with six to eight credits receives one-half of the value of a full-time award and an eligible county college student enrolled with nine to eleven credits receives three-quarters of a full-time award. The recommended level of funding is projected to assist over 11,746 students, an increase of 1,119 students over the current year.

## Key Points (Cont'd)

FY 2008 funding level. Appropriations from general State resources decrease by \$10.3 million, while resources from SWF decrease by \$6 million.

- Under the general law providing for the establishment, operation and funding of county colleges, the colleges are to receive State support for up to one-half the cost of capital projects, subject to legislative appropriation. A 1971 supplement to the general law, P.L. 1971, c.12 (chapter 12 program), provides that whenever the State Treasurer determines that funds are insufficient to satisfy the State's share of project costs, the county board of freeholders may finance those costs through the issuance of county bonds on which the State is obligated to pay debt service. A 1997 law authorized the New Jersey Educational Facilities Authority to issue bonds for that purpose. The original chapter 12 program established a ceiling of \$40,000,000 on the principal amount of such debt. This ceiling is currently set at \$530,000,000 through subsequent amendments to the original law. The FY 2009 recommended appropriation of \$40 million for debt service is a \$4.9 million (13.9 percent) increase over the \$35.1 million FY 2008 adjusted appropriation to fund debt service costs for both previous and anticipated bond issuances.

## Miscellaneous Higher Education Programs

- The FY 2009 recommended budget does not include funds to support the New Jersey Stem Cell Research Institute, jointly operated by the University of Medicine and Dentistry of New Jersey and Rutgers, The State University. In FY 2008, \$5.5 million was appropriated to fund the institute's predevelopment expenses. Of the \$21.8 million initially available in the FY 2008 appropriation account from the current year appropriation and unexpended balances from prior years, \$4.8 million has been expended, \$1.5 million has been placed in reserve, and \$15.4 million remains unspent and uncommitted.
- The Higher Education Equipment Leasing Fund finances the purchase of equipment at public and independent institutions of higher education. The fund was established under the "Higher Education Equipment Leasing Fund Act," P.L.1993, c.136, and is financed through bonds issued by the New Jersey Educational Facilities Authority (NJEFA). The State pays 75 percent of the debt service on the bonds and the institution pays 25 percent. The FY 2009 budget recommends a 35.3 percent decrease for debt service payments under the program, from \$13.9 million in FY 2008 to \$9 million in FY 2009, consistent with maturity schedules on outstanding bonds.
- The FY 2009 recommended budget does not include funds to support the Statewide Systemic Initiative to Reform Mathematics and Science Education. The initiative, established by the New Jersey Department of Education in FY 2003, required a State match to secure federal funds. The program, based at Rutgers, The State University and funded by the National Science Foundation through FY 2002, is a partnership of public school districts, colleges and universities, science centers, and museums and businesses dedicated to strengthening mathematics, science and technology education. The Office of Management and Budget has indicated that this funding is no longer necessary as the Math and Science Partnerships (MSP), another federal program, funds comparable activities at the State level. No State match is required for MSP grants.

**Significant Changes/New Programs (\$000) (Cont'd)**

| <u>Budget Item</u> | <u>Adj. Approp.<br/>FY 2008</u> | <u>Recomm.<br/>FY 2009</u> | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> | <u>Budget<br/>Page</u> |
|--------------------|---------------------------------|----------------------------|--------------------------|---------------------------|------------------------|
|--------------------|---------------------------------|----------------------------|--------------------------|---------------------------|------------------------|

that the FY 2009 recommended appropriation will provide an estimated 51,929 awards in the 2008-2009 academic year, 893 more than the number provided in the 2007-2008 academic year.

Under the FY 2009 recommended language regarding TAG, the Higher Education Student Assistance Authority (HESAA) is directed to provide to students enrolled in public institutions, who are eligible for maximum awards under the TAG Program, an increase above the FY 2008 award amount equal to the difference between the in-state undergraduate 2007-2008 tuition rate for the institution and the institution's in-state undergraduate 2006-2007 tuition rate (one-year lag) with comparable increases for students who are eligible for maximum awards and were enrolled at independent institutions during academic year 2007-2008. The language will maintain, for students with the highest need enrolled in public institutions, the existing one-year lag between award amounts and current year tuition. The language also provides comparable increases for students who are eligible for maximum awards and were enrolled at independent institutions during academic year 2007-2008.

The language also provides however, that the TAG award amounts for students newly admitted for the 2008-2009 academic year in an independent institution of higher education will not exceed TAG award amounts of comparable TAG recipients at Rutgers, The State University. Current TAG policy for students eligible for a maximum TAG award at an independent institution provides approximately 50 percent of the average tuition at the independent institutions. All TAG awards for incoming students at the independent institutions will reflect the fact that the maximum award will be based on the maximum TAG award at Rutgers, The State University rather than the average tuition at the independent institutions. The Executive has estimated that the proposed TAG policy for newly-admitted independent college students will result in savings of \$5.4 million in FY 2009.

TAG awards for students enrolled in public institutions, other than those eligible for maximum TAG awards, will be based on 2005-2006 tuition rates (three-year lag), while students enrolled at independent institutions during academic year 2007-2008 will be provided with comparable increases.

**Part-Time Tuition Aid****Grants for County**

|                 |                |                |               |             |              |
|-----------------|----------------|----------------|---------------|-------------|--------------|
| <b>Colleges</b> | <b>\$5,494</b> | <b>\$5,970</b> | <b>\$ 476</b> | <b>8.7%</b> | <b>D-338</b> |
|-----------------|----------------|----------------|---------------|-------------|--------------|

This program, established on a pilot basis in FY 2004, provides tuition assistance grant awards, which are prorated against full-time grant awards, to eligible part-time county college students. Under the program, an eligible county college student enrolled with six to eight credits receives one-half of the value of a full-time award and an eligible county college student enrolled with nine to eleven credits receives three-quarters of a full-time award. The recommended level of funding is projected to assist over 11,746 students, an increase of 1,119 students over the current year.



**Significant Changes/New Programs (\$000)**

| <u>Budget Item</u>                                                                                       | <u>Adj. Approp.<br/>FY 2008</u> | <u>Recomm.<br/>FY 2009</u> | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> | <u>Budget<br/>Page</u> |
|----------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------|--------------------------|---------------------------|------------------------|
| <b>New Jersey Student<br/>Tuition Assistance<br/>Reward Scholarship<br/>(NJ STARS &amp; NJ STARS II)</b> | <b>\$13,789</b>                 | <b>\$14,682</b>            | <b>\$ 893</b>            | <b>6.5%</b>               | <b>D-338</b>           |

The recommended increase in funding results from estimated growth of \$3.39 million due to a projected rise in the number and value of scholarships, offset by savings from a proposal to restrict eligibility for first-time awards based on family income. The budget estimates that collectively the NJ STARS and NJ STARS II Programs will include approximately 4,106 participants in FY 2009, 256 more than the number estimated for FY 2008.

The Governor has proposed language (page D-340) which provides that for the 2008-2009 academic year, a first time NJ STARS student with a family income of \$100,000 or above will not be eligible to receive an NJ STARS award. The Executive estimates that imposing this income limit will result in a savings of \$2.5 million in FY 2009. Please see the background paper titled *The New Jersey Student Tuition Assistance Reward Scholarship Programs (NJ STARS and NJ STARS II)* for a further discussion (pages 30-35 of this analysis).

**State Colleges and Universities**

|                                                                             |                  |                  |                   |                 |                               |
|-----------------------------------------------------------------------------|------------------|------------------|-------------------|-----------------|-------------------------------|
| <b>State Support for Four-<br/>Year State Colleges and<br/>Universities</b> | <b>\$901,377</b> | <b>\$804,566</b> | <b>(\$96,811)</b> | <b>( 10.7%)</b> | <b>D-341<br/>to<br/>D-371</b> |
|-----------------------------------------------------------------------------|------------------|------------------|-------------------|-----------------|-------------------------------|

The recommended decrease in direct operating aid for senior public institutions of higher education is due to: 1) a 10 percent across-the-board or \$89.3 million reduction in operating aid to the senior public institutions of higher education; 2) a \$7.1 million reduction in what the executive branch has characterized as a subsidy provided to out-of-state undergraduate students enrolled at a New Jersey senior public institution; and 3) the elimination of FY 2008 legislative initiatives for certain institutions totaling \$400,000 (as discussed below). Not included in the above are \$593.6 million recommended for fringe benefits and \$38.5 million to support negotiated cost-of-living (COLAs) adjustments, bringing the total for employee fringe benefits and the salary program to \$632.1 million for the senior public institutions.

The following is a listing of the total recommended appropriation for the support of the individual senior public institutions.

|                                          |                  |                  |                   |                 |                               |
|------------------------------------------|------------------|------------------|-------------------|-----------------|-------------------------------|
| <b>Rutgers, The State<br/>University</b> | <b>\$300,732</b> | <b>\$265,774</b> | <b>(\$34,958)</b> | <b>( 11.6%)</b> | <b>D-341<br/>to<br/>D-344</b> |
|------------------------------------------|------------------|------------------|-------------------|-----------------|-------------------------------|

The FY 2009 recommended appropriation reflects a 10 percent decrease in funding to support operating costs at Rutgers, The State University. It also includes a reduction of \$4.8 million to continue phasing out the so-called out-of-state tuition subsidy. Finally, \$100,000 to support the Oral History Archives that was added as a legislative initiative is eliminated.

**Significant Changes/New Programs (\$000)**

| <u>Budget Item</u>                            | <u>Adj. Approp.</u><br><u>FY 2008</u> | <u>Recomm.</u><br><u>FY 2009</u> | <u>Dollar</u><br><u>Change</u> | <u>Percent</u><br><u>Change</u> | <u>Budget</u><br><u>Page</u> |
|-----------------------------------------------|---------------------------------------|----------------------------------|--------------------------------|---------------------------------|------------------------------|
| Ramapo College of<br>New Jersey               | \$20,468                              | \$18,247                         | (\$2,221)                      | ( 10.9%)                        | D-366<br>to<br>D-368         |
| The Richard Stockton<br>College of New Jersey | \$25,120                              | \$22,568                         | (\$2,552)                      | ( 10.2%)                        | D-368<br>to<br>D-371         |

The reductions for the above colleges and universities are the result of the 10 percent reduction to operating support and the third phase of the elimination of what the executive branch has characterized as the out-of-state student tuition subsidy. See pages 36-37 of this analysis for the amount of each type of reduction by institution.

**Higher Educational Services****Aid to Independent**

|                                  |                 |                 |                  |                 |              |
|----------------------------------|-----------------|-----------------|------------------|-----------------|--------------|
| <b>Colleges and Universities</b> | <b>\$20,435</b> | <b>\$18,391</b> | <b>(\$2,044)</b> | <b>( 10.0%)</b> | <b>D-408</b> |
|----------------------------------|-----------------|-----------------|------------------|-----------------|--------------|

The recommended decrease of 10 percent in general operating support for independent colleges and universities is consistent with recommended operating aid reductions for New Jersey public colleges and universities.

**New Jersey Stem Cell**

|                           |                |            |                  |                  |              |
|---------------------------|----------------|------------|------------------|------------------|--------------|
| <b>Research Institute</b> | <b>\$5,500</b> | <b>\$0</b> | <b>(\$5,500)</b> | <b>( 100.0%)</b> | <b>D-409</b> |
|---------------------------|----------------|------------|------------------|------------------|--------------|

New Jersey became the second state in the nation to legalize stem cell research under P.L. 2003, c.203. Since FY 2005, annual appropriations of \$5.5 million have been approved to support the New Jersey Stem Cell Research Institute, which is jointly operated by the University of Medicine and Dentistry of New Jersey and Rutgers, The State University. Of the \$21.8 million initially available in the FY 2008 appropriation account (FY 2008 appropriation and unexpended balances from prior years), \$4.8 million has been expended, \$1.5 million has been placed in reserve, and \$15.4 million remains unspent and uncommitted. The Office of Management and Budget has indicated that FY 2009 funding for the New Jersey Stem Cell Research Institute is unnecessary as \$15.4 million is available from prior-year appropriations to this account.

**Equipment Leasing**

|                            |                 |                |                  |                 |              |
|----------------------------|-----------------|----------------|------------------|-----------------|--------------|
| <b>Fund – Debt Service</b> | <b>\$13,922</b> | <b>\$9,009</b> | <b>(\$4,913)</b> | <b>( 35.3%)</b> | <b>D-409</b> |
|----------------------------|-----------------|----------------|------------------|-----------------|--------------|

The appropriation to fund the State's share of debt service costs for bonds issued under the "Higher Education Equipment Leasing Fund Act," P.L. 1993, c.136, is recommended to decrease by \$4.9 million, from \$13.9 million in FY 2008 to \$9 million in FY 2009. The "Higher Education Equipment Leasing Fund Act" authorized the New Jersey Educational Facilities Authority (EFA) to issue bonds in an outstanding principal amount of \$100 million to support the purchase of scientific, engineering, technical, computer, communication and institutional equipment at higher education institutions. The State pays 75 percent of the debt

**Significant Changes/New Programs (\$000)**

| <u>Budget Item</u>                              | <u>Adj. Approp.<br/>FY 2008</u> | <u>Recomm.<br/>FY 2009</u> | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> | <u>Budget<br/>Page</u> |
|-------------------------------------------------|---------------------------------|----------------------------|--------------------------|---------------------------|------------------------|
| <b><u>State Aid</u></b>                         |                                 |                            |                          |                           |                        |
| County College<br>Operational Costs – Total     | <b>\$163,437</b>                | <b>\$147,093</b>           | <b>(\$16,344)</b>        | <b>( 10.0%)</b>           | <b>D-409</b>           |
| General Fund                                    | \$143,437                       | \$133,093                  | (\$10,344)               | ( 7.2%)                   |                        |
| Supplemental Workforce<br>Fund for Basic Skills | \$20,000                        | \$14,000                   | (\$6,000)                | ( 30.0%)                  |                        |

The Governor's FY 2009 recommended budget includes total State support of \$147.1 million for the operational costs of the county colleges, a 10 percent decrease from the FY 2008 appropriation of \$163.4 million. This funding includes appropriations from the Supplemental Workforce Fund for Basic Skills, which provides \$20 million in FY 2008 and would provide \$14 million in FY 2009 under the recommended budget.

|                                        |                 |                 |                 |              |              |
|----------------------------------------|-----------------|-----------------|-----------------|--------------|--------------|
| <b>Debt Service for<br/>Chapter 12</b> | <b>\$35,139</b> | <b>\$40,026</b> | <b>\$ 4,887</b> | <b>13.9%</b> | <b>D-409</b> |
|----------------------------------------|-----------------|-----------------|-----------------|--------------|--------------|

The FY 2009 recommended appropriation of \$40 million for debt service on chapter 12 bonds is a \$4.9 million (13.9 percent) increase over the \$35.1 million FY 2008 adjusted appropriation to fund increased debt service costs for both previous and anticipated bond issuances. Under the general law providing for the establishment, operation and funding of county colleges, the colleges are to receive State support for up to one-half the cost of capital projects, subject to legislative appropriation. A 1971 supplement to the general law, P.L. 1971, c.12 (chapter 12 program), provides that whenever the State Treasurer determines that funds are insufficient to satisfy the State's share of project costs, the county board of freeholders may finance those costs through the issuance of county bonds on which the State is obligated to pay debt service. A 1997 law authorized the New Jersey Educational Facilities Authority to issue bonds for that purpose. The original chapter 12 program established a ceiling of \$40,000,000 on the principal amount of such debt. This ceiling is currently set at \$530,000,000 through subsequent amendments to the original law.

## Language Provisions

### Explanation

Under the FY 2009 recommended language, the Higher Education Student Assistance Authority (HESAA) is directed to provide to students enrolled in public institutions, who are eligible for maximum awards under the TAG Program, an increase above the FY 2008 award amount equal to the difference between the in-state undergraduate 2007-2008 tuition rate for the institution and the institution's in-state undergraduate 2006-2007 tuition rate (one-year lag) with comparable increases for students who are eligible for maximum awards and were enrolled at independent institutions during academic year 2007-2008. The language will maintain, for students with the highest need enrolled in public institutions, the existing one-year lag between award amounts and current year tuition. The language also provides comparable increases for students who are eligible for maximum awards and were enrolled at independent institutions during academic year 2007-2008.

The language also provides however, that the TAG award amounts for students newly admitted for the 2008-2009 academic year to an independent institution of higher education will not exceed TAG award amounts of comparable TAG recipients at Rutgers, The State University. Current TAG policy for students eligible for a maximum TAG award at an independent institution provides approximately 50 percent of the average tuition at the independent institutions. All TAG awards for incoming students at the independent institutions will reflect the fact that the maximum award will be based on the maximum TAG award at Rutgers, The State University rather than the average tuition at the independent institutions. The Executive has estimated that the proposed TAG policy for newly-admitted independent college students will result in savings of \$5.4 million in FY 2009.

TAG awards for students enrolled in public institutions, other than those eligible for maximum TAG awards, will be based on 2005-2006 tuition rates (three-year lag), while students enrolled at independent institutions during academic year 2007-2008 will be provided with comparable increases.

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### 2008 Appropriations Handbook

No comparable language.

### 2009 Budget Recommendations

#### **p. D-340**

Notwithstanding the provisions of any law or regulation to the contrary, the appropriation hereinabove for New Jersey Student Tuition Assistance Reward Scholarship (NJSTARS I & II) is subject to the following condition: effective for the 2008-2009 academic year, any first-time NJSTARS I student attending a New Jersey county college whose annual family income, both taxable and non-taxable, as derived from the Free Application for Federal Student Aid (FAFSA) for academic year 2008-2009 and verified by the county

## Language Provisions (Cont'd)

2008 Appropriations Handbook

p. B-166

EcoComplex<sup>I</sup>, Burlington County. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

2009 Budget Recommendations

p. D-343

appropriations for accounting and reporting purposes.

Explanation

The FY 2008 budget allocated \$300,000 from the appropriation for Rutgers, The State University to the New Jersey EcoComplex in Burlington County. The New Jersey EcoComplex is the State's first environmental research and outreach center and the first center of its kind in the nation. The center, a university-based resource hub for the State's environmental and renewable energy industries, offers access to applied research capabilities and facilitates the commercialization of new technologies that address environmental and energy issues facing New Jersey and the nation. Language to allocate FY 2009 funding to support the complex is not included as part of budget language pertaining to Rutgers, The State University as funding to support the complex has been moved from the university's general budget to the Agricultural Experiment Station operating budget (page D-345).

2008 Appropriations Handbook

p. B-166

Of the sums hereinabove appropriated for the New Jersey Agricultural Experiment Station, \$900,000 is appropriated for Strategic Initiatives Programs, \$250,000 is appropriated for Blueberry and Cranberry Research, \$691,000 is appropriated for the Snyder Farm Planning and Operation, and \$500,000 is appropriated for Fruit Research. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

2009 Budget Recommendations

p. D-345

Of the sums hereinabove appropriated for the New Jersey Agricultural Experiment Station, \$900,000 is appropriated for Strategic Initiatives Programs, \$250,000 is appropriated for Blueberry and Cranberry Research, \$691,000 is appropriated for the Snyder Farm Planning and Operation, \$300,000 is appropriated for the New Jersey EcoComplex, and \$500,000 is appropriated for Fruit Research. These accounts shall be considered special purpose appropriations for accounting and reporting purposes.

Explanation

In FY 2008, funds to support the EcoComplex were included in Rutgers, The State University's general budget. The proposed FY 2009 language reflects the fact that funds to support the EcoComplex will be moved from the university's general budget to the Agricultural Experiment Station operating budget.

## Language Provisions (Cont'd)

### Explanation

The FY 2008 and recommended FY 2009 budget language provide that of the funds appropriated to the University of Medicine and Dentistry of New Jersey (UMDNJ), funds to support faculty and affiliate hospital expenses at Robert Wood Johnson Medical School – Camden would include the unexpended balances from prior fiscal years and an equal amount allocated from UMDNJ's operating aid in each year. The Office of Management and Budget has indicated that the FY 2009 recommended language provides specific funding parameters for Robert Wood Johnson Medical School-Camden to ensure that the FY 2009 funding is equal to that provided during FY 2008.

### 2008 Appropriations Handbook

### 2009 Budget Recommendations

p. B-167

[Receipts deposited in the Autism Medical Research and Treatment Fund are appropriated for the Governor's Council for Medical Research and Treatment of Infantile Autism, subject to the approval of the Director of the Division of Budget and Accounting.]

No comparable language.

### Explanation

The Governor's Council for Medical Research & Treatment of Infantile Autism was renamed as the Governor's Council for Medical Research & Treatment of Autism under P.L. 2007, c.168. The statute also transferred administration of the council from the University of Medicine and Dentistry of New Jersey (UMDNJ) to the Department of Health and Senior Services. Consequently, the FY 2008 language regarding the council is not recommended in the FY 2009 Department of State budget concerning UMDNJ but rather is recommended budget language for the Department of Health and Senior Services (page D-166).

### 2008 Appropriations Handbook

### 2009 Budget Recommendations

p. B-185

For the purpose of implementing the "Independent College and University Assistance Act," P.L.1979, c.132 (C.18A:72B-15 et seq.), the number of full-time equivalent students (FTE) at the eight State Colleges is **[58,425]** for fiscal year 2007.

p. D-410

For the purpose of implementing the "Independent College and University Assistance Act," P.L.1979, c.132 (C.18A:72B-15 et seq.), the number of full-time equivalent students (FTE) at the eight State Colleges is 58,751 for fiscal year 2008.

**Language Provisions (Cont'd)****Explanation**

The FY 2008 budget language and FY 2009 recommended language provide that the unexpended balances in the New Jersey Stem Cell Research Institute account are appropriated for the same purpose subject to the approval of the Director of the Division of Budget and Accounting. According to the Office of Management and Budget, the additional language recommended in FY 2009 is to ensure that re-appropriated balances from FY 2008 would be subject to the current consultation and approval procedures for the expenditure of funds from the New Jersey Stem Cell Research Institute account.

**2008 Appropriations Handbook****p. B-186**

In addition to the amount hereinabove for operational costs, there is appropriated **[\$20,000,000]** from the Supplemental Workforce Fund for Basic Skills for the same purpose.

**2009 Budget Recommendations****p. D-410**

In addition to the amount hereinabove appropriated for operational costs, there is appropriated \$14,000,000 from the Supplemental Workforce Fund for Basic Skills for the same purpose.

**Explanation**

The New Jersey Supplemental Workforce Fund for Basic Skills (P.L. 2001, c.152) receives a redirected portion of employer contributions that would have otherwise gone to the Unemployment Insurance Trust Fund. The primary goal of the Basic Skills Program is to promote adult literacy in the workplace by providing basic skills training for unemployed and employed workers. The FY 2009 recommended language authorizes the use of \$14 million from the fund in FY 2009 to offset the cost of basic skills education at the State's 19 county colleges, a decrease of \$6 million from the FY 2008 adjusted appropriation. This is a component of a total 10 percent decrease in county college operating aid.

## Discussion Points (Cont'd)

consecutive months. Under the statute, the schools receive a capitation subsidy toward the cost of education in return for a number of reserved spaces for New Jersey residents.

In FY 2006 the State provided \$1.4 million to fund 96 students. In FY 2007, funding for the program was reduced by more than 50 percent to \$687,000, the same as the FY 2008 adjusted appropriation and the FY 2009 recommended appropriation. Evaluation data suggests that seven schools currently participate in the program which serves 77 students and that the same number of schools will participate in FY 2009 with 66 students being served. However, information submitted to the Assembly Budget Committee by the New Jersey Veterinary Medical Association indicated that 4 of the 7 contract schools have dropped out of the program and are no longer reserving seats exclusively for New Jersey residents. Consequently, only 8 reserved seats were available under the program in FY 2008. The association has also indicated that due to lack of full-funding for the program the remaining schools may also decide to terminate the contracts that are currently in place.

- **Question:** How has the current funding level impacted the program? How many schools are participating in the program in FY 2008 and how many are expected to participate at the FY 2009 recommended funding level? The New Jersey Veterinary Medical Association has indicated that when fully funded, the program supports approximately 24-25 new seats annually and that the FY 2008 appropriation supports 8 new seats. How many new seats will the FY 2009 recommended appropriation support?

3. During an investigation of the Higher Education Student Assistance Authority (HESAA), the Office of the Attorney General found that HESAA had entered into a "marketing and servicing" agreement with Sallie Mae beginning in 2001 and had subsequently terminated the contract in 2007. Press reports indicate that HESAA was paid \$2.2 million annually for helping the lender to increase its loan portfolio at New Jersey institutions of higher education. The investigative team has stated that a revenue account in the Department of the Treasury is maintained on HESAA's behalf and is presumably where the proceeds from the contract and other revenue generated by HESAA are deposited. State accounting records indicate that spending authority of \$52.9 million was established in FY 2008. Of that amount, \$12.4 million has been transferred from the account and an additional \$4.7 million has been expended. Roughly \$48.2 million remains in the account.

- **Question:** For what purpose were the expended (\$4.7 million) and transferred (\$12.4 million) amounts used? For what purpose will the remaining \$48.2 million be used? Please provide a plan and timeline for "spending down" the account balance, including information on what programs will be funded with the balance.

4a. The FY 2009 funding for the Tuition Aid Grant Program (TAG) will increase by \$14.9 million (6.5 percent) from \$230.2 million in FY 2008 to \$245.1 million in FY 2009. The budget indicates that the FY 2009 recommended appropriation will provide an estimated 51,929 awards in the 2008-2009 academic year, 893 more than the number provided in the 2007-2008 academic year.

For FY 2003 through FY 2009 as recommended, TAG policies and assistance levels have been set year by year through appropriations language. For some students, assistance levels have lagged further behind current tuition rates than others, based upon their level of



## Discussion Points (Cont'd)

\$1,000 to high-achieving students at participating New Jersey institutions of higher education. The scholarships are renewable annually based on continued satisfactory academic standing. Evaluation data included in the FY 2009 recommended budget (illustrated below) suggests that historically the programs have awarded scholarships in the amount of \$1,000 per recipient (column A and column B). However, FY 2008 scholarship awards were reduced to \$930 annually for both first-time and recurring recipients (column C). Additionally, the data suggests that while the number of scholarships will increase to 7,760 in FY 2009 (column D) from 7,673 in FY 2008, funding to support the scholarships will not increase from the FY 2008 amount.

|        | Actual FY<br>2006<br>(A) | Actual FY<br>2007<br>(B) | Revised FY<br>2008<br>(C) | Estimate FY<br>2009<br>(D) | Change     |            | Change     |            |
|--------|--------------------------|--------------------------|---------------------------|----------------------------|------------|------------|------------|------------|
|        |                          |                          |                           |                            | #<br>(D-B) | %<br>(D-B) | #<br>(D-C) | %<br>(D-C) |
| Awards | 7,331                    | 7,481                    | 7,673                     | 7,760                      | 279        | 3.7%       | 87         | 1.1%       |
| Funds  | \$7,327,555              | \$7,478,189              | \$7,135,000               | \$7,135,000                | -\$343,189 | -4.6%      | \$0        | 0.0%       |

- **Question:** Will scholarship amounts be reduced from the 2007-08 level of \$930 in the 2008-09 academic year? If so, to which recipients – first-time, recurring, or both – and in what amount or percentage will reductions be applied?

6. Under the New Jersey World Trade Center Scholarship Program (P.L. 2001, c. 442), scholarships are awarded to dependent children or spouses of New Jersey residents who were killed or are presumed dead as a result of the September 11, 2001 terrorist attacks. Scholarship assistance is available for full-time study in degree-granting programs in or out-of-State. Evaluation data included in the FY 2009 recommended budget (illustrated below) reports that the program awarded 67 scholarships in FY 2007 at a cost of \$368,779 and the same number in FY 2008 at a cost of \$435,500. Additionally, the data suggests that while the number of awards is expected to increase by 134.3 percent from FY 2008 to FY 2009, the amount appropriated to fund the increased number of scholarships decreases from \$435,500 to \$250,000.

|        | Actual FY<br>2006<br>(A) | Actual FY<br>2007<br>(B) | Revised FY<br>2008<br>(C) | Estimate FY<br>2009<br>(D) | Change     |            | Change     |            |
|--------|--------------------------|--------------------------|---------------------------|----------------------------|------------|------------|------------|------------|
|        |                          |                          |                           |                            | #<br>(D-B) | %<br>(D-B) | #<br>(D-C) | %<br>(D-C) |
| Awards | 57                       | 67                       | 67                        | 157                        | 90         | 134.3%     | 90         | 134.3%     |
| Funds  | \$303,279                | \$368,779                | \$435,500                 | \$250,000                  | -\$118,779 | -32.2%     | -\$185,500 | -42.6%     |

- **Question:** Please provide program data/information which explains why scholarship funding increases in FY 2008 by \$66,721, or 18.1 percent, although the number of scholarships remained at the FY 2007 level. Also, please provide program data/information which explains why the number of awards estimated for FY 2009 increases to 157 from the 67 scholarships awarded in FY 2008, while scholarship funding is expected to decrease by \$185,500 (42.6 percent) from \$435,500 in FY 2008 to \$250,000 in FY 2009.

7. The Educational Opportunity Fund (EOF) provides access to higher education for students who are economically and educationally disadvantaged by awarding supplemental financial aid to help cover college costs (books, fees, room and board, etc.) that are not covered by the Tuition Aid Grant Program. The Fund also supports campus-based outreach and support

**Discussion Points (Cont'd)**

**support the schools in either fiscal year? What specific costs are defrayed by the \$100,000 State appropriation?**

10. The FY 2009 recommended budget reduces the number of State employees through an early retirement initiative and layoffs. While the impact these personnel actions will have on the programs and services of the Commission on Higher Education, the Higher Education Student Assistance Authority and public institutions of higher education remains unclear, the ability to hire employees to fill these vacant positions will be limited.

- **Question:** Will employees of the public institutions be eligible to participate in the proposed early retirement initiative? How many employees are eligible for the early retirement initiative or may be laid off, by institution? To the extent that new employees cannot be hired, what services or programs will be reduced or eliminated?

11. Recent press reports have highlighted how turmoil in the financial markets has impacted the auction-rate securities market, used by many public institutions of higher education and other government entities to finance capital construction projects.

A February 26, 2008 New Jersey Star Ledger article explains auction-rate bonds, challenges facing the market, and the impact on public borrowers as follows: "Until recently auction-rate bonds gave public borrowers a low-risk way to capture low, short-term interest rates on long-term bonds. Essentially, auction-rate borrowers agree to present their bonds for resale at daily, weekly or monthly auctions, theoretically offering investors a liquidity that is rewarded with lower interest rates. But this month, as troubles in sub prime mortgages spread to other corners of the credit market, investors fled. When the auctions failed, interest rates automatically soared to preset levels."

One example of how this has impacted public borrowers is that when the auction for debt owned by The College of New Jersey failed, the interest rate on the college's auction-rate bonds increased from 5.55 percent to 11.45 percent.

- **Question:** Please provide information on how the auction-rate bond market failure has impacted the institutions. The annual appropriations act includes appropriations to cover higher education related debt service costs for which the State is responsible. How has this impacted the estimated debt service costs for the current fiscal year and the estimated debt service costs for FY 2009?

## Background Paper: The New Jersey Student Tuition Assistance Reward Scholarship Programs (NJ STARS & NJ STARS II) (Cont'd)

The NJ STARS II Program, P.L.2005, c.359, allows an eligible student who received a scholarship under the NJ STARS Program to continue on, tuition free, to a New Jersey four-year public institution of higher education following graduation from the county college.

Under the program, for each eligible student enrolled in a full-time course of study at a New Jersey four-year public institution of higher education, a scholarship was paid to the institution in the amount of \$2,000 for each semester of enrollment during the 2006-2007 academic year. For each academic year thereafter, the amount of the scholarship is increased by one-half of the average percentage increase over the prior academic year in undergraduate tuition and fees for all four-year public institutions of higher education and is paid to the institution for each semester of enrollment in that academic year; except that the amount of the scholarship cannot exceed \$2,500 per semester. The scholarship amount for FY 2008 is \$2,068 per semester.

The scholarship amount awarded is in addition to any other State and federal need-based grants and merit scholarships to which the student is entitled. The institution is required to waive or provide an institutional scholarship for any tuition and fee amount for the student, for up to 18 credits per semester, that exceeds the sum of the NJ STARS II scholarship and any other State and federal grants and scholarships to which the student is entitled. For the student, the result of the NJ STARS II Program is tuition-free enrollment at a senior public institution of higher education. Provided that the student maintains eligibility for participation, the NJ STARS II scholarship is available for up to four semesters.

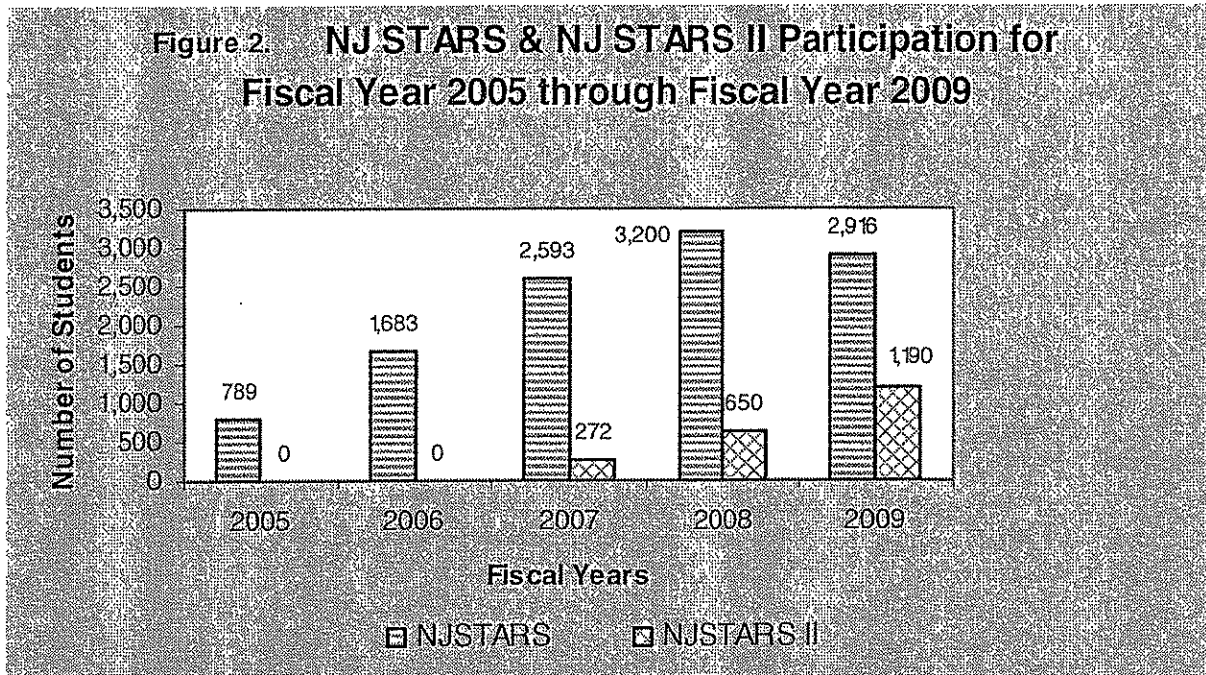
A student is eligible to receive a scholarship under the NJ STARS II Program if the student:

- \* completed an associate's degree program at a New Jersey county college;
- \* received a scholarship under the NJ STARS Program, or was eligible for a scholarship which the student did not receive because tuition and fees were fully covered by other State and federal grants and merit scholarships;
- \* has attained a grade point average of at least 3.0 for the second academic year of study in the county college;
- \* is enrolled in a baccalaureate degree program at a New Jersey four-year public institution of higher education in the academic year immediately following the student's attainment of an associate's degree;
- \* is a State resident pursuant to guidelines established by the authority;
- \* has applied for all other available forms of State and federal need-based grants and merit scholarships, exclusive of loans, the full amount of which would be applied to tuition and fee charges; and
- \* maintains continuous enrollment in a full-time course of study unless on approved medical or family emergency leave, or unless called to partial or full mobilization for State or federal active duty as a member of the National Guard or a Reserve component of the Armed Forces.

To continue receiving the scholarship for the student's fourth year of study, the student must, in addition to the above requirements, have attained a grade point average of at least 3.0 in his third year of study (the first year of enrollment under the NJ STARS II Program).

## Background Paper: The New Jersey Student Tuition Assistance Reward Scholarship Programs (NJ STARS & NJ STARS II) (Cont'd)

following chart reflects the number of students funded under the NJ STARS and NJ STARS II Programs since they were established.



Sources: FY 2008 and FY 2009 Recommended Budgets

### Program Analysis

Pursuant to the statutes establishing the NJ STARS Programs, HESAA is required to prepare and submit to the Legislature and the Governor a report on the implementation of the NJ STARS Program at the county colleges no later than September 30, 2006 and no later than September 30, 2008 for the NJ STARS II Program. The statutes further stipulate that the reports include:

- 1) statistics on and analysis of student participation in the programs;
- 2) the funding provided under the programs to students compared to funding from other State, federal and institutional sources; and
- 3) such other factors as the HESAA deems necessary or useful to the evaluation of the programs.

### HESAA Findings

The findings below are excerpted from the HESAA report on the NJ STARS Program issued September 2006 that provided information on the first two years of the program at the county colleges.

## Background Paper: The New Jersey Student Tuition Assistance Reward Scholarship Programs (NJ STARS & NJ STARS II)

### HESAA Recommendations

- Continue fully funding the NJ STARS Program.
- Enhance the marketing of the program to increase its participation rates.
- Conduct a study of the NJ STARS Program during the 2009-10 academic year to identify trends and patterns in higher education in general and county college education in particular.

The Higher Education Student Assistance Authority report on NJ STARS concluded that the economic profile of students who entered the program during its first year is lower than students who entered the program in its second year. This finding may suggest that, regardless of income, as more families become aware of the program, decisions regarding where students enroll are being influenced by the benefits that NJ STARS provides.

Although the authority has not yet analyzed how NJ STARS has impacted student enrollment patterns, anecdotal data suggest that since the inception of the NJ STARS Program the number of applicants to New Jersey county colleges has increased and the academic profile of the applicants has also improved. It is uncertain how the proposed income limit, if enacted, will impact the program; however the HESAA has reported a negative correlation between the economic profile of each county and student participation in the NJ STARS Program (as the economic profile of the county increases, the number of participants in the NJ STARS Program decreases).

Background Paper: Direct Operating Aid for Senior Public Institutions (Cont'd)

DIRECT OPERATING AID FOR SENIOR PUBLIC INSTITUTIONS  
(\$'000)

|                                            | FY 2007<br>Expended | FY 2008<br>Adjusted<br>Approp. | Reductions:<br>Special<br>Purpose<br>Added By Leg. | Reductions:<br>Out-of-State<br>Tuition<br>Adjustment | Reductions:<br>Operating<br>Aid | FY 2009<br>Rec. Direct<br>Operating Aid | Change from<br>FY 2008<br>Adjusted Approp.<br>\$ | %             |
|--------------------------------------------|---------------------|--------------------------------|----------------------------------------------------|------------------------------------------------------|---------------------------------|-----------------------------------------|--------------------------------------------------|---------------|
| Rutgers University                         | \$283,305           | \$300,732                      | (\$100)                                            | (\$4,795)                                            | (\$50,063)                      | \$265,774                               | (\$34,958)                                       | -11.6%        |
| Agricultural Experiment Station            | \$25,975            | \$27,863                       | (\$300)                                            |                                                      | (\$2,756)                       | \$24,807                                | (\$3,056)                                        | -11.0%        |
| University of Medicine and Dentistry of NJ | \$220,231           | \$231,112                      |                                                    |                                                      | (\$22,441)                      | \$208,671                               | (\$22,441)                                       | -9.7%         |
| NJ Institute of Technology                 | \$47,182            | \$49,098                       |                                                    | (\$1,503)                                            | (\$4,910)                       | \$42,685                                | (\$6,413)                                        | -13.1%        |
| Thomas Edison State College                | \$6,209             | \$5,952                        |                                                    |                                                      | (\$595)                         | \$5,357                                 | (\$595)                                          | -10.0%        |
| Rowan University                           | \$36,488            | \$38,679                       |                                                    | (\$108)                                              | (\$3,868)                       | \$34,703                                | (\$3,976)                                        | -10.3%        |
| New Jersey City University                 | \$30,983            | \$32,888                       |                                                    | (\$80)                                               | (\$3,289)                       | \$29,519                                | (\$3,369)                                        | -10.2%        |
| Kean University                            | \$39,643            | \$42,535                       |                                                    | (\$303)                                              | (\$4,179)                       | \$38,053                                | (\$4,482)                                        | -10.5%        |
| William Paterson University                | \$38,968            | \$41,317                       |                                                    |                                                      | (\$4,132)                       | \$37,185                                | (\$4,132)                                        | -10.0%        |
| Montclair State University                 | \$46,128            | \$48,573                       |                                                    | (\$42)                                               | (\$4,857)                       | \$43,674                                | (\$4,899)                                        | -10.1%        |
| College of New Jersey                      | \$35,016            | \$37,040                       |                                                    | (\$23)                                               | (\$3,704)                       | \$33,316                                | (\$3,727)                                        | -10.1%        |
| Ramapo College of NJ                       | \$19,579            | \$20,468                       |                                                    | (\$174)                                              | (\$2,047)                       | \$18,247                                | (\$2,221)                                        | -10.9%        |
| Richard Stockton College of NJ             | \$23,703            | \$25,120                       |                                                    | (\$55)                                               | (\$2,497)                       | \$22,568                                | (\$2,552)                                        | -10.2%        |
| <b>Totals</b>                              | <b>\$853,410</b>    | <b>\$901,377</b>               | <b>(\$400)</b>                                     | <b>(\$7,083)</b>                                     | <b>(\$89,338)</b>               | <b>\$804,656</b>                        | <b>(\$96,821)</b>                                | <b>-10.7%</b> |

## OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

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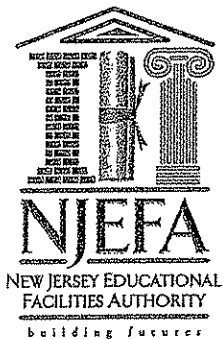
The Office of Legislative Services Central Staff provides a variety of legal, fiscal, research and administrative services to individual legislators, legislative officers, legislative committees and commissions, and partisan staff. The central staff is organized under the Central Staff Management Unit into ten subject area sections. Each section, under a section chief, includes legal, fiscal, and research staff for the standing reference committees of the Legislature and, upon request, to special commissions created by the Legislature. The central staff assists the Legislative Budget and Finance Officer in providing services to the Appropriations Committees during the budget review process.

Individuals wishing information and committee schedules on the FY 2009 budget are encouraged to contact:

**Legislative Budget and Finance Office**  
**State House Annex**  
**Room 140 PO Box 068**  
**Trenton, NJ 08625**  
**(609) 292-8030 • Fax (609) 777-2442**







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ROGER L. ANDERSON  
*Executive Director*

April 7, 2008

Jane Oates  
Executive Director  
New Jersey Commission on Higher Education  
20 West State Street, 7<sup>th</sup> Floor  
P.O. Box 542  
Trenton, New Jersey 08625-0542

RE: Request for Information on Auction Rate Securities Market

Dear Jane,

I understand that the Office of Legislative Services has requested information on the effects that the problems in the auction rate securities (“ARS”) market are having on public institutions of higher education. Six public institutions have issued ARS, and, on behalf of those institutions, I provide the enclosed information. I note that the problems in the ARS market and their effects on higher education go beyond just the institutions that have issued ARS. The ARS problems have hit the student loan market hard, and I refer you to the New Jersey Higher Education Student Assistance Authority for detailed analysis of the impacts on student loans.

The market for tax-exempt variable rate bonds has operated effectively for over 20 years to provide eligible borrowers with necessary funding at lower borrowing costs than otherwise available. The sub-prime mortgage crisis, however, has adversely affected the portions of this market that rely on bond insurance: the ARS market and the insured variable rate demand bond (“VRDB”) market.

Many of the municipal bond insurers had insured certain tranches of structured investment vehicles (“SIVs”) that market intermediaries had used to securitize mortgage investments. The stress tests that the insurers, and the rating agencies, had used to evaluate the SIVs proved inadequate to deal with the current collapse in the housing market. Those bond insurers had therefore overextended themselves, and their capital was insufficient to cover the newly expected losses on the SIVs, as well retain their AAA ratings.

Municipal bond investors therefore became leery of bond insurers. In addition, the downgrade of some insurers prevented some investors, under SEC Rule 2a-7, from owning certain securities. At the same time, many of the broker/dealers that serve as intermediaries in these markets suffered significant losses on mortgage-related investments. They therefore did not have as much capital to use to support the markets as they had, at the same time that other investors were pulling back.

The result was higher interest rates—either because of failed auctions or in order to attract investors who typically invest in taxable products to buy the securities.

The Authority currently has nine outstanding ARS series and one insured VRDB issued on behalf of public institutions. In addition, UMDNJ has asked the Authority for assistance with one ARS issue and one insured VRDB that it had issued. **Exhibit A** lists the complete rate history of the affected transactions, along with their respective insurers. Also included, for comparison purposes, is the SIFMA Index, a weekly average of variable rate bond issues nationally.

The bond insurers for these transactions--Financial Guaranty Insurance Company (FGIC), Municipal Bond Insurance Association, Inc. (MBIA), CIFG Assurance North America, Inc., (CIFG), XL Capital Assurance (XL), Ambac Assurance Corporation (Ambac) or Radian Insurance (Radian)--have either been downgraded or are on negative credit watch by one or more of the major rating agencies. The current ratings of each of these insurers are identified on **Exhibit B**. Possible future negative rating actions continue to be a concern.

Throughout the fall of 2007, the Authority monitored the ARS and insured VRDB markets and provided updates to the affected institutions. As soon as it became likely that bond insurers would be downgraded, the Authority began searching for alternatives. We issued RFPs for letters of credit from banks and other financial institutions on February 4<sup>th</sup> and February 29<sup>th</sup>. Investors are now placing great value on letters of credit to support VRDBs, because the letters of credit provide liquidity to the securities, meaning that the bank is obligated to buy a security on any interest reset date if the holder does not like the new interest rate and there is not a new investor to buy the security. This liquidity is not guaranteed in ARS transactions.

The Authority sent the RFPs to more than 50 institutions, and we received responses from six. We have been working with each of the affected colleges to evaluate its options to reduce its borrowing costs. On February 27<sup>th</sup>, the Authority Members adopted a resolution authorizing staff to take all necessary actions to restructure these transactions, as approved by the respective institutions.

We, and the staffs at the colleges, are working hard to transition out of ARS and insured VRDBs into other types of securities such as fixed-rate bonds or letter-of-credit-backed VRDBs. The financial markets are still experiencing enormous volatility, which means that market conditions are changing daily and thus the restructuring options under consideration also change daily. Many of the ARS and insured VRDBs also have interest rate swaps associated with them, which can complicate the restructuring process.

Until we complete this restructuring process, we cannot estimate the costs imposed on the institutions by the turmoil in the ARS market. We do, however, expect to complete the transition of all institutions out of ARS and insured VRDBs by the end of their current fiscal year.

Please contact me if you have any questions or if we can be of further assistance.

Sincerely,



Roger L. Anderson

enclosures

c: Laurence Downes, Chair, Commission on Higher Education  
Elizabeth S. Garlatti, Director of Finance & Research, Commission on Higher Education  
The Honorable Barbara Buono, Chair, Senate Budget and Appropriations Committee  
The Honorable Louis D. Greenwald, Chair, Assembly Budget Committee  
Edward J. Yaw, Chair, NJ President's Council  
NJEFA Members  
Michael Angulo, Executive Director, Higher Education Student Assistance Authority  
Richard Hale, Vice President for Administration and Finance, Rowan University  
Denise Mulkern, Sr. Vice President for Finance, University of Medicine and Dentistry of NJ  
Philip Connelly, Vice President for Administration and Finance, Kean University  
Barbara Wineberg, Treasurer, The College of New Jersey  
Aaron Aska, Interim VP for Administration and Finance, New Jersey City University  
Harvey Kesselman, Interim VP for Adm. & Finance, The Richard Stockton College of NJ  
Darryl Greer, Executive Director, NJ Association of State Colleges and Universities

## New Jersey Educational Facilities Authority

| Securities Industry and Financial Markets Association Municipal Swap Index | The College of New Jersey 1999A* (Ambac) | The College of New Jersey 2002 D (FGIC) | Kean University 2007 E-1 (FGIC) | Kean University 2007 E-2 (FGIC) | New Jersey City University 2003A (FGIC) | New Jersey City University 2005A (CIFG) |
|----------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|
| 5/12/99                                                                    | 3.54                                     | 5/13/1999                               | 3.40%                           |                                 |                                         |                                         |
| 5/19/99                                                                    | 3.35                                     | 5/20/1999                               | 3.25%                           |                                 |                                         |                                         |
| 5/26/99                                                                    | 3.27                                     | 5/27/1999                               | 3.17%                           |                                 |                                         |                                         |
| 6/2/99                                                                     | 2.96                                     | 6/3/1999                                | 2.85%                           |                                 |                                         |                                         |
| 6/10/99                                                                    | 3.17                                     | 6/10/1999                               | 3.05%                           |                                 |                                         |                                         |
| 6/16/99                                                                    | 3.37                                     | 6/17/1999                               | 3.25%                           |                                 |                                         |                                         |
| 6/23/99                                                                    | 3.62                                     | 6/24/1999                               | 3.50%                           |                                 |                                         |                                         |
| 6/30/99                                                                    | 3.42                                     | 7/1/1999                                | 2.70%                           |                                 |                                         |                                         |
| 7/7/99                                                                     | 2.82                                     | 7/8/1999                                | 2.80%                           |                                 |                                         |                                         |
| 7/14/99                                                                    | 2.94                                     | 7/15/1999                               | 2.80%                           |                                 |                                         |                                         |
| 7/21/99                                                                    | 3.15                                     | 7/22/1999                               | 3.05%                           |                                 |                                         |                                         |
| 7/28/99                                                                    | 3.11                                     | 7/29/1999                               | 3.00%                           |                                 |                                         |                                         |
| 8/4/99                                                                     | 2.96                                     | 8/5/1999                                | 2.85%                           |                                 |                                         |                                         |
| 8/11/99                                                                    | 3.22                                     | 8/12/1999                               | 3.10%                           |                                 |                                         |                                         |
| 8/18/99                                                                    | 3.20                                     | 8/19/1999                               | 3.10%                           |                                 |                                         |                                         |
| 8/25/99                                                                    | 3.24                                     | 8/26/1999                               | 3.10%                           |                                 |                                         |                                         |
| 9/1/99                                                                     | 3.14                                     | 9/2/1999                                | 3.00%                           |                                 |                                         |                                         |
| 9/8/99                                                                     | 3.17                                     | 9/9/1999                                | 3.05%                           |                                 |                                         |                                         |
| 9/15/99                                                                    | 3.47                                     | 9/16/1999                               | 3.35%                           |                                 |                                         |                                         |
| 9/22/99                                                                    | 3.78                                     | 9/23/1999                               | 3.65%                           |                                 |                                         |                                         |
| 9/29/99                                                                    | 3.77                                     | 9/30/1999                               | 3.65%                           |                                 |                                         |                                         |
| 10/6/99                                                                    | 3.18                                     | 10/7/1999                               | 3.05%                           |                                 |                                         |                                         |
| 10/13/99                                                                   | 3.39                                     | 10/14/1999                              | 3.25%                           |                                 |                                         |                                         |
| 10/20/99                                                                   | 3.38                                     | 10/21/1999                              | 3.25%                           |                                 |                                         |                                         |
| 10/27/99                                                                   | 3.47                                     | 10/28/1999                              | 3.35%                           |                                 |                                         |                                         |
| 11/3/99                                                                    | 3.34                                     | 11/4/1999                               | 3.20%                           |                                 |                                         |                                         |
| 11/10/99                                                                   | 3.68                                     | 11/11/1999                              | 3.55%                           |                                 |                                         |                                         |
| 11/17/99                                                                   | 3.84                                     | 11/18/1999                              | 3.70%                           |                                 |                                         |                                         |
| 11/24/99                                                                   | 3.87                                     | 11/25/1999                              | 3.75%                           |                                 |                                         |                                         |
| 12/1/99                                                                    | 3.67                                     | 12/2/1999                               | 3.55%                           |                                 |                                         |                                         |
| 12/8/99                                                                    | 3.29                                     | 12/9/1999                               | 3.15%                           |                                 |                                         |                                         |
| 12/15/99                                                                   | 3.89                                     | 12/16/1999                              | 3.75%                           |                                 |                                         |                                         |
| 12/22/99                                                                   | 4.66                                     | 12/23/1999                              | 4.55%                           |                                 |                                         |                                         |
| 12/29/99                                                                   | 5.46                                     | 12/30/1999                              | 5.35%                           |                                 |                                         |                                         |
| 1/5/00                                                                     | 2.93                                     | 1/6/2000                                | 2.80%                           |                                 |                                         |                                         |
| 1/12/00                                                                    | 2.97                                     | 1/13/2000                               | 2.85%                           |                                 |                                         |                                         |

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| Securities Industry and Financial Markets Association Municipal Swap Index | The College of New Jersey 1999A* (Ambac) | The College of New Jersey 2002 D (FGIC) | Kean University 2007 E-1 (FGIC) | Kean University 2007 E-2 (FGIC) | New Jersey City University 2003A (FGIC) | New Jersey City University 2005A (CIFG) |
|----------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|
| 1/19/00                                                                    | 3.17                                     | 1/20/2000                               | 3.05%                           |                                 |                                         |                                         |
| 1/26/00                                                                    | 3.20                                     | 1/27/2000                               | 3.10%                           |                                 |                                         |                                         |
| 2/2/00                                                                     | 2.97                                     | 2/3/2000                                | 2.85%                           |                                 |                                         |                                         |
| 2/9/00                                                                     | 3.53                                     | 2/10/2000                               | 3.40%                           |                                 |                                         |                                         |
| 2/16/00                                                                    | 3.84                                     | 2/17/2000                               | 3.70%                           |                                 |                                         |                                         |
| 2/23/00                                                                    | 3.86                                     | 2/24/2000                               | 3.70%                           |                                 |                                         |                                         |
| 3/1/00                                                                     | 3.77                                     | 3/2/2000                                | 3.60%                           |                                 |                                         |                                         |
| 3/8/00                                                                     | 3.74                                     | 3/9/2000                                | 3.60%                           |                                 |                                         |                                         |
| 3/15/00                                                                    | 3.75                                     | 3/16/2000                               | 3.60%                           |                                 |                                         |                                         |
| 3/22/00                                                                    | 3.72                                     | 3/23/2000                               | 3.60%                           |                                 |                                         |                                         |
| 3/29/00                                                                    | 3.86                                     | 3/30/2000                               | 3.75%                           |                                 |                                         |                                         |
| 4/5/00                                                                     | 3.54                                     | 4/6/2000                                | 3.35%                           |                                 |                                         |                                         |
| 4/12/00                                                                    | 3.96                                     | 4/13/2000                               | 3.75%                           |                                 |                                         |                                         |
| 4/19/00                                                                    | 4.47                                     | 4/20/2000                               | 4.30%                           |                                 |                                         |                                         |
| 4/26/00                                                                    | 5.03                                     | 4/27/2000                               | 4.80%                           |                                 |                                         |                                         |
| 5/3/00                                                                     | 5.71                                     | 5/4/2000                                | 5.55%                           |                                 |                                         |                                         |
| 5/10/00                                                                    | 5.84                                     | 5/11/2000                               | 5.70%                           |                                 |                                         |                                         |
| 5/17/00                                                                    | 4.25                                     | 5/18/2000                               | 3.95%                           |                                 |                                         |                                         |
| 5/24/00                                                                    | 4.30                                     | 5/25/2000                               | 4.10%                           |                                 |                                         |                                         |
| 5/31/00                                                                    | 4.12                                     | 6/1/2000                                | 3.85%                           |                                 |                                         |                                         |
| 6/7/00                                                                     | 3.81                                     | 6/8/2000                                | 3.55%                           |                                 |                                         |                                         |
| 6/14/00                                                                    | 4.45                                     | 6/15/2000                               | 4.15%                           |                                 |                                         |                                         |
| 6/21/00                                                                    | 4.62                                     | 6/22/2000                               | 4.30%                           |                                 |                                         |                                         |
| 6/28/00                                                                    | 4.77                                     | 6/29/2000                               | 4.50%                           |                                 |                                         |                                         |
| 7/5/00                                                                     | 3.21                                     | 7/6/2000                                | 2.90%                           |                                 |                                         |                                         |
| 7/12/00                                                                    | 3.81                                     | 7/13/2000                               | 3.45%                           |                                 |                                         |                                         |
| 7/19/00                                                                    | 4.23                                     | 7/20/2000                               | 3.80%                           |                                 |                                         |                                         |
| 7/26/00                                                                    | 4.23                                     | 7/27/2000                               | 4.05%                           |                                 |                                         |                                         |
| 8/2/00                                                                     | 3.99                                     | 8/3/2000                                | 3.80%                           |                                 |                                         |                                         |
| 8/9/00                                                                     | 4.19                                     | 8/10/2000                               | 3.85%                           |                                 |                                         |                                         |
| 8/16/00                                                                    | 4.19                                     | 8/17/2000                               | 3.80%                           |                                 |                                         |                                         |
| 8/23/00                                                                    | 4.19                                     | 8/24/2000                               | 3.80%                           |                                 |                                         |                                         |
| 8/30/00                                                                    | 4.23                                     | 8/31/2000                               | 3.80%                           |                                 |                                         |                                         |
| 9/6/00                                                                     | 3.88                                     | 9/7/2000                                | 3.55%                           |                                 |                                         |                                         |
| 9/13/00                                                                    | 4.14                                     | 9/14/2000                               | 3.80%                           |                                 |                                         |                                         |
| 9/20/00                                                                    | 4.34                                     | 9/21/2000                               | 4.10%                           |                                 |                                         |                                         |

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| Securities Industry and Financial Markets Association Municipal Swap Index | The College of New Jersey 1999A* (Ambac) | The College of New Jersey 2002 D (FGIC) | Kean University 2007 E-1 (FGIC) | Kean University 2007 E-2 (FGIC) | New Jersey City University 2003A (FGIC) | New Jersey City University 2005A (CIFG) |
|----------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|
| 9/27/00                                                                    | 5.52                                     | 9/28/2000                               | 5.55%                           |                                 |                                         |                                         |
| 10/4/00                                                                    | 4.16                                     | 10/5/2000                               | 3.95%                           |                                 |                                         |                                         |
| 10/11/00                                                                   | 4.21                                     | 10/12/2000                              | 4.10%                           |                                 |                                         |                                         |
| 10/18/00                                                                   | 4.23                                     | 10/19/2000                              | 4.10%                           |                                 |                                         |                                         |
| 10/25/00                                                                   | 4.33                                     | 10/26/2000                              | 4.25%                           |                                 |                                         |                                         |
| 11/1/00                                                                    | 4.28                                     | 11/2/2000                               | 4.15%                           |                                 |                                         |                                         |
| 11/8/00                                                                    | 4.39                                     | 11/9/2000                               | 4.15%                           |                                 |                                         |                                         |
| 11/15/00                                                                   | 4.56                                     | 11/16/2000                              | 4.30%                           |                                 |                                         |                                         |
| 11/22/00                                                                   | 4.30                                     | 11/23/2000                              | 4.05%                           |                                 |                                         |                                         |
| 11/29/00                                                                   | 4.12                                     | 11/30/2000                              | 3.90%                           |                                 |                                         |                                         |
| 12/6/00                                                                    | 3.67                                     | 12/7/2000                               | 3.40%                           |                                 |                                         |                                         |
| 12/13/00                                                                   | 4.21                                     | 12/14/2000                              | 3.95%                           |                                 |                                         |                                         |
| 12/20/00                                                                   | 4.63                                     | 12/21/2000                              | 4.60%                           |                                 |                                         |                                         |
| 12/27/00                                                                   | 4.84                                     | 12/28/2000                              | 4.65%                           |                                 |                                         |                                         |
| 1/3/01                                                                     | 2.98                                     | 1/4/2001                                | 2.80%                           |                                 |                                         |                                         |
| 1/10/01                                                                    | 1.81                                     | 1/11/2001                               | 1.55%                           |                                 |                                         |                                         |
| 1/17/01                                                                    | 1.86                                     | 1/18/2001                               | 1.70%                           |                                 |                                         |                                         |
| 1/24/01                                                                    | 4.48                                     | 1/25/2001                               | 4.60%                           |                                 |                                         |                                         |
| 1/31/01                                                                    | 3.97                                     | 2/1/2001                                | 3.75%                           |                                 |                                         |                                         |
| 2/7/01                                                                     | 3.18                                     | 2/8/2001                                | 2.95%                           |                                 |                                         |                                         |
| 2/14/01                                                                    | 3.66                                     | 2/15/2001                               | 3.40%                           |                                 |                                         |                                         |
| 2/21/01                                                                    | 3.47                                     | 2/22/2001                               | 3.25%                           |                                 |                                         |                                         |
| 2/28/01                                                                    | 3.15                                     | 3/1/2001                                | 3.00%                           |                                 |                                         |                                         |
| 3/7/01                                                                     | 2.43                                     | 3/8/2001                                | 2.30%                           |                                 |                                         |                                         |
| 3/14/01                                                                    | 3.26                                     | 3/15/2001                               | 3.15%                           |                                 |                                         |                                         |
| 3/21/01                                                                    | 3.48                                     | 3/22/2001                               | 3.30%                           |                                 |                                         |                                         |
| 3/28/01                                                                    | 3.45                                     | 3/29/2001                               | 3.30%                           |                                 |                                         |                                         |
| 4/4/01                                                                     | 3.19                                     | 4/5/2001                                | 2.95%                           |                                 |                                         |                                         |
| 4/11/01                                                                    | 3.88                                     | 4/12/2001                               | 3.70%                           |                                 |                                         |                                         |
| 4/18/01                                                                    | 4.45                                     | 4/19/2001                               | 4.25%                           |                                 |                                         |                                         |
| 4/25/01                                                                    | 4.19                                     | 4/26/2001                               | 4.15%                           |                                 |                                         |                                         |
| 5/2/01                                                                     | 3.97                                     | 5/3/2001                                | 3.75%                           |                                 |                                         |                                         |
| 5/9/01                                                                     | 3.34                                     | 5/10/2001                               | 3.10%                           |                                 |                                         |                                         |
| 5/16/01                                                                    | 2.90                                     | 5/17/2001                               | 2.60%                           |                                 |                                         |                                         |
| 5/23/01                                                                    | 3.03                                     | 5/24/2001                               | 2.80%                           |                                 |                                         |                                         |
| 5/30/01                                                                    | 2.95                                     | 5/31/2001                               | 2.70%                           |                                 |                                         |                                         |

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| Securities Industry and<br>Financial Markets<br>Association Municipal<br>Swap Index | The College of New<br>Jersey 1999A*<br>(Ambac) | The College of New<br>Jersey 2002 D<br>(FGIC) | Kean University<br>2007 E-1<br>(FGIC) | Kean University<br>2007 E-2<br>(FGIC) | New Jersey City<br>University 2003A<br>(FGIC) | New Jersey City<br>University 2005A<br>(CIFG) |
|-------------------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------------------|-----------------------------------------------|
| 6/6/01                                                                              | 2.15<br>6/7/2001                               | 2.00%                                         |                                       |                                       |                                               |                                               |
| 6/13/01                                                                             | 3.05<br>6/14/2001                              | 2.85%                                         |                                       |                                       |                                               |                                               |
| 6/20/01                                                                             | 2.97<br>6/21/2001                              | 2.80%                                         |                                       |                                       |                                               |                                               |
| 6/27/01                                                                             | 2.68<br>6/28/2001                              | 2.60%                                         |                                       |                                       |                                               |                                               |
| 7/4/01                                                                              | 2.12<br>7/5/2001                               | 2.05%                                         |                                       |                                       |                                               |                                               |
| 7/11/01                                                                             | 2.34<br>7/12/2001                              | 2.40%                                         |                                       |                                       |                                               |                                               |
| 7/18/01                                                                             | 2.68<br>7/19/2001                              | 2.60%                                         |                                       |                                       |                                               |                                               |
| 7/25/01                                                                             | 2.64<br>7/26/2001                              | 2.60%                                         |                                       |                                       |                                               |                                               |
| 8/1/01                                                                              | 2.42<br>8/2/2001                               | 2.35%                                         |                                       |                                       |                                               |                                               |
| 8/8/01                                                                              | 2.19<br>8/9/2001                               | 2.00%                                         |                                       |                                       |                                               |                                               |
| 8/15/01                                                                             | 2.32<br>8/16/2001                              | 2.15%                                         |                                       |                                       |                                               |                                               |
| 8/22/01                                                                             | 2.10<br>8/23/2001                              | 1.95%                                         |                                       |                                       |                                               |                                               |
| 8/29/01                                                                             | 2.01<br>8/30/2001                              | 1.85%                                         |                                       |                                       |                                               |                                               |
| 9/5/01                                                                              | 2.15<br>9/6/2001                               | 2.05%                                         |                                       |                                       |                                               |                                               |
| 9/12/01                                                                             | 2.20<br>9/13/2001                              | 2.05%                                         |                                       |                                       |                                               |                                               |
| 9/20/01                                                                             | 2.11<br>9/20/2001                              | 1.95%                                         |                                       |                                       |                                               |                                               |
| 9/26/01                                                                             | 2.28<br>9/27/2001                              | 2.10%                                         |                                       |                                       |                                               |                                               |
| 10/3/01                                                                             | 2.23<br>10/4/2001                              | 2.05%                                         |                                       |                                       |                                               |                                               |
| 10/10/01                                                                            | 2.00<br>10/11/2001                             | 1.90%                                         |                                       |                                       |                                               |                                               |
| 10/17/01                                                                            | 1.95<br>10/18/2001                             | 1.80%                                         |                                       |                                       |                                               |                                               |
| 10/24/01                                                                            | 2.08<br>10/25/2001                             | 2.05%                                         |                                       |                                       |                                               |                                               |
| 10/31/01                                                                            | 1.97<br>11/1/2001                              | 1.95%                                         |                                       |                                       |                                               |                                               |
| 11/7/01                                                                             | 1.67<br>11/8/2001                              | 1.60%                                         |                                       |                                       |                                               |                                               |
| 11/14/01                                                                            | 1.71<br>11/15/2001                             | 1.55%                                         |                                       |                                       |                                               |                                               |
| 11/21/01                                                                            | 1.66<br>11/22/2001                             | 1.45%                                         |                                       |                                       |                                               |                                               |
| 11/28/01                                                                            | 1.49<br>11/29/2001                             | 1.30%                                         |                                       |                                       |                                               |                                               |
| 12/5/01                                                                             | 1.10<br>12/6/2001                              | 1.00%                                         |                                       |                                       |                                               |                                               |
| 12/12/01                                                                            | 1.19<br>12/13/2001                             | 1.15%                                         |                                       |                                       |                                               |                                               |
| 12/19/01                                                                            | 1.56<br>12/20/2001                             | 1.50%                                         |                                       |                                       |                                               |                                               |
| 12/26/01                                                                            | 1.61<br>12/27/2001                             | 1.55%                                         |                                       |                                       |                                               |                                               |
| 1/2/02                                                                              | 1.08<br>1/3/2002                               | 1.05%                                         |                                       |                                       |                                               |                                               |
| 1/9/02                                                                              | 1.27<br>1/10/2002                              | 1.20%                                         |                                       |                                       |                                               |                                               |
| 1/16/02                                                                             | 1.26<br>1/17/2002                              | 1.20%                                         |                                       |                                       |                                               |                                               |
| 1/23/02                                                                             | 1.26<br>1/24/2002                              | 1.20%                                         |                                       |                                       |                                               |                                               |
| 1/30/02                                                                             | 1.35<br>1/31/2002                              | 1.30%                                         |                                       |                                       |                                               |                                               |
| 2/6/02                                                                              | 1.22<br>2/7/2002                               | 1.15%                                         |                                       |                                       |                                               |                                               |





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|----------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|
| 10/23/02                                                                   | 1.83                                     | 10/24/2002                              | 1.85%                           | 10/24/2002                      | 1.77%                                   |                                         |
| 10/30/02                                                                   | 1.85                                     | 10/31/2002                              | 1.85%                           | 10/31/2002                      | 1.81%                                   |                                         |
| 11/6/02                                                                    | 1.71                                     | 11/7/2002                               | 1.65%                           | 11/7/2002                       | 1.40%                                   |                                         |
| 11/13/02                                                                   | 1.38                                     | 11/14/2002                              | 1.35%                           | 11/14/2002                      | 1.30%                                   |                                         |
| 11/20/02                                                                   | 1.27                                     | 11/21/2002                              | 1.25%                           | 11/21/2002                      | 1.15%                                   |                                         |
| 11/27/02                                                                   | 1.16                                     | 11/28/2002                              | 1.15%                           | 11/28/2002                      | 1.08%                                   |                                         |
| 12/4/02                                                                    | 1.04                                     | 12/5/2002                               | 1.00%                           | 12/5/2002                       | 0.94%                                   |                                         |
| 12/11/02                                                                   | 1.01                                     | 12/12/2002                              | 0.90%                           | 12/12/2002                      | 0.94%                                   |                                         |
| 12/18/02                                                                   | 1.18                                     | 12/19/2002                              | 1.15%                           | 12/19/2002                      | 1.10%                                   |                                         |
| 12/25/02                                                                   | 1.52                                     | 12/26/2002                              | 1.55%                           | 12/26/2002                      | 1.47%                                   |                                         |
| 1/1/03                                                                     | 1.09                                     | 1/2/2003                                | 1.05%                           | 1/2/2003                        | 1.05%                                   |                                         |
| 1/8/03                                                                     | 0.95                                     | 1/9/2003                                | 0.90%                           | 1/9/2003                        | 1.00%                                   |                                         |
| 1/15/03                                                                    | 0.96                                     | 1/16/2003                               | 0.90%                           | 1/16/2003                       | 0.90%                                   |                                         |
| 1/22/03                                                                    | 1.08                                     | 1/23/2003                               | 1.10%                           | 1/23/2003                       | 1.10%                                   |                                         |
| 1/29/03                                                                    | 1.13                                     | 1/30/2003                               | 1.15%                           | 1/30/2003                       | 1.14%                                   |                                         |
| 2/5/03                                                                     | 1.02                                     | 2/6/2003                                | 1.05%                           | 2/6/2003                        | 1.10%                                   |                                         |
| 2/12/03                                                                    | 1.08                                     | 2/13/2003                               | 1.05%                           | 2/13/2003                       | 1.10%                                   |                                         |
| 2/19/03                                                                    | 1.10                                     | 2/20/2003                               | 1.05%                           | 2/20/2003                       | 1.10%                                   |                                         |
| 2/26/03                                                                    | 1.08                                     | 2/27/2003                               | 1.05%                           | 2/27/2003                       | 1.05%                                   |                                         |
| 3/5/03                                                                     | 1.00                                     | 3/6/2003                                | 0.95%                           | 3/6/2003                        | 0.96%                                   |                                         |
| 3/12/03                                                                    | 1.12                                     | 3/13/2003                               | 1.05%                           | 3/13/2003                       | 1.08%                                   |                                         |
| 3/19/03                                                                    | 1.14                                     | 3/20/2003                               | 1.05%                           | 3/20/2003                       | 1.16%                                   |                                         |
| 3/26/03                                                                    | 1.15                                     | 3/27/2003                               | 1.10%                           | 3/27/2003                       | 1.09%                                   |                                         |
| 4/2/03                                                                     | 1.08                                     | 4/3/2003                                | 1.10%                           | 4/3/2003                        | 1.04%                                   |                                         |
| 4/9/03                                                                     | 1.14                                     | 4/10/2003                               | 1.15%                           | 4/10/2003                       | 1.07%                                   |                                         |
| 4/16/03                                                                    | 1.24                                     | 4/17/2003                               | 1.20%                           | 4/17/2003                       | 1.10%                                   |                                         |
| 4/23/03                                                                    | 1.36                                     | 4/24/2003                               | 1.35%                           | 4/24/2003                       | 1.15%                                   |                                         |
| 4/30/03                                                                    | 1.35                                     | 5/1/2003                                | 1.35%                           | 5/1/2003                        | 1.13%                                   | 5/8/2003                                |
| 5/7/03                                                                     | 1.23                                     | 5/8/2003                                | 1.25%                           | 5/8/2003                        | 1.10%                                   | 5/15/2003                               |
| 5/14/03                                                                    | 1.22                                     | 5/15/2003                               | 1.25%                           | 5/15/2003                       | 1.10%                                   | 5/22/2003                               |
| 5/21/03                                                                    | 1.20                                     | 5/22/2003                               | 1.20%                           | 5/22/2003                       | 1.10%                                   | 5/29/2003                               |
| 5/28/03                                                                    | 1.19                                     | 5/29/2003                               | 1.20%                           | 5/29/2003                       | 1.10%                                   | 6/5/2003                                |
| 6/4/03                                                                     | 1.03                                     | 6/5/2003                                | 1.00%                           | 6/5/2003                        | 1.02%                                   | 6/12/2003                               |
| 6/11/03                                                                    | 1.06                                     | 6/12/2003                               | 1.00%                           | 6/12/2003                       | 1.02%                                   | 6/19/2003                               |
| 6/18/03                                                                    | 1.04                                     | 6/19/2003                               | 1.00%                           | 6/19/2003                       | 1.10%                                   | 6/26/2003                               |
| 6/25/03                                                                    | 0.98                                     | 6/26/2003                               | 0.95%                           | 6/26/2003                       | 1.00%                                   | 6/26/2003                               |

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|----------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|
| 7/2/03                                                                     | 0.80                                     | 0.80%                                   | 7/3/2003                        | 0.75%                           | 7/3/2003                                | 0.75%                                   |
| 7/9/03                                                                     | 0.70                                     | 0.65%                                   | 7/10/2003                       | 0.70%                           | 7/10/2003                               | 0.70%                                   |
| 7/16/03                                                                    | 0.79                                     | 0.75%                                   | 7/17/2003                       | 0.75%                           | 7/17/2003                               | 0.75%                                   |
| 7/23/03                                                                    | 0.85                                     | 0.80%                                   | 7/24/2003                       | 0.78%                           | 7/24/2003                               | 0.78%                                   |
| 7/30/03                                                                    | 0.85                                     | 0.80%                                   | 7/31/2003                       | 0.80%                           | 7/31/2003                               | 0.80%                                   |
| 8/6/03                                                                     | 0.73                                     | 0.70%                                   | 8/7/2003                        | 0.70%                           | 8/7/2003                                | 0.70%                                   |
| 8/13/03                                                                    | 0.82                                     | 0.80%                                   | 8/14/2003                       | 0.75%                           | 8/14/2003                               | 0.75%                                   |
| 8/20/03                                                                    | 0.82                                     | 0.80%                                   | 8/21/2003                       | 0.75%                           | 8/21/2003                               | 0.75%                                   |
| 8/27/03                                                                    | 0.83                                     | 0.80%                                   | 8/28/2003                       | 0.77%                           | 8/28/2003                               | 0.77%                                   |
| 9/3/03                                                                     | 0.83                                     | 0.80%                                   | 9/4/2003                        | 0.74%                           | 9/4/2003                                | 0.74%                                   |
| 9/10/03                                                                    | 0.89                                     | 0.85%                                   | 9/11/2003                       | 0.83%                           | 9/11/2003                               | 0.83%                                   |
| 9/17/03                                                                    | 0.99                                     | 0.95%                                   | 9/18/2003                       | 0.94%                           | 9/18/2003                               | 0.94%                                   |
| 9/24/03                                                                    | 1.08                                     | 1.10%                                   | 9/25/2003                       | 1.03%                           | 9/25/2003                               | 1.03%                                   |
| 10/1/03                                                                    | 1.04                                     | 1.10%                                   | 10/2/2003                       | 0.94%                           | 10/2/2003                               | 0.94%                                   |
| 10/8/03                                                                    | 0.92                                     | 0.95%                                   | 10/9/2003                       | 0.86%                           | 10/9/2003                               | 0.86%                                   |
| 10/15/03                                                                   | 0.93                                     | 0.87%                                   | 10/16/2003                      | 0.84%                           | 10/16/2003                              | 0.84%                                   |
| 10/22/03                                                                   | 0.97                                     | 0.97%                                   | 10/23/2003                      | 0.92%                           | 10/23/2003                              | 0.92%                                   |
| 10/29/03                                                                   | 1.05                                     | 1.03%                                   | 10/30/2003                      | 0.94%                           | 10/30/2003                              | 0.94%                                   |
| 11/5/03                                                                    | 1.06                                     | 1.05%                                   | 11/6/2003                       | 0.99%                           | 11/6/2003                               | 0.99%                                   |
| 11/12/03                                                                   | 1.12                                     | 1.15%                                   | 11/13/2003                      | 1.08%                           | 11/13/2003                              | 1.08%                                   |
| 11/19/03                                                                   | 1.12                                     | 1.15%                                   | 11/20/2003                      | 1.05%                           | 11/20/2003                              | 1.05%                                   |
| 11/26/03                                                                   | 1.10                                     | 1.12%                                   | 11/27/2003                      | 1.03%                           | 11/27/2003                              | 1.03%                                   |
| 12/3/03                                                                    | 1.01                                     | 1.00%                                   | 12/4/2003                       | 0.94%                           | 12/4/2003                               | 0.94%                                   |
| 12/10/03                                                                   | 1.02                                     | 1.00%                                   | 12/11/2003                      | 0.96%                           | 12/11/2003                              | 0.96%                                   |
| 12/17/03                                                                   | 1.11                                     | 1.08%                                   | 12/18/2003                      | 1.05%                           | 12/18/2003                              | 1.05%                                   |
| 12/24/03                                                                   | 1.23                                     | 1.25%                                   | 12/25/2003                      | 1.16%                           | 12/25/2003                              | 1.16%                                   |
| 12/31/03                                                                   | 1.14                                     | 1.25%                                   | 1/1/2004                        | 1.08%                           | 1/1/2004                                | 1.08%                                   |
| 1/7/04                                                                     | 0.91                                     | 0.95%                                   | 1/8/2004                        | 0.86%                           | 1/8/2004                                | 0.86%                                   |
| 1/14/04                                                                    | 0.95                                     | 0.95%                                   | 1/15/2004                       | 0.89%                           | 1/15/2004                               | 0.89%                                   |
| 1/21/04                                                                    | 0.94                                     | 0.93%                                   | 1/22/2004                       | 0.86%                           | 1/22/2004                               | 0.86%                                   |
| 1/28/04                                                                    | 0.95                                     | 0.95%                                   | 1/29/2004                       | 0.92%                           | 1/29/2004                               | 0.92%                                   |
| 2/4/04                                                                     | 0.88                                     | 0.90%                                   | 2/5/2004                        | 0.84%                           | 2/5/2004                                | 0.84%                                   |
| 2/11/04                                                                    | 0.94                                     | 0.91%                                   | 2/12/2004                       | 0.85%                           | 2/12/2004                               | 0.85%                                   |
| 2/18/04                                                                    | 0.95                                     | 0.92%                                   | 2/19/2004                       | 0.89%                           | 2/19/2004                               | 0.89%                                   |
| 2/25/04                                                                    | 0.94                                     | 0.92%                                   | 2/26/2004                       | 0.91%                           | 2/26/2004                               | 0.91%                                   |
| 3/3/04                                                                     | 0.87                                     | 0.85%                                   | 3/4/2004                        | 0.83%                           | 3/4/2004                                | 0.83%                                   |

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|----------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|
| 3/10/04                                                                    | 3/11/2004                                | 3/11/2004                               | 0.91%                           | 0.85%                           | 3/11/2004                               | 0.85%                                   |
| 3/17/04                                                                    | 3/18/2004                                | 3/18/2004                               | 0.98%                           | 0.99%                           | 3/18/2004                               | 0.99%                                   |
| 3/24/04                                                                    | 3/25/2004                                | 3/25/2004                               | 0.99%                           | 1.04%                           | 3/25/2004                               | 1.04%                                   |
| 3/31/04                                                                    | 4/1/2004                                 | 4/1/2004                                | 1.05%                           | 0.97%                           | 4/1/2004                                | 0.97%                                   |
| 4/7/04                                                                     | 4/8/2004                                 | 4/8/2004                                | 1.03%                           | 1.00%                           | 4/8/2004                                | 1.00%                                   |
| 4/14/04                                                                    | 4/15/2004                                | 4/15/2004                               | 1.08%                           | 1.05%                           | 4/15/2004                               | 1.05%                                   |
| 4/21/04                                                                    | 4/22/2004                                | 4/22/2004                               | 1.08%                           | 1.04%                           | 4/22/2004                               | 1.04%                                   |
| 4/28/04                                                                    | 4/29/2004                                | 4/29/2004                               | 1.06%                           | 1.04%                           | 4/29/2004                               | 1.04%                                   |
| 5/5/04                                                                     | 5/6/2004                                 | 5/6/2004                                | 1.04%                           | 1.00%                           | 5/6/2004                                | 1.00%                                   |
| 5/12/04                                                                    | 5/13/2004                                | 5/13/2004                               | 1.05%                           | 0.99%                           | 5/13/2004                               | 0.99%                                   |
| 5/19/04                                                                    | 5/20/2004                                | 5/20/2004                               | 1.05%                           | 0.97%                           | 5/20/2004                               | 0.97%                                   |
| 5/26/04                                                                    | 5/27/2004                                | 5/27/2004                               | 1.05%                           | 0.97%                           | 5/27/2004                               | 0.97%                                   |
| 6/2/04                                                                     | 6/3/2004                                 | 6/3/2004                                | 1.01%                           | 0.97%                           | 6/3/2004                                | 0.97%                                   |
| 6/9/04                                                                     | 6/10/2004                                | 6/10/2004                               | 1.04%                           | 1.01%                           | 6/10/2004                               | 1.01%                                   |
| 6/16/04                                                                    | 6/17/2004                                | 6/17/2004                               | 1.04%                           | 1.02%                           | 6/17/2004                               | 1.02%                                   |
| 6/23/04                                                                    | 6/24/2004                                | 6/24/2004                               | 1.06%                           | 1.05%                           | 6/24/2004                               | 1.05%                                   |
| 6/30/04                                                                    | 7/1/2004                                 | 7/1/2004                                | 1.06%                           | 1.06%                           | 7/1/2004                                | 1.06%                                   |
| 7/7/04                                                                     | 7/8/2004                                 | 7/8/2004                                | 1.04%                           | 1.04%                           | 7/8/2004                                | 1.04%                                   |
| 7/14/04                                                                    | 7/15/2004                                | 7/15/2004                               | 1.03%                           | 1.06%                           | 7/15/2004                               | 1.06%                                   |
| 7/21/04                                                                    | 7/22/2004                                | 7/22/2004                               | 1.03%                           | 1.08%                           | 7/22/2004                               | 1.08%                                   |
| 7/28/04                                                                    | 7/29/2004                                | 7/29/2004                               | 1.06%                           | 1.11%                           | 7/29/2004                               | 1.11%                                   |
| 8/4/04                                                                     | 8/5/2004                                 | 8/5/2004                                | 1.06%                           | 1.07%                           | 8/5/2004                                | 1.07%                                   |
| 8/11/04                                                                    | 8/12/2004                                | 8/12/2004                               | 1.06%                           | 1.07%                           | 8/12/2004                               | 1.07%                                   |
| 8/18/04                                                                    | 8/19/2004                                | 8/19/2004                               | 1.23%                           | 1.23%                           | 8/19/2004                               | 1.23%                                   |
| 8/25/04                                                                    | 8/26/2004                                | 8/26/2004                               | 1.28%                           | 1.29%                           | 8/26/2004                               | 1.29%                                   |
| 9/1/04                                                                     | 9/2/2004                                 | 9/2/2004                                | 1.28%                           | 1.29%                           | 9/2/2004                                | 1.33%                                   |
| 9/8/04                                                                     | 9/9/2004                                 | 9/9/2004                                | 1.28%                           | 1.33%                           | 9/9/2004                                | 1.36%                                   |
| 9/15/04                                                                    | 9/16/2004                                | 9/16/2004                               | 1.34%                           | 1.36%                           | 9/16/2004                               | 1.47%                                   |
| 9/22/04                                                                    | 9/23/2004                                | 9/23/2004                               | 1.52%                           | 1.47%                           | 9/23/2004                               | 1.65%                                   |
| 9/29/04                                                                    | 9/30/2004                                | 9/30/2004                               | 1.70%                           | 1.65%                           | 9/30/2004                               | 1.59%                                   |
| 10/6/04                                                                    | 10/7/2004                                | 10/7/2004                               | 1.62%                           | 1.59%                           | 10/7/2004                               | 1.65%                                   |
| 10/13/04                                                                   | 10/14/2004                               | 10/14/2004                              | 1.67%                           | 1.65%                           | 10/14/2004                              | 1.72%                                   |
| 10/20/04                                                                   | 10/21/2004                               | 10/21/2004                              | 1.72%                           | 1.72%                           | 10/21/2004                              | 1.69%                                   |
| 10/27/04                                                                   | 10/28/2004                               | 10/28/2004                              | 1.76%                           | 1.69%                           | 10/28/2004                              | 1.56%                                   |
| 11/3/04                                                                    | 11/4/2004                                | 11/4/2004                               | 1.62%                           | 1.56%                           | 11/4/2004                               | 1.60%                                   |
| 11/10/04                                                                   | 11/11/2004                               | 11/11/2004                              | 1.63%                           | 1.60%                           | 11/11/2004                              | 1.57%                                   |

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|----------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|-------|
| 11/17/04                                                                   | 1.65                                     | 1.62%                                   | 11/18/2004                      | 1.57%                           | 11/18/2004                              | 1.60%                                   |       |
| 11/24/04                                                                   | 1.67                                     | 1.64%                                   | 11/25/2004                      | 1.60%                           | 11/25/2004                              | 1.46%                                   |       |
| 12/1/04                                                                    | 1.55                                     | 1.53%                                   | 12/2/2004                       | 1.46%                           | 12/2/2004                               | 1.44%                                   |       |
| 12/8/04                                                                    | 1.43                                     | 1.43%                                   | 12/9/2004                       | 1.44%                           | 12/9/2004                               | 1.58%                                   |       |
| 12/15/04                                                                   | 1.65                                     | 1.62%                                   | 12/16/2004                      | 1.58%                           | 12/16/2004                              | 1.86%                                   |       |
| 12/22/04                                                                   | 1.93                                     | 1.88%                                   | 12/23/2004                      | 1.86%                           | 12/23/2004                              | 1.93%                                   |       |
| 12/29/04                                                                   | 1.99                                     | 1.95%                                   | 12/30/2004                      | 1.93%                           | 12/30/2004                              | 1.93%                                   |       |
| 1/5/05                                                                     | 1.48                                     | 1.46%                                   | 1/6/2005                        | 1.40%                           | 1/6/2005                                | 1.40%                                   |       |
| 1/12/05                                                                    | 1.78                                     | 1.75%                                   | 1/13/2005                       | 1.69%                           | 1/13/2005                               | 1.69%                                   |       |
| 1/19/05                                                                    | 1.85                                     | 1.81%                                   | 1/20/2005                       | 1.78%                           | 1/20/2005                               | 1.78%                                   |       |
| 1/26/05                                                                    | 1.84                                     | 1.82%                                   | 1/27/2005                       | 1.73%                           | 1/27/2005                               | 1.73%                                   |       |
| 2/2/05                                                                     | 1.82                                     | 1.78%                                   | 2/3/2005                        | 1.70%                           | 2/3/2005                                | 1.70%                                   |       |
| 2/9/05                                                                     | 1.95                                     | 1.92%                                   | 2/10/2005                       | 1.86%                           | 2/10/2005                               | 1.86%                                   |       |
| 2/16/05                                                                    | 1.93                                     | 1.90%                                   | 2/17/2005                       | 1.84%                           | 2/17/2005                               | 1.85%                                   |       |
| 2/23/05                                                                    | 1.86                                     | 1.82%                                   | 2/24/2005                       | 1.77%                           | 2/24/2005                               | 1.77%                                   |       |
| 3/2/05                                                                     | 1.74                                     | 1.73%                                   | 3/3/2005                        | 1.65%                           | 3/3/2005                                | 1.65%                                   |       |
| 3/9/05                                                                     | 1.80                                     | 1.77%                                   | 3/10/2005                       | 1.73%                           | 3/10/2005                               | 1.73%                                   |       |
| 3/16/05                                                                    | 1.98                                     | 1.94%                                   | 3/17/2005                       | 1.89%                           | 3/17/2005                               | 1.89%                                   |       |
| 3/23/05                                                                    | 2.12                                     | 2.08%                                   | 3/24/2005                       | 1.99%                           | 3/24/2005                               | 1.99%                                   |       |
| 3/30/05                                                                    | 2.28                                     | 2.25%                                   | 3/31/2005                       | 2.17%                           | 3/31/2005                               | 2.17%                                   |       |
| 4/6/05                                                                     | 2.16                                     | 2.14%                                   | 4/7/2005                        | 2.04%                           | 4/7/2005                                | 2.04%                                   |       |
| 4/13/05                                                                    | 2.40                                     | 2.37%                                   | 4/14/2005                       | 2.31%                           | 4/14/2005                               | 2.31%                                   |       |
| 4/20/05                                                                    | 2.94                                     | 2.89%                                   | 4/21/2005                       | 2.81%                           | 4/21/2005                               | 2.81%                                   |       |
| 4/27/05                                                                    | 2.99                                     | 2.96%                                   | 4/28/2005                       | 2.84%                           | 4/28/2005                               | 2.84%                                   |       |
| 5/4/05                                                                     | 2.93                                     | 2.89%                                   | 5/5/2005                        | 2.76%                           | 5/5/2005                                | 2.76%                                   |       |
| 5/11/05                                                                    | 3.00                                     | 3.00%                                   | 5/12/2005                       | 2.85%                           | 5/12/2005                               | 2.85%                                   |       |
| 5/18/05                                                                    | 2.98                                     | 2.98%                                   | 5/19/2005                       | 2.83%                           | 5/19/2005                               | 2.83%                                   |       |
| 5/25/05                                                                    | 2.96                                     | 2.95%                                   | 5/26/2005                       | 2.81%                           | 5/26/2005                               | 2.81%                                   |       |
| 6/1/05                                                                     | 2.63                                     | 2.62%                                   | 6/2/2005                        | 2.46%                           | 6/2/2005                                | 2.46%                                   |       |
| 6/8/05                                                                     | 2.09                                     | 2.08%                                   | 6/9/2005                        | 1.97%                           | 6/9/2005                                | 1.97%                                   |       |
| 6/15/05                                                                    | 2.41                                     | 2.38%                                   | 6/16/2005                       | 2.32%                           | 6/16/2005                               | 2.32%                                   |       |
| 6/22/05                                                                    | 2.54                                     | 2.57%                                   | 6/23/2005                       | 2.41%                           | 6/23/2005                               | 2.41%                                   |       |
| 6/29/05                                                                    | 2.28                                     | 2.27%                                   | 6/30/2005                       | 2.15%                           | 6/30/2005                               | 2.15%                                   |       |
| 7/6/05                                                                     | 1.97                                     | 1.97%                                   | 7/7/2005                        | 1.84%                           | 7/7/2005                                | 1.84%                                   |       |
| 7/13/05                                                                    | 2.32                                     | 2.31%                                   | 7/14/2005                       | 2.19%                           | 7/14/2005                               | 2.19%                                   |       |
| 7/20/05                                                                    | 2.40                                     | 2.40%                                   | 7/21/2005                       | 2.27%                           | 7/21/2005                               | 2.27%                                   |       |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 1/26/2005                               | 1.55% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 2/8/2005                                | 1.70% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 2/15/2005                               | 1.75% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 2/22/2005                               | 1.80% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 3/1/2005                                | 1.77% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 3/8/2005                                | 1.73% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 3/15/2005                               | 1.80% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 3/22/2005                               | 1.90% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 3/29/2005                               | 2.10% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 4/5/2005                                | 2.10% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 4/12/2005                               | 2.20% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 4/19/2005                               | 2.50% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 4/26/2005                               | 2.75% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 5/3/2005                                | 2.75% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 5/10/2005                               | 2.80% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 5/17/2005                               | 2.80% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 5/24/2005                               | 2.75% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 5/31/2005                               | 2.65% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 6/7/2005                                | 2.50% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 6/14/2005                               | 2.15% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 6/21/2005                               | 2.15% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 6/28/2005                               | 2.15% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 7/5/2005                                | 2.20% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 7/12/2005                               | 2.10% |
|                                                                            |                                          |                                         |                                 |                                 |                                         | 7/19/2005                               | 2.15% |

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|----------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|-------|
| 7/27/05                                                                    | 2.33                                     | 7/28/2005                               | 2.32%                           | 7/28/2005                       | 2.20%                                   | 7/26/2005                               | 2.15% |
| 8/3/05                                                                     | 2.08                                     | 8/4/2005                                | 2.06%                           | 8/4/2005                        | 2.20%                                   | 8/4/2005                                | 2.15% |
| 8/10/05                                                                    | 2.61                                     | 8/11/2005                               | 2.57%                           | 8/11/2005                       | 2.48%                                   | 8/11/2005                               | 2.20% |
| 8/17/05                                                                    | 2.55                                     | 8/18/2005                               | 2.53%                           | 8/18/2005                       | 2.37%                                   | 8/18/2005                               | 2.25% |
| 8/24/05                                                                    | 2.49                                     | 8/25/2005                               | 2.45%                           | 8/25/2005                       | 2.32%                                   | 8/25/2005                               | 2.25% |
| 8/31/05                                                                    | 2.36                                     | 9/1/2005                                | 2.33%                           | 9/1/2005                        | 2.21%                                   | 9/1/2005                                | 2.30% |
| 9/7/05                                                                     | 2.43                                     | 9/8/2005                                | 2.39%                           | 9/8/2005                        | 2.35%                                   | 9/8/2005                                | 2.35% |
| 9/14/05                                                                    | 2.56                                     | 9/15/2005                               | 2.54%                           | 9/15/2005                       | 2.45%                                   | 9/15/2005                               | 2.30% |
| 9/21/05                                                                    | 2.66                                     | 9/22/2005                               | 2.64%                           | 9/22/2005                       | 2.52%                                   | 9/22/2005                               | 2.45% |
| 9/28/05                                                                    | 2.75                                     | 9/29/2005                               | 2.71%                           | 9/29/2005                       | 2.60%                                   | 9/29/2005                               | 2.55% |
| 10/5/05                                                                    | 2.66                                     | 10/6/2005                               | 2.65%                           | 10/6/2005                       | 2.47%                                   | 10/6/2005                               | 2.50% |
| 10/12/05                                                                   | 2.63                                     | 10/13/2005                              | 2.60%                           | 10/13/2005                      | 2.43%                                   | 10/13/2005                              | 2.55% |
| 10/19/05                                                                   | 2.60                                     | 10/20/2005                              | 2.58%                           | 10/20/2005                      | 2.42%                                   | 10/20/2005                              | 2.55% |
| 10/26/05                                                                   | 2.70                                     | 10/27/2005                              | 2.66%                           | 10/27/2005                      | 2.52%                                   | 10/27/2005                              | 2.50% |
| 11/2/05                                                                    | 2.61                                     | 11/3/2005                               | 2.56%                           | 11/3/2005                       | 2.47%                                   | 11/3/2005                               | 2.60% |
| 11/9/05                                                                    | 2.90                                     | 11/10/2005                              | 2.87%                           | 11/10/2005                      | 2.71%                                   | 11/10/2005                              | 2.60% |
| 11/16/05                                                                   | 3.03                                     | 11/17/2005                              | 3.00%                           | 11/17/2005                      | 2.82%                                   | 11/17/2005                              | 2.75% |
| 11/23/05                                                                   | 3.04                                     | 11/24/2005                              | 3.01%                           | 11/24/2005                      | 2.87%                                   | 11/24/2005                              | 2.85% |
| 11/30/05                                                                   | 2.98                                     | 12/1/2005                               | 2.96%                           | 12/1/2005                       | 2.77%                                   | 12/1/2005                               | 2.90% |
| 12/7/05                                                                    | 2.81                                     | 12/8/2005                               | 2.78%                           | 12/8/2005                       | 2.67%                                   | 12/8/2005                               | 2.90% |
| 12/14/05                                                                   | 3.07                                     | 12/15/2005                              | 3.04%                           | 12/15/2005                      | 2.91%                                   | 12/15/2005                              | 2.80% |
| 12/21/05                                                                   | 3.38                                     | 12/22/2005                              | 3.35%                           | 12/22/2005                      | 3.22%                                   | 12/22/2005                              | 3.00% |
| 12/28/05                                                                   | 3.51                                     | 12/29/2005                              | 3.48%                           | 12/29/2005                      | 3.33%                                   | 12/29/2005                              | 3.25% |
| 1/4/06                                                                     | 2.93                                     | 1/5/2006                                | 2.93%                           | 1/5/2006                        | 2.62%                                   | 1/5/2006                                | 3.30% |
| 1/11/06                                                                    | 2.96                                     | 1/12/2006                               | 3.92%                           | 1/12/2006                       | 2.82%                                   | 1/12/2006                               | 2.95% |
| 1/18/06                                                                    | 3.01                                     | 1/19/2006                               | 2.99%                           | 1/19/2006                       | 2.83%                                   | 1/19/2006                               | 2.90% |
| 1/25/06                                                                    | 3.02                                     | 1/26/2006                               | 2.99%                           | 1/26/2006                       | 2.85%                                   | 1/26/2006                               | 2.90% |
| 2/2/06                                                                     | 2.98                                     | 2/2/2006                                | 2.94%                           | 2/2/2006                        | 2.93%                                   | 2/2/2006                                | 2.90% |
| 2/8/06                                                                     | 3.11                                     | 2/9/2006                                | 3.09%                           | 2/9/2006                        | 3.04%                                   | 2/9/2006                                | 2.90% |
| 2/15/06                                                                    | 3.22                                     | 2/16/2006                               | 3.19%                           | 2/16/2006                       | 3.12%                                   | 2/16/2006                               | 2.95% |
| 2/22/06                                                                    | 3.18                                     | 2/23/2006                               | 3.16%                           | 2/23/2006                       | 3.06%                                   | 2/23/2006                               | 3.00% |
| 3/1/06                                                                     | 3.02                                     | 3/2/2006                                | 2.99%                           | 3/2/2006                        | 2.91%                                   | 3/2/2006                                | 3.00% |
| 3/8/06                                                                     | 3.05                                     | 3/9/2006                                | 3.02%                           | 3/9/2006                        | 2.91%                                   | 3/9/2006                                | 2.95% |
| 3/15/06                                                                    | 3.14                                     | 3/16/2006                               | 3.11%                           | 3/16/2006                       | 2.94%                                   | 3/16/2006                               | 2.95% |
| 3/22/06                                                                    | 3.16                                     | 3/23/2006                               | 3.13%                           | 3/23/2006                       | 2.96%                                   | 3/23/2006                               | 2.90% |
| 3/29/06                                                                    | 3.17                                     | 3/30/2006                               | 3.14%                           | 3/30/2006                       | 2.98%                                   | 3/30/2006                               | 3.10% |

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| Securities Industry and Financial Markets Association Municipal Swap Index | The College of New Jersey 1999A* (Ambac) | The College of New Jersey 2002 D (FGIC) | Kean University 2007 E-1 (FGIC) | Kean University 2007 E-2 (FGIC) | New Jersey City University 2003A (FGIC) | New Jersey City University 2005A (CIFG) |
|----------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|
| 4/5/06                                                                     | 3.06                                     | 3.03%                                   | 4/6/2006                        | 2.92%                           | 4/6/2006                                | 2.90%                                   |
| 4/12/06                                                                    | 3.44                                     | 3.39%                                   | 4/13/2006                       | 3.29%                           | 4/13/2006                               | 3.10%                                   |
| 4/19/06                                                                    | 3.70                                     | 3.68%                                   | 4/20/2006                       | 3.45%                           | 4/20/2006                               | 3.30%                                   |
| 4/26/06                                                                    | 3.80                                     | 3.76%                                   | 4/27/2006                       | 3.56%                           | 4/27/2006                               | 3.60%                                   |
| 5/3/06                                                                     | 3.59                                     | 3.58%                                   | 5/4/2006                        | 3.35%                           | 5/4/2006                                | 3.55%                                   |
| 5/10/06                                                                    | 3.56                                     | 3.54%                                   | 5/11/2006                       | 3.30%                           | 5/11/2006                               | 3.55%                                   |
| 5/17/06                                                                    | 3.44                                     | 3.41%                                   | 5/18/2006                       | 3.15%                           | 5/18/2006                               | 3.50%                                   |
| 5/24/06                                                                    | 3.47                                     | 3.44%                                   | 5/25/2006                       | 3.23%                           | 5/25/2006                               | 3.40%                                   |
| 5/31/06                                                                    | 3.22                                     | 3.20%                                   | 6/1/2006                        | 3.02%                           | 6/1/2006                                | 3.35%                                   |
| 6/7/06                                                                     | 3.48                                     | 3.43%                                   | 6/8/2006                        | 3.31%                           | 6/8/2006                                | 3.30%                                   |
| 6/14/06                                                                    | 3.88                                     | 3.87%                                   | 6/15/2006                       | 3.66%                           | 6/15/2006                               | 3.25%                                   |
| 6/21/06                                                                    | 3.97                                     | 3.94%                                   | 6/22/2006                       | 3.76%                           | 6/22/2006                               | 3.45%                                   |
| 6/28/06                                                                    | 3.97                                     | 3.94%                                   | 6/29/2006                       | 3.71%                           | 6/29/2006                               | 3.75%                                   |
| 7/5/06                                                                     | 3.67                                     | 3.64%                                   | 7/6/2006                        | 3.37%                           | 7/6/2006                                | 3.80%                                   |
| 7/12/06                                                                    | 3.43                                     | 3.41%                                   | 7/13/2006                       | 3.19%                           | 7/13/2006                               | 3.45%                                   |
| 7/19/06                                                                    | 3.56                                     | 3.51%                                   | 7/20/2006                       | 3.36%                           | 7/20/2006                               | 3.50%                                   |
| 7/26/06                                                                    | 3.64                                     | 3.62%                                   | 7/27/2006                       | 3.40%                           | 7/27/2006                               | 3.45%                                   |
| 8/2/06                                                                     | 3.44                                     | 3.41%                                   | 8/3/2006                        | 3.18%                           | 8/3/2006                                | 3.45%                                   |
| 8/9/06                                                                     | 3.42                                     | 3.40%                                   | 8/10/2006                       | 3.22%                           | 8/10/2006                               | 3.45%                                   |
| 8/16/06                                                                    | 3.65                                     | 3.62%                                   | 8/17/2006                       | 3.42%                           | 8/17/2006                               | 3.40%                                   |
| 8/23/06                                                                    | 3.58                                     | 3.58%                                   | 8/24/2006                       | 3.31%                           | 8/24/2006                               | 3.40%                                   |
| 8/30/06                                                                    | 3.41                                     | 3.37%                                   | 8/31/2006                       | 3.16%                           | 8/31/2006                               | 3.35%                                   |
| 9/6/06                                                                     | 3.35                                     | 3.31%                                   | 9/7/2006                        | 3.16%                           | 9/7/2006                                | 3.40%                                   |
| 9/13/06                                                                    | 3.54                                     | 3.52%                                   | 9/14/2006                       | 3.31%                           | 9/14/2006                               | 3.30%                                   |
| 9/20/06                                                                    | 3.73                                     | 3.71%                                   | 9/21/2006                       | 3.50%                           | 9/21/2006                               | 3.40%                                   |
| 9/27/06                                                                    | 3.74                                     | 3.71%                                   | 9/28/2006                       | 3.46%                           | 9/28/2006                               | 3.45%                                   |
| 10/4/06                                                                    | 3.37                                     | 3.35%                                   | 10/5/2006                       | 3.13%                           | 10/5/2006                               | 3.55%                                   |
| 10/11/06                                                                   | 3.51                                     | 3.48%                                   | 10/12/2006                      | 3.26%                           | 10/12/2006                              | 3.40%                                   |
| 10/18/06                                                                   | 3.57                                     | 3.53%                                   | 10/19/2006                      | 3.31%                           | 10/19/2006                              | 3.36%                                   |
| 10/25/06                                                                   | 3.56                                     | 3.53%                                   | 10/26/2006                      | 3.31%                           | 10/26/2006                              | 3.45%                                   |
| 11/1/06                                                                    | 3.39                                     | 3.37%                                   | 11/2/2006                       | 3.17%                           | 11/2/2006                               | 3.40%                                   |
| 11/8/06                                                                    | 3.63                                     | 3.61%                                   | 11/9/2006                       | 3.39%                           | 11/9/2006                               | 3.43%                                   |
| 11/15/06                                                                   | 3.67                                     | 3.65%                                   | 11/16/2006                      | 3.40%                           | 11/16/2006                              | 3.45%                                   |
| 11/22/06                                                                   | 3.63                                     | 3.62%                                   | 11/23/2006                      | 3.39%                           | 11/23/2006                              | 3.55%                                   |
| 11/29/06                                                                   | 3.48                                     | 3.44%                                   | 11/30/2006                      | 3.20%                           | 11/30/2006                              | 3.55%                                   |
| 12/6/06                                                                    | 3.40                                     | 3.36%                                   | 12/7/2006                       | 3.20%                           | 12/7/2006                               | 3.35%                                   |

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|----------------------------------------------------------------------------|------------------------------------------|-----------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|-------|------------|-------|
| 12/13/06                                                                   | 3.59                                     | 12/14/2006                              | 3.55%                           | 12/14/2006                      | 3.35%                                   | 12/14/2006                              | 3.35% | 12/12/2006 | 3.45% |
| 12/20/06                                                                   | 3.89                                     | 12/21/2006                              | 3.87%                           | 12/21/2006                      | 3.64%                                   |                                         |       | 12/19/2006 | 3.65% |
| 12/27/06                                                                   | 3.91                                     | 12/28/2006                              | 3.88%                           | 12/28/2006                      | 3.65%                                   |                                         |       | 12/26/2006 | 3.30% |
| 1/3/07                                                                     | 3.45                                     | 1/4/2007                                | 3.40%                           | 1/4/2007                        | 3.20%                                   |                                         |       | 1/2/2007   | 3.70% |
| 1/10/07                                                                    | 3.63                                     | 1/11/2007                               | 3.61%                           | 1/11/2007                       | 3.39%                                   |                                         |       | 1/9/2007   | 3.40% |
| 1/17/07                                                                    | 3.62                                     | 1/18/2007                               | 3.62%                           | 1/18/2007                       | 3.38%                                   |                                         |       | 1/16/2007  | 3.40% |
| 1/24/07                                                                    | 3.61                                     | 1/25/2007                               | 3.59%                           | 1/25/2007                       | 3.38%                                   |                                         |       | 1/23/2007  | 3.45% |
| 1/31/07                                                                    | 3.50                                     | 2/1/2007                                | 3.46%                           | 2/1/2007                        | 3.25%                                   |                                         |       | 1/30/2007  | 3.00% |
| 2/7/07                                                                     | 3.59                                     | 2/8/2007                                | 3.56%                           | 2/8/2007                        | 3.32%                                   |                                         |       | 2/6/2007   | 3.30% |
| 2/14/07                                                                    | 3.65                                     | 2/15/2007                               | 3.63%                           | 2/15/2007                       | 3.39%                                   |                                         |       | 2/13/2007  | 3.45% |
| 2/21/07                                                                    | 3.65                                     | 2/22/2007                               | 3.63%                           | 2/22/2007                       | 3.39%                                   |                                         |       | 2/20/2007  | 3.35% |
| 2/28/07                                                                    | 3.51                                     | 3/1/2007                                | 3.48%                           | 3/1/2007                        | 3.28%                                   |                                         |       | 2/27/2007  | 3.40% |
| 3/7/07                                                                     | 3.52                                     | 3/8/2007                                | 3.49%                           | 3/8/2007                        | 3.30%                                   |                                         |       | 3/6/2007   | 3.25% |
| 3/14/07                                                                    | 3.60                                     | 3/15/2007                               | 3.58%                           | 3/15/2007                       | 3.38%                                   |                                         |       | 3/13/2007  | 3.00% |
| 3/21/07                                                                    | 3.65                                     | 3/22/2007                               | 3.64%                           | 3/22/2007                       | 3.41%                                   |                                         |       | 3/20/2007  | 3.40% |
| 3/28/07                                                                    | 3.65                                     | 3/29/2007                               | 3.62%                           | 3/29/2007                       | 3.43%                                   |                                         |       | 3/27/2007  | 3.55% |
| 4/4/07                                                                     | 3.61                                     | 4/5/2007                                | 3.59%                           | 4/5/2007                        | 3.38%                                   |                                         |       | 4/3/2007   | 3.50% |
| 4/11/07                                                                    | 3.70                                     | 4/12/2007                               | 3.67%                           | 4/12/2007                       | 3.46%                                   |                                         |       | 4/10/2007  | 3.55% |
| 4/18/07                                                                    | 3.78                                     | 4/19/2007                               | 3.79%                           | 4/19/2007                       | 3.57%                                   | 4/13/2007                               | 3.35% | 4/17/2007  | 3.60% |
| 4/25/07                                                                    | 3.92                                     | 4/26/2007                               | 3.94%                           | 4/26/2007                       | 3.68%                                   | 4/26/2007                               | 3.65% | 4/24/2007  | 3.60% |
| 5/2/07                                                                     | 3.92                                     | 5/3/2007                                | 3.94%                           | 5/3/2007                        | 3.68%                                   | 5/3/2007                                | 3.60% | 5/1/2007   | 3.65% |
| 5/9/07                                                                     | 3.91                                     | 5/10/2007                               | 3.90%                           | 5/10/2007                       | 3.66%                                   | 5/10/2007                               | 3.65% | 5/8/2007   | 3.75% |
| 5/16/07                                                                    | 3.85                                     | 5/17/2007                               | 3.82%                           | 5/17/2007                       | 3.60%                                   | 5/17/2007                               | 3.57% | 5/15/2007  | 3.75% |
| 5/23/07                                                                    | 3.83                                     | 5/24/2007                               | 3.81%                           | 5/24/2007                       | 3.63%                                   | 5/24/2007                               | 3.60% | 5/22/2007  | 3.75% |
| 5/30/07                                                                    | 3.76                                     | 5/31/2007                               | 3.73%                           | 5/31/2007                       | 3.56%                                   | 5/31/2007                               | 3.60% | 5/29/2007  | 3.75% |
| 6/6/07                                                                     | 3.61                                     | 6/7/2007                                | 3.55%                           | 6/7/2007                        | 3.42%                                   | 6/7/2007                                | 3.45% | 6/5/2007   | 3.65% |
| 6/13/07                                                                    | 3.71                                     | 6/14/2007                               | 3.68%                           | 6/14/2007                       | 3.46%                                   | 6/14/2007                               | 3.45% | 6/12/2007  | 3.70% |
| 6/20/07                                                                    | 3.73                                     | 6/21/2007                               | 3.69%                           | 6/21/2007                       | 3.50%                                   | 6/21/2007                               | 3.45% | 6/19/2007  | 3.60% |
| 6/27/07                                                                    | 3.73                                     | 6/28/2007                               | 3.69%                           | 6/28/2007                       | 3.51%                                   | 6/28/2007                               | 3.45% | 6/26/2007  | 3.70% |
| 7/4/07                                                                     | 3.60                                     | 7/5/2007                                | 3.59%                           | 7/5/2007                        | 3.30%                                   | 7/5/2007                                | 3.55% | 7/3/2007   | 3.65% |
| 7/11/07                                                                    | 3.58                                     | 7/12/2007                               | 3.52%                           | 7/12/2007                       | 3.34%                                   | 7/12/2007                               | 3.35% | 7/10/2007  | 3.60% |
| 7/18/07                                                                    | 3.61                                     | 7/19/2007                               | 3.58%                           | 7/19/2007                       | 3.40%                                   | 7/19/2007                               | 3.30% | 7/17/2007  | 3.20% |
| 7/25/07                                                                    | 3.61                                     | 7/26/2007                               | 3.58%                           | 7/26/2007                       | 3.41%                                   | 7/26/2007                               | 3.35% | 7/24/2007  | 3.55% |
| 8/1/07                                                                     | 3.52                                     | 8/2/2007                                | 3.48%                           | 8/2/2007                        | 3.36%                                   | 8/2/2007                                | 3.40% | 8/2/2007   | 3.55% |
| 8/8/07                                                                     | 3.51                                     | 8/9/2007                                | 3.48%                           | 8/9/2007                        | 3.36%                                   | 8/9/2007                                | 3.40% | 8/9/2007   | 3.50% |
| 8/15/07                                                                    | 3.69                                     | 8/16/2007                               | 3.67%                           | 8/16/2007                       | 3.56%                                   | 8/16/2007                               | 3.55% | 8/16/2007  | 3.40% |





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| Securities Industry and Financial Markets Association Municipal Swap Index | New Jersey City University 2006C (CIFG) | Rowan University 2003K (XL Capital) | Rowan University 2006H (MBIA) | Richard Stockton College of NJ 2005C (XL Capital) | UMDNJ 2001A (MBIA) | UMDNJ 2002B* (Ambac) |
|----------------------------------------------------------------------------|-----------------------------------------|-------------------------------------|-------------------------------|---------------------------------------------------|--------------------|----------------------|
| 5/2/01                                                                     | 3.97                                    |                                     |                               |                                                   | 5/12/2001          | 3.40%                |
| 5/9/01                                                                     | 3.34                                    |                                     |                               |                                                   |                    |                      |
| 5/16/01                                                                    | 2.90                                    |                                     |                               |                                                   |                    |                      |
| 5/23/01                                                                    | 3.03                                    |                                     |                               |                                                   |                    |                      |
| 5/30/01                                                                    | 2.95                                    |                                     |                               |                                                   | 6/5/2001           | 2.90%                |
| 6/6/01                                                                     | 2.15                                    |                                     |                               |                                                   |                    |                      |
| 6/13/01                                                                    | 3.05                                    |                                     |                               |                                                   |                    |                      |
| 6/20/01                                                                    | 2.97                                    |                                     |                               |                                                   |                    |                      |
| 6/27/01                                                                    | 2.68                                    |                                     |                               |                                                   |                    |                      |
| 7/4/01                                                                     | 2.12                                    |                                     |                               |                                                   |                    |                      |
| 7/11/01                                                                    | 2.34                                    |                                     |                               |                                                   | 7/10/2001          | 2.50%                |
| 7/18/01                                                                    | 2.68                                    |                                     |                               |                                                   |                    |                      |
| 7/25/01                                                                    | 2.64                                    |                                     |                               |                                                   |                    |                      |
| 8/1/01                                                                     | 2.42                                    |                                     |                               |                                                   |                    |                      |
| 8/8/01                                                                     | 2.19                                    |                                     |                               |                                                   |                    |                      |
| 8/15/01                                                                    | 2.32                                    |                                     |                               |                                                   | 8/14/2001          | 2.45%                |
| 8/22/01                                                                    | 2.10                                    |                                     |                               |                                                   |                    |                      |
| 8/29/01                                                                    | 2.01                                    |                                     |                               |                                                   |                    |                      |
| 9/5/01                                                                     | 2.15                                    |                                     |                               |                                                   |                    |                      |
| 9/12/01                                                                    | 2.20                                    |                                     |                               |                                                   |                    |                      |
| 9/20/01                                                                    | 2.11                                    |                                     |                               |                                                   |                    |                      |
| 9/26/01                                                                    | 2.28                                    |                                     |                               |                                                   | 9/18/2001          | 2.25%                |
| 10/3/01                                                                    | 2.23                                    |                                     |                               |                                                   |                    |                      |
| 10/10/01                                                                   | 2.00                                    |                                     |                               |                                                   |                    |                      |
| 10/17/01                                                                   | 1.95                                    |                                     |                               |                                                   |                    |                      |
| 10/24/01                                                                   | 2.08                                    |                                     |                               |                                                   | 10/23/2001         | 2.01%                |
| 10/31/01                                                                   | 1.97                                    |                                     |                               |                                                   |                    |                      |
| 11/7/01                                                                    | 1.67                                    |                                     |                               |                                                   |                    |                      |
| 11/14/01                                                                   | 1.71                                    |                                     |                               |                                                   |                    |                      |
| 11/21/01                                                                   | 1.66                                    |                                     |                               |                                                   |                    |                      |
| 11/28/01                                                                   | 1.49                                    |                                     |                               |                                                   |                    |                      |
| 12/5/01                                                                    | 1.10                                    |                                     |                               |                                                   |                    |                      |
| 12/12/01                                                                   | 1.19                                    |                                     |                               |                                                   |                    |                      |
| 12/19/01                                                                   | 1.56                                    |                                     |                               |                                                   | 11/27/2001         | 1.72%                |
| 12/26/01                                                                   | 1.61                                    |                                     |                               |                                                   |                    |                      |

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| Securities Industry and Financial Markets Association Municipal Swap Index | New Jersey City University 2006C (CIFG) | Rowan University 2003K (XL Capital) | Rowan University 2006H (MBIA) | Richard Stockton College of NJ 2005C (XL Capital) | UMDNJ 2001A (MBIA) | UMDNJ 2002B* (Ambac) |
|----------------------------------------------------------------------------|-----------------------------------------|-------------------------------------|-------------------------------|---------------------------------------------------|--------------------|----------------------|
| 1/2/02                                                                     | 1.08                                    |                                     |                               |                                                   | 1/1/2002           | 1.55%                |
| 1/9/02                                                                     | 1.27                                    |                                     |                               |                                                   |                    |                      |
| 1/16/02                                                                    | 1.26                                    |                                     |                               |                                                   |                    |                      |
| 1/23/02                                                                    | 1.26                                    |                                     |                               |                                                   |                    |                      |
| 1/30/02                                                                    | 1.35                                    |                                     |                               |                                                   | 2/5/2002           | 1.35%                |
| 2/6/02                                                                     | 1.22                                    |                                     |                               |                                                   |                    |                      |
| 2/13/02                                                                    | 1.25                                    |                                     |                               |                                                   |                    |                      |
| 2/20/02                                                                    | 1.23                                    |                                     |                               |                                                   |                    |                      |
| 2/27/02                                                                    | 1.14                                    |                                     |                               |                                                   |                    |                      |
| 3/6/02                                                                     | 1.12                                    |                                     |                               |                                                   |                    |                      |
| 3/13/02                                                                    | 1.33                                    |                                     |                               |                                                   |                    |                      |
| 3/20/02                                                                    | 1.48                                    |                                     |                               |                                                   |                    |                      |
| 3/27/02                                                                    | 1.48                                    |                                     |                               |                                                   | 3/12/2002          | 1.35%                |
| 4/3/02                                                                     | 1.35                                    |                                     |                               |                                                   |                    |                      |
| 4/10/02                                                                    | 1.43                                    |                                     |                               |                                                   |                    |                      |
| 4/17/02                                                                    | 1.58                                    |                                     |                               |                                                   |                    |                      |
| 4/24/02                                                                    | 1.68                                    |                                     |                               |                                                   | 4/16/2002          | 1.44%                |
| 5/1/02                                                                     | 1.58                                    |                                     |                               |                                                   |                    |                      |
| 5/8/02                                                                     | 1.55                                    |                                     |                               |                                                   |                    |                      |
| 5/15/02                                                                    | 1.57                                    |                                     |                               |                                                   |                    |                      |
| 5/22/02                                                                    | 1.53                                    |                                     |                               |                                                   |                    |                      |
| 5/29/02                                                                    | 1.40                                    |                                     |                               |                                                   |                    |                      |
| 6/5/02                                                                     | 1.15                                    |                                     |                               |                                                   |                    |                      |
| 6/12/02                                                                    | 1.37                                    |                                     |                               |                                                   |                    |                      |
| 6/19/02                                                                    | 1.38                                    |                                     |                               |                                                   |                    |                      |
| 6/26/02                                                                    | 1.23                                    |                                     |                               |                                                   |                    |                      |
| 7/3/02                                                                     | 1.09                                    |                                     |                               |                                                   | 6/25/2002          | 1.35%                |
| 7/10/02                                                                    | 1.22                                    |                                     |                               |                                                   |                    |                      |
| 7/17/02                                                                    | 1.33                                    |                                     |                               |                                                   |                    |                      |
| 7/24/02                                                                    | 1.44                                    |                                     |                               |                                                   |                    |                      |
| 7/31/02                                                                    | 1.33                                    |                                     |                               |                                                   |                    |                      |
| 8/7/02                                                                     | 1.21                                    |                                     |                               |                                                   | 7/30/2002          | 1.40%                |
| 8/14/02                                                                    | 1.31                                    |                                     |                               |                                                   |                    |                      |
| 8/21/02                                                                    | 1.28                                    |                                     |                               |                                                   |                    |                      |
| 8/28/02                                                                    | 1.36                                    |                                     |                               |                                                   |                    |                      |
|                                                                            |                                         |                                     |                               |                                                   |                    | 5/9/2002             |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.55%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 5/16/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.57%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 5/23/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.53%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 5/30/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.40%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 6/6/2002             |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.15%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 6/13/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.37%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 6/20/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.38%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 6/27/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.23%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 7/4/2002             |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.09%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 7/11/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.22%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 7/18/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.33%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 7/25/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.44%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 8/1/2002             |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.33%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 8/8/2002             |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.21%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 8/15/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.31%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 8/22/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.28%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 8/29/2002            |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.36%                |



## New Jersey Educational Facilities Authority

| Securities Industry and<br>Financial Markets<br>Association Municipal<br>Swap Index | New Jersey City<br>University 2006C<br>(CIFG) | Rowan University<br>2003K<br>(XL Capital) | Rowan University<br>2006H<br>(MBIA) | Richard Stockton<br>College of NJ 2005C<br>(XL Capital) | UMDNJ 2001A<br>(MBIA) | UMDNJ 2002B*<br>(Ambac) |
|-------------------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------|-------------------------------------|---------------------------------------------------------|-----------------------|-------------------------|
| 5/7/03                                                                              |                                               |                                           |                                     |                                                         | 5/6/2003              | 5/8/2003                |
| 1.23                                                                                |                                               |                                           |                                     |                                                         | 1.17%                 | 1.23%                   |
| 5/14/03                                                                             |                                               |                                           |                                     |                                                         |                       | 5/15/2003               |
| 1.22                                                                                |                                               |                                           |                                     |                                                         |                       | 1.22%                   |
| 5/21/03                                                                             |                                               |                                           |                                     |                                                         |                       | 5/22/2003               |
| 1.20                                                                                |                                               |                                           |                                     |                                                         |                       | 1.20%                   |
| 5/28/03                                                                             |                                               |                                           |                                     |                                                         |                       | 5/29/2003               |
| 1.19                                                                                |                                               |                                           |                                     |                                                         |                       | 1.19%                   |
| 6/4/03                                                                              |                                               |                                           |                                     |                                                         |                       | 6/5/2003                |
| 1.03                                                                                |                                               |                                           |                                     |                                                         |                       | 1.03%                   |
| 6/11/03                                                                             |                                               |                                           |                                     |                                                         | 6/10/2003             | 6/12/2003               |
| 1.06                                                                                |                                               |                                           |                                     |                                                         | 1.00%                 | 1.06%                   |
| 6/18/03                                                                             |                                               |                                           |                                     |                                                         |                       | 6/19/2003               |
| 1.04                                                                                |                                               |                                           |                                     |                                                         |                       | 1.04%                   |
| 6/25/03                                                                             |                                               |                                           |                                     |                                                         |                       | 6/26/2003               |
| 0.98                                                                                |                                               |                                           |                                     |                                                         |                       | 0.98%                   |
| 7/2/03                                                                              |                                               |                                           |                                     |                                                         |                       | 7/3/2003                |
| 0.80                                                                                |                                               |                                           |                                     |                                                         |                       | 0.80%                   |
| 7/9/03                                                                              |                                               |                                           |                                     |                                                         |                       | 7/10/2003               |
| 0.70                                                                                |                                               |                                           |                                     |                                                         |                       | 0.70%                   |
| 7/16/03                                                                             |                                               |                                           |                                     |                                                         | 7/15/2003             | 7/17/2003               |
| 0.79                                                                                |                                               |                                           |                                     |                                                         | 0.69%                 | 0.79%                   |
| 7/23/03                                                                             |                                               |                                           |                                     |                                                         |                       | 7/24/2003               |
| 0.85                                                                                |                                               |                                           |                                     |                                                         |                       | 0.85%                   |
| 7/30/03                                                                             |                                               |                                           |                                     |                                                         |                       | 7/31/2003               |
| 0.85                                                                                |                                               |                                           |                                     |                                                         |                       | 0.85%                   |
| 8/6/03                                                                              |                                               |                                           |                                     |                                                         |                       | 8/7/2003                |
| 0.73                                                                                |                                               |                                           |                                     |                                                         |                       | 0.73%                   |
| 8/13/03                                                                             |                                               |                                           |                                     |                                                         |                       | 8/14/2003               |
| 0.82                                                                                |                                               |                                           |                                     |                                                         |                       | 0.82%                   |
| 8/20/03                                                                             |                                               |                                           |                                     |                                                         | 8/19/2003             | 8/21/2003               |
| 0.82                                                                                |                                               |                                           |                                     |                                                         | 0.80%                 | 0.82%                   |
| 8/27/03                                                                             |                                               |                                           |                                     |                                                         |                       | 8/28/2003               |
| 0.83                                                                                |                                               |                                           |                                     |                                                         |                       | 0.83%                   |
| 9/3/03                                                                              |                                               |                                           |                                     |                                                         |                       | 9/4/2003                |
| 0.83                                                                                |                                               |                                           |                                     |                                                         |                       | 0.83%                   |
| 9/10/03                                                                             |                                               |                                           |                                     |                                                         |                       | 9/11/2003               |
| 0.89                                                                                |                                               |                                           |                                     |                                                         |                       | 0.89%                   |
| 9/17/03                                                                             |                                               |                                           |                                     |                                                         |                       | 9/18/2003               |
| 0.99                                                                                |                                               |                                           |                                     |                                                         |                       | 0.99%                   |
| 9/24/03                                                                             |                                               |                                           |                                     |                                                         | 9/23/2003             | 9/25/2003               |
| 1.08                                                                                |                                               |                                           |                                     |                                                         | 0.80%                 | 1.08%                   |
| 10/1/03                                                                             |                                               |                                           |                                     |                                                         |                       | 10/2/2003               |
| 1.04                                                                                |                                               |                                           |                                     |                                                         |                       | 1.04%                   |
| 10/8/03                                                                             |                                               |                                           |                                     |                                                         |                       | 10/9/2003               |
| 0.92                                                                                |                                               |                                           |                                     |                                                         |                       | 0.92%                   |
| 10/15/03                                                                            |                                               |                                           |                                     |                                                         |                       | 10/16/2003              |
| 0.93                                                                                |                                               |                                           |                                     |                                                         |                       | 0.93%                   |
| 10/22/03                                                                            |                                               |                                           |                                     |                                                         |                       | 10/23/2003              |
| 0.97                                                                                |                                               |                                           |                                     |                                                         |                       | 0.97%                   |
| 10/29/03                                                                            |                                               |                                           |                                     |                                                         | 10/28/2003            | 10/30/2003              |
| 1.05                                                                                |                                               |                                           |                                     |                                                         | 0.75%                 | 1.05%                   |
| 11/5/03                                                                             |                                               |                                           |                                     |                                                         |                       | 11/6/2003               |
| 1.06                                                                                |                                               |                                           |                                     |                                                         |                       | 1.06%                   |
| 11/12/03                                                                            |                                               |                                           |                                     |                                                         |                       | 11/13/2003              |
| 1.12                                                                                |                                               |                                           |                                     |                                                         |                       | 1.12%                   |
| 11/19/03                                                                            |                                               |                                           |                                     |                                                         |                       | 11/20/2003              |
| 1.12                                                                                |                                               |                                           |                                     |                                                         |                       | 1.12%                   |
| 11/26/03                                                                            |                                               |                                           |                                     |                                                         |                       | 11/27/2003              |
| 1.10                                                                                |                                               |                                           |                                     |                                                         |                       | 1.10%                   |
| 12/3/03                                                                             |                                               |                                           |                                     |                                                         | 12/2/2003             | 12/4/2003               |
| 1.01                                                                                |                                               |                                           |                                     |                                                         | 1.05%                 | 1.01%                   |
| 12/10/03                                                                            |                                               |                                           |                                     |                                                         |                       | 12/11/2003              |
| 1.02                                                                                |                                               |                                           |                                     |                                                         |                       | 1.02%                   |
| 12/17/03                                                                            |                                               |                                           |                                     |                                                         |                       | 12/18/2003              |
| 1.11                                                                                |                                               |                                           |                                     |                                                         |                       | 1.11%                   |
| 12/24/03                                                                            |                                               |                                           |                                     |                                                         |                       | 12/25/2003              |
| 1.23                                                                                |                                               |                                           |                                     |                                                         |                       | 1.21%                   |
| 12/31/03                                                                            |                                               |                                           |                                     |                                                         |                       | 1/1/2004                |
| 1.14                                                                                |                                               |                                           |                                     |                                                         |                       | 1.15%                   |

## New Jersey Educational Facilities Authority

| Securities Industry and Financial Markets Association Municipal Swap Index | New Jersey City University 2006C (CIFG) | Rowan University 2003K (XL Capital) | Rowan University 2006H (MBIA) | Richard Stockton College of NJ 2005C (XL Capital) | UMDNJ 2001A (MBIA) | UMDNJ 2002B* (Ambac) |
|----------------------------------------------------------------------------|-----------------------------------------|-------------------------------------|-------------------------------|---------------------------------------------------|--------------------|----------------------|
| 1/7/04                                                                     |                                         |                                     |                               |                                                   | 1/6/2004           | 1.00%                |
| 1/14/04                                                                    |                                         | 1/9/2004                            | 1.00%                         |                                                   |                    | 0.91%                |
| 1/21/04                                                                    |                                         |                                     |                               |                                                   |                    | 0.95%                |
| 1/28/04                                                                    |                                         |                                     |                               |                                                   |                    | 0.94%                |
| 2/4/04                                                                     |                                         |                                     |                               |                                                   |                    | 0.95%                |
| 2/11/04                                                                    |                                         |                                     |                               |                                                   | 2/10/2004          | 0.88%                |
| 2/18/04                                                                    |                                         | 2/13/2004                           | 0.90%                         |                                                   |                    | 0.94%                |
| 2/25/04                                                                    |                                         |                                     |                               |                                                   |                    | 0.95%                |
| 3/3/04                                                                     |                                         |                                     |                               |                                                   |                    | 0.87%                |
| 3/10/04                                                                    |                                         |                                     |                               |                                                   |                    | 0.92%                |
| 3/17/04                                                                    |                                         | 3/19/2004                           | 0.95%                         |                                                   | 3/16/2004          | 0.98%                |
| 3/24/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.02%                |
| 3/31/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.03%                |
| 4/7/04                                                                     |                                         |                                     |                               |                                                   |                    | 1.01%                |
| 4/14/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.08%                |
| 4/21/04                                                                    |                                         |                                     |                               |                                                   | 4/20/2004          | 1.09%                |
| 4/28/04                                                                    |                                         | 4/23/2004                           | 0.95%                         |                                                   |                    | 1.09%                |
| 5/5/04                                                                     |                                         |                                     |                               |                                                   |                    | 1.05%                |
| 5/12/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.07%                |
| 5/19/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.07%                |
| 5/26/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.06%                |
| 6/2/04                                                                     |                                         | 5/28/2004                           | 1.15%                         |                                                   | 5/25/2004          | 1.10%                |
| 6/9/04                                                                     |                                         |                                     |                               |                                                   |                    | 1.03%                |
| 6/16/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.07%                |
| 6/23/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.07%                |
| 6/30/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.06%                |
| 7/7/04                                                                     |                                         |                                     |                               |                                                   | 6/29/2004          | 1.37%                |
| 7/14/04                                                                    |                                         | 7/2/2004                            | 1.35%                         |                                                   |                    | 1.00%                |
| 7/21/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.01%                |
| 7/28/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.04%                |
| 8/4/04                                                                     |                                         |                                     |                               |                                                   |                    | 1.08%                |
| 8/11/04                                                                    |                                         | 8/6/2004                            | 1.20%                         |                                                   | 8/3/2004           | 1.40%                |
| 8/18/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.07%                |
| 8/25/04                                                                    |                                         |                                     |                               |                                                   |                    | 1.08%                |
| 9/1/04                                                                     |                                         |                                     |                               |                                                   |                    | 1.25%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.32%                |
|                                                                            |                                         |                                     |                               |                                                   |                    | 1.31%                |

# New Jersey Educational Facilities Authority

| Securities Industry and Financial Markets Association Municipal Swap Index | New Jersey City University 2006C (CIFG) | Rowan University 2003K (XL Capital) | Rowan University 2006H (MBIA) | Richard Stockton College of NJ 2005C (XL Capital) | UMDNJ 2001A (MBIA) | UMDNJ 2002B* (Ambac) |
|----------------------------------------------------------------------------|-----------------------------------------|-------------------------------------|-------------------------------|---------------------------------------------------|--------------------|----------------------|
| 9/8/04                                                                     |                                         |                                     |                               |                                                   | 9/7/2004           | 9/9/2004             |
| 1.32                                                                       |                                         |                                     |                               |                                                   | 1.46%              | 1.32%                |
| 9/15/04                                                                    |                                         |                                     |                               |                                                   |                    | 9/16/2004            |
| 1.39                                                                       |                                         |                                     |                               |                                                   |                    | 1.39%                |
| 9/22/04                                                                    |                                         |                                     |                               |                                                   |                    | 9/23/2004            |
| 1.51                                                                       |                                         |                                     |                               |                                                   |                    | 1.51%                |
| 9/29/04                                                                    |                                         |                                     |                               |                                                   |                    | 9/30/2004            |
| 1.69                                                                       |                                         |                                     |                               |                                                   |                    | 1.69%                |
| 10/6/04                                                                    |                                         |                                     |                               |                                                   |                    | 10/7/2004            |
| 1.62                                                                       |                                         |                                     |                               |                                                   |                    | 1.62%                |
| 10/13/04                                                                   |                                         |                                     |                               |                                                   | 10/12/2004         | 10/14/2004           |
| 1.71                                                                       |                                         |                                     |                               |                                                   | 1.62%              | 1.71%                |
| 10/20/04                                                                   |                                         |                                     |                               |                                                   |                    | 10/21/2004           |
| 1.75                                                                       |                                         |                                     |                               |                                                   |                    | 1.75%                |
| 10/27/04                                                                   |                                         |                                     |                               |                                                   |                    | 10/28/2004           |
| 1.76                                                                       |                                         |                                     |                               |                                                   |                    | 1.76%                |
| 11/3/04                                                                    |                                         |                                     |                               |                                                   |                    | 11/4/2004            |
| 1.64                                                                       |                                         |                                     |                               |                                                   |                    | 1.64%                |
| 11/10/04                                                                   |                                         |                                     |                               |                                                   |                    | 11/11/2004           |
| 1.67                                                                       |                                         |                                     |                               |                                                   |                    | 1.67%                |
| 11/17/04                                                                   |                                         |                                     |                               |                                                   |                    | 11/18/2004           |
| 1.65                                                                       |                                         |                                     |                               |                                                   |                    | 1.65%                |
| 11/24/04                                                                   |                                         |                                     |                               |                                                   | 11/16/2004         | 11/25/2004           |
| 1.67                                                                       |                                         |                                     |                               |                                                   | 1.75%              | 1.67%                |
| 12/1/04                                                                    |                                         |                                     |                               |                                                   |                    | 12/2/2004            |
| 1.55                                                                       |                                         |                                     |                               |                                                   |                    | 1.55%                |
| 12/8/04                                                                    |                                         |                                     |                               |                                                   |                    | 12/9/2004            |
| 1.43                                                                       |                                         |                                     |                               |                                                   |                    | 1.43%                |
| 12/15/04                                                                   |                                         |                                     |                               |                                                   |                    | 12/16/2004           |
| 1.65                                                                       |                                         |                                     |                               |                                                   |                    | 1.65%                |
| 12/22/04                                                                   |                                         |                                     |                               |                                                   |                    | 12/23/2004           |
| 1.93                                                                       |                                         |                                     |                               |                                                   |                    | 1.93%                |
| 12/29/04                                                                   |                                         |                                     |                               |                                                   | 12/21/2004         | 12/30/2004           |
| 1.99                                                                       |                                         |                                     |                               |                                                   | 1.60%              | 1.99%                |
| 1/5/05                                                                     |                                         |                                     |                               |                                                   |                    | 1/6/2005             |
| 1.48                                                                       |                                         |                                     |                               |                                                   |                    | 1.48%                |
| 1/12/05                                                                    |                                         |                                     |                               |                                                   |                    | 1/13/2005            |
| 1.78                                                                       |                                         |                                     |                               |                                                   |                    | 1.78%                |
| 1/19/05                                                                    |                                         |                                     |                               |                                                   |                    | 1/20/2005            |
| 1.85                                                                       |                                         |                                     |                               |                                                   |                    | 1.85%                |
| 1/26/05                                                                    |                                         |                                     |                               |                                                   | 1/25/2005          | 1/27/2005            |
| 1.84                                                                       |                                         |                                     |                               |                                                   | 1.57%              | 1.84%                |
| 2/2/05                                                                     |                                         |                                     |                               |                                                   |                    | 2/3/2005             |
| 1.82                                                                       |                                         |                                     |                               |                                                   |                    | 1.82%                |
| 2/9/05                                                                     |                                         |                                     |                               |                                                   |                    | 2/10/2005            |
| 1.95                                                                       |                                         |                                     |                               |                                                   |                    | 1.95%                |
| 2/16/05                                                                    |                                         |                                     |                               |                                                   |                    | 2/17/2005            |
| 1.93                                                                       |                                         |                                     |                               |                                                   |                    | 1.93%                |
| 2/23/05                                                                    |                                         |                                     |                               |                                                   |                    | 2/24/2005            |
| 1.86                                                                       |                                         |                                     |                               |                                                   |                    | 1.86%                |
| 3/2/05                                                                     |                                         |                                     |                               |                                                   | 3/1/2005           | 3/3/2005             |
| 1.74                                                                       |                                         |                                     |                               |                                                   | 1.85%              | 1.74%                |
| 3/9/05                                                                     |                                         |                                     |                               |                                                   |                    | 3/10/2005            |
| 1.80                                                                       |                                         |                                     |                               |                                                   |                    | 1.80%                |
| 3/16/05                                                                    |                                         |                                     |                               |                                                   |                    | 3/17/2005            |
| 1.98                                                                       |                                         |                                     |                               |                                                   |                    | 1.98%                |
| 3/23/05                                                                    |                                         |                                     |                               |                                                   |                    | 3/24/2005            |
| 2.12                                                                       |                                         |                                     |                               |                                                   |                    | 2.12%                |
| 3/30/05                                                                    |                                         |                                     |                               |                                                   |                    | 3/31/2005            |
| 2.28                                                                       |                                         |                                     |                               |                                                   |                    | 2.28%                |
| 4/6/05                                                                     |                                         |                                     |                               |                                                   | 4/5/2005           | 4/7/2005             |
| 2.16                                                                       |                                         |                                     |                               |                                                   | 2.20%              | 2.16%                |
| 4/13/05                                                                    |                                         |                                     |                               |                                                   |                    | 4/14/2005            |
| 2.40                                                                       |                                         |                                     |                               |                                                   |                    | 2.40%                |
| 4/20/05                                                                    |                                         |                                     |                               |                                                   |                    | 4/21/2005            |
| 2.94                                                                       |                                         |                                     |                               |                                                   |                    | 2.94%                |
| 4/27/05                                                                    |                                         |                                     |                               |                                                   |                    | 4/28/2005            |
| 2.99                                                                       |                                         |                                     |                               |                                                   |                    | 2.99%                |
| 5/4/05                                                                     |                                         |                                     |                               |                                                   |                    | 5/5/2005             |
| 2.93                                                                       |                                         |                                     |                               |                                                   |                    | 2.93%                |

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| Securities Industry and Financial Markets Association Municipal Swap Index | New Jersey City University 2006C (CIFG) | Rowan University 2003K (XL Capital) | Rowan University 2006H (MBIA) | Richard Stockton College of NJ 2005C (XL Capital) | UMDNJ 2001A (MBIA) | UMDNJ 2002B* (Ambac) |
|----------------------------------------------------------------------------|-----------------------------------------|-------------------------------------|-------------------------------|---------------------------------------------------|--------------------|----------------------|
| 5/11/05                                                                    |                                         |                                     |                               | 5/13/2005                                         | 5/10/2005          | 5/12/2005            |
| 3.00                                                                       |                                         |                                     |                               | 2.75%                                             | 2.80%              | 3.00%                |
| 5/18/05                                                                    |                                         | 5/13/2005                           |                               | 5/20/2005                                         |                    | 5/19/2005            |
| 2.98                                                                       |                                         | 2.80%                               |                               | 2.74%                                             |                    | 2.98%                |
| 5/25/05                                                                    |                                         |                                     |                               | 5/27/2005                                         |                    | 5/26/2005            |
| 2.96                                                                       |                                         |                                     |                               | 2.70%                                             |                    | 2.96%                |
| 6/1/05                                                                     |                                         |                                     |                               | 6/3/2005                                          |                    | 6/2/2005             |
| 2.63                                                                       |                                         |                                     |                               | 2.40%                                             |                    | 2.63%                |
| 6/8/05                                                                     |                                         |                                     |                               | 6/10/2005                                         |                    | 6/9/2005             |
| 2.09                                                                       |                                         |                                     |                               | 2.00%                                             |                    | 2.09%                |
| 6/15/05                                                                    |                                         |                                     |                               | 6/17/2005                                         | 6/14/2005          | 6/16/2005            |
| 2.41                                                                       |                                         |                                     |                               | 2.00%                                             | 2.10%              | 2.41%                |
| 6/22/05                                                                    |                                         | 6/17/2005                           |                               | 6/24/2005                                         |                    | 6/23/2005            |
| 2.54                                                                       |                                         | 1.79%                               |                               | 2.20%                                             |                    | 2.54%                |
| 6/29/05                                                                    |                                         |                                     |                               | 7/1/2005                                          |                    | 6/30/2005            |
| 2.28                                                                       |                                         |                                     |                               | 2.25%                                             |                    | 2.28%                |
| 7/6/05                                                                     |                                         |                                     |                               | 7/8/2005                                          |                    | 7/7/2005             |
| 1.97                                                                       |                                         |                                     |                               | 2.00%                                             |                    | 1.97%                |
| 7/13/05                                                                    |                                         |                                     |                               | 7/15/2005                                         |                    | 7/14/2005            |
| 2.32                                                                       |                                         |                                     |                               | 2.00%                                             |                    | 2.32%                |
| 7/20/05                                                                    |                                         |                                     |                               | 7/22/2005                                         | 7/19/2005          | 7/21/2005            |
| 2.40                                                                       |                                         |                                     |                               | 2.10%                                             | 2.30%              | 2.40%                |
| 7/27/05                                                                    |                                         | 7/22/2005                           |                               | 7/29/2005                                         |                    | 7/28/2005            |
| 2.33                                                                       |                                         | 2.10%                               |                               | 2.15%                                             |                    | 2.33%                |
| 8/3/05                                                                     |                                         |                                     |                               | 8/5/2005                                          |                    | 8/4/2005             |
| 2.08                                                                       |                                         |                                     |                               | 2.25%                                             |                    | 2.08%                |
| 8/10/05                                                                    |                                         |                                     |                               | 8/12/2005                                         |                    | 8/11/2005            |
| 2.61                                                                       |                                         |                                     |                               | 2.25%                                             |                    | 2.61%                |
| 8/17/05                                                                    |                                         |                                     |                               | 8/19/2005                                         |                    | 8/18/2005            |
| 2.55                                                                       |                                         |                                     |                               | 2.30%                                             |                    | 2.55%                |
| 8/24/05                                                                    |                                         |                                     |                               | 8/26/2005                                         | 8/23/2005          | 8/25/2005            |
| 2.49                                                                       |                                         |                                     |                               | 2.20%                                             | 2.30%              | 2.49%                |
| 8/31/05                                                                    |                                         | 8/26/2005                           |                               | 9/2/2005                                          |                    | 9/1/2005             |
| 2.36                                                                       |                                         | 2.40%                               |                               | 2.35%                                             |                    | 2.36%                |
| 9/7/05                                                                     |                                         |                                     |                               | 9/9/2005                                          |                    | 9/8/2005             |
| 2.43                                                                       |                                         |                                     |                               | 2.30%                                             |                    | 2.43%                |
| 9/14/05                                                                    |                                         |                                     |                               | 9/16/2005                                         |                    | 9/15/2005            |
| 2.56                                                                       |                                         |                                     |                               | 2.30%                                             |                    | 2.56%                |
| 9/21/05                                                                    |                                         |                                     |                               | 9/23/2005                                         |                    | 9/22/2005            |
| 2.66                                                                       |                                         |                                     |                               | 2.45%                                             |                    | 2.66%                |
| 9/28/05                                                                    |                                         |                                     |                               | 9/30/2005                                         | 9/27/2005          | 9/29/2005            |
| 2.75                                                                       |                                         |                                     |                               | 2.45%                                             | 2.40%              | 2.75%                |
| 10/5/05                                                                    |                                         | 9/30/2005                           |                               | 10/7/2005                                         |                    | 10/6/2005            |
| 2.66                                                                       |                                         | 2.23%                               |                               | 2.50%                                             |                    | 2.66%                |
| 10/12/05                                                                   |                                         |                                     |                               | 10/14/2005                                        |                    | 10/13/2005           |
| 2.63                                                                       |                                         |                                     |                               | 2.50%                                             |                    | 2.63%                |
| 10/19/05                                                                   |                                         |                                     |                               | 10/21/2005                                        |                    | 10/20/2005           |
| 2.60                                                                       |                                         |                                     |                               | 2.50%                                             |                    | 2.60%                |
| 10/26/05                                                                   |                                         |                                     |                               | 10/28/2005                                        |                    | 10/27/2005           |
| 2.70                                                                       |                                         |                                     |                               | 2.45%                                             |                    | 2.70%                |
| 11/2/05                                                                    |                                         |                                     |                               | 11/4/2005                                         | 11/1/2005          | 11/3/2005            |
| 2.61                                                                       |                                         |                                     |                               | 2.60%                                             | 2.55%              | 2.61%                |
| 11/9/05                                                                    |                                         | 11/4/2005                           |                               | 11/11/2005                                        |                    | 11/10/2005           |
| 2.90                                                                       |                                         | 2.60%                               |                               | 2.30%                                             |                    | 2.90%                |
| 11/16/05                                                                   |                                         |                                     |                               | 11/18/2005                                        |                    | 11/17/2005           |
| 3.03                                                                       |                                         |                                     |                               | 2.29%                                             |                    | 3.03%                |
| 11/23/05                                                                   |                                         |                                     |                               | 11/25/2005                                        |                    | 11/24/2005           |
| 3.04                                                                       |                                         |                                     |                               | 2.75%                                             |                    | 3.04%                |
| 11/30/05                                                                   |                                         |                                     |                               | 12/2/2005                                         |                    | 12/1/2005            |
| 2.98                                                                       |                                         |                                     |                               | 2.85%                                             |                    | 2.98%                |
| 12/7/05                                                                    |                                         |                                     |                               | 12/9/2005                                         | 12/6/2005          | 12/8/2005            |
| 2.81                                                                       |                                         |                                     |                               | 2.85%                                             | 3.00%              | 2.81%                |
| 12/14/05                                                                   |                                         | 12/9/2005                           |                               | 12/16/2005                                        |                    | 12/15/2005           |
| 3.07                                                                       |                                         | 2.90%                               |                               | 3.00%                                             |                    | 3.07%                |
| 12/21/05                                                                   |                                         |                                     |                               | 12/23/2005                                        |                    | 12/22/2005           |
| 3.38                                                                       |                                         |                                     |                               | 3.15%                                             |                    | 3.38%                |
| 12/28/05                                                                   |                                         |                                     |                               | 12/30/2005                                        |                    | 12/29/2005           |
| 3.51                                                                       |                                         |                                     |                               | 3.50%                                             |                    | 3.51%                |
| 1/4/06                                                                     |                                         |                                     |                               | 1/6/2006                                          |                    | 1/5/2006             |
| 2.93                                                                       |                                         |                                     |                               | 3.00%                                             |                    | 2.93%                |

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|----------------------------------------------------------------------------|-----------------------------------------|-------------------------------------|-------------------------------|---------------------------------------------------|--------------------|----------------------|
| 1/11/06                                                                    |                                         |                                     |                               | 1/13/2006                                         | 1/10/2006          | 1/12/2006            |
| 1/18/06                                                                    |                                         | 1/13/2006                           |                               | 1/20/2006                                         |                    | 1/19/2006            |
| 1/25/06                                                                    |                                         | 2.99%                               |                               | 1/27/2006                                         |                    | 1/26/2006            |
| 2/2/06                                                                     |                                         |                                     |                               | 2/3/2006                                          |                    | 2/2/2006             |
| 2/8/06                                                                     |                                         |                                     |                               | 2/10/2006                                         |                    | 2/9/2006             |
| 2/15/06                                                                    |                                         |                                     |                               | 2/17/2006                                         | 2/14/2006          | 2/16/2006            |
| 2/22/06                                                                    | 4.10%                                   | 2.85%                               |                               | 2/24/2006                                         |                    | 2/23/2006            |
| 3/1/06                                                                     | 4.15%                                   |                                     |                               | 3/3/2006                                          |                    | 3/2/2006             |
| 3/8/06                                                                     | 4.20%                                   |                                     |                               | 3/10/2006                                         |                    | 3/9/2006             |
| 3/15/06                                                                    | 4.25%                                   |                                     |                               | 3/17/2006                                         |                    | 3/16/2006            |
| 3/22/06                                                                    | 4.35%                                   |                                     |                               | 3/24/2006                                         | 3/21/2006          | 3/23/2006            |
| 3/29/06                                                                    | 4.60%                                   | 3.05%                               |                               | 3/31/2006                                         |                    | 3/30/2006            |
| 4/5/06                                                                     | 4.60%                                   |                                     |                               | 4/7/2006                                          |                    | 4/6/2006             |
| 4/12/06                                                                    | 4.65%                                   |                                     |                               | 4/14/2006                                         |                    | 4/13/2006            |
| 4/19/06                                                                    | 4.60%                                   |                                     |                               | 4/21/2006                                         |                    | 4/20/2006            |
| 4/26/06                                                                    | 4.65%                                   |                                     |                               | 4/28/2006                                         | 4/25/2006          | 4/27/2006            |
| 5/3/06                                                                     | 4.60%                                   | 3.60%                               |                               | 5/5/2006                                          |                    | 5/4/2006             |
| 5/10/06                                                                    | 4.75%                                   |                                     |                               | 5/12/2006                                         |                    | 5/11/2006            |
| 5/17/06                                                                    | 4.70%                                   |                                     |                               | 5/19/2006                                         |                    | 5/18/2006            |
| 5/24/06                                                                    | 4.00%                                   |                                     |                               | 5/26/2006                                         |                    | 5/25/2006            |
| 5/31/06                                                                    | 4.70%                                   |                                     |                               | 6/2/2006                                          | 5/30/2006          | 6/1/2006             |
| 6/7/06                                                                     | 4.80%                                   | 3.20%                               |                               | 6/9/2006                                          |                    | 6/8/2006             |
| 6/14/06                                                                    | 4.75%                                   |                                     |                               | 6/16/2006                                         |                    | 6/15/2006            |
| 6/21/06                                                                    | 4.80%                                   |                                     |                               | 6/23/2006                                         |                    | 6/22/2006            |
| 6/28/06                                                                    | 5.15%                                   |                                     |                               | 6/30/2006                                         |                    | 6/29/2006            |
| 7/5/06                                                                     | 5.20%                                   |                                     |                               | 7/7/2006                                          | 7/5/2006           | 7/6/2006             |
| 7/12/06                                                                    | 5.10%                                   | 2.94%                               |                               | 7/14/2006                                         |                    | 7/13/2006            |
| 7/19/06                                                                    | 5.00%                                   |                                     |                               | 7/21/2006                                         |                    | 7/20/2006            |
| 7/26/06                                                                    | 5.00%                                   |                                     |                               | 7/28/2006                                         |                    | 7/27/2006            |
| 8/2/06                                                                     | 5.10%                                   |                                     |                               | 8/4/2006                                          |                    | 8/3/2006             |
| 8/9/06                                                                     | 5.00%                                   |                                     |                               | 8/11/2006                                         | 8/8/2006           | 8/10/2006            |
| 8/16/06                                                                    | 5.00%                                   | 3.40%                               |                               | 8/18/2006                                         |                    | 8/17/2006            |
| 8/23/06                                                                    | 5.00%                                   |                                     |                               | 8/25/2006                                         |                    | 8/24/2006            |
| 8/30/06                                                                    | 5.00%                                   |                                     |                               | 9/1/2006                                          |                    | 8/31/2006            |
| 9/6/06                                                                     | 5.05%                                   |                                     |                               | 9/8/2006                                          |                    | 9/7/2006             |



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|----------------------------------------------------------------------------|-----------------------------------------|-------------------------------------|-------------------------------|---------------------------------------------------|--------------------|----------------------|
| 9/13/06                                                                    | 9/13/2006                               |                                     |                               | 9/15/2006                                         | 9/12/2006          | 9/14/2006            |
| 3.54                                                                       | 5.00%                                   |                                     |                               | 3.15%                                             | 3.40%              | 3.54%                |
| 9/20/06                                                                    | 9/20/2006                               | 9/15/2006                           |                               | 9/22/2006                                         |                    | 9/21/2006            |
| 3.73                                                                       | 4.95%                                   | 2.93%                               |                               | 3.25%                                             |                    | 3.73%                |
| 9/27/06                                                                    | 9/27/2006                               |                                     |                               | 9/29/2006                                         |                    | 9/28/2006            |
| 3.74                                                                       | 5.05%                                   |                                     |                               | 3.40%                                             |                    | 3.74%                |
| 10/4/06                                                                    | 10/4/2006                               |                                     |                               | 10/6/2006                                         |                    | 10/5/2006            |
| 3.37                                                                       | 5.00%                                   |                                     |                               | 3.20%                                             |                    | 3.37%                |
| 10/11/06                                                                   | 10/11/2006                              |                                     |                               | 10/13/2006                                        |                    | 10/12/2006           |
| 3.51                                                                       | 4.95%                                   |                                     |                               | 3.30%                                             |                    | 3.51%                |
| 10/18/06                                                                   | 10/18/2006                              |                                     |                               | 10/20/2006                                        | 10/17/2006         | 10/19/2006           |
| 3.57                                                                       | 4.95%                                   | 3.45%                               |                               | 3.30%                                             | 3.32%              | 3.57%                |
| 10/25/06                                                                   | 10/25/2006                              | 10/20/2006                          |                               | 10/27/2006                                        |                    | 10/26/2006           |
| 3.56                                                                       | 5.00%                                   |                                     |                               | 3.35%                                             |                    | 3.56%                |
| 11/1/06                                                                    | 11/1/2006                               |                                     |                               | 11/3/2006                                         |                    | 11/2/2006            |
| 3.39                                                                       | 5.10%                                   |                                     |                               | 2.93%                                             |                    | 3.39%                |
| 11/8/06                                                                    | 11/8/2006                               |                                     |                               | 11/10/2006                                        |                    | 11/9/2006            |
| 3.63                                                                       | 5.00%                                   |                                     |                               | 2.93%                                             |                    | 3.63%                |
| 11/15/06                                                                   | 11/15/2006                              |                                     | 11/16/2006                    | 11/17/2006                                        |                    | 11/16/2006           |
| 3.67                                                                       | 5.10%                                   |                                     | 3.40%                         | 3.35%                                             |                    | 3.67%                |
| 11/22/06                                                                   | 11/22/2006                              |                                     | 11/22/2006                    | 11/24/2006                                        |                    | 11/23/2006           |
| 3.63                                                                       | 5.10%                                   |                                     | 3.45%                         | 3.35%                                             |                    | 3.63%                |
| 11/29/06                                                                   | 11/29/2006                              | 11/24/2006                          | 11/29/2006                    | 12/1/2006                                         | 11/21/2006         | 11/30/2006           |
| 3.48                                                                       | 5.00%                                   | 3.45%                               | 3.40%                         | 3.40%                                             | 3.40%              | 3.48%                |
| 12/6/06                                                                    | 12/6/2006                               |                                     | 12/6/2006                     | 12/8/2006                                         |                    | 12/7/2006            |
| 3.40                                                                       | 5.00%                                   |                                     | 3.30%                         | 3.40%                                             |                    | 3.40%                |
| 12/13/06                                                                   | 12/13/2006                              |                                     | 12/13/2006                    | 12/15/2006                                        |                    | 12/14/2006           |
| 3.59                                                                       | 5.10%                                   |                                     | 3.30%                         | 3.40%                                             |                    | 3.59%                |
| 12/20/06                                                                   | 12/20/2006                              |                                     | 12/20/2006                    | 12/22/2006                                        |                    | 12/21/2006           |
| 3.89                                                                       | 5.10%                                   |                                     | 3.65%                         | 3.50%                                             |                    | 3.89%                |
| 12/27/06                                                                   | 12/27/2006                              |                                     | 12/27/2006                    | 12/29/2006                                        | 12/26/2006         | 12/28/2006           |
| 3.91                                                                       | 5.20%                                   |                                     | 3.63%                         | 3.65%                                             | 3.40%              | 3.91%                |
| 1/3/07                                                                     | 1/3/2007                                | 12/29/2006                          | 1/3/2007                      | 1/5/2007                                          |                    | 1/4/2007             |
| 3.45                                                                       | 5.15%                                   | 3.60%                               | 3.50%                         | 3.30%                                             |                    | 3.45%                |
| 1/10/07                                                                    | 1/10/2007                               |                                     | 1/10/2007                     | 1/12/2007                                         |                    | 1/11/2007            |
| 3.63                                                                       | 5.05%                                   |                                     | 2.926%                        | 3.30%                                             |                    | 3.63%                |
| 1/17/07                                                                    | 1/17/2007                               |                                     | 1/17/2007                     | 1/19/2007                                         |                    | 1/18/2007            |
| 3.62                                                                       | 5.05%                                   |                                     | 2.926%                        | 3.30%                                             |                    | 3.62%                |
| 1/24/07                                                                    | 1/24/2007                               |                                     | 1/24/2007                     | 1/26/2007                                         |                    | 1/25/2007            |
| 3.61                                                                       | 5.05%                                   |                                     | 2.926%                        | 2.926%                                            |                    | 3.61%                |
| 1/31/07                                                                    | 1/31/2007                               |                                     | 1/31/2007                     | 2/2/2007                                          | 1/30/2007          | 2/1/2007             |
| 3.50                                                                       | 5.00%                                   |                                     | 3.35%                         | 2.926%                                            | 3.30%              | 3.50%                |
| 2/7/07                                                                     | 2/7/2007                                | 2/2/2007                            | 2/7/2007                      | 2/9/2007                                          |                    | 2/8/2007             |
| 3.59                                                                       | 5.00%                                   | 3.30%                               | 3.00%                         | 3.30%                                             |                    | 3.59%                |
| 2/14/07                                                                    | 2/14/2007                               |                                     | 2/14/2007                     | 2/16/2007                                         |                    | 2/15/2007            |
| 3.65                                                                       | 5.00%                                   |                                     | 3.10%                         | 3.00%                                             |                    | 3.65%                |
| 2/21/07                                                                    | 2/21/2007                               |                                     | 2/21/2007                     | 2/23/2007                                         |                    | 2/22/2007            |
| 3.65                                                                       | 5.00%                                   |                                     | 3.30%                         | 3.10%                                             |                    | 3.65%                |
| 2/28/07                                                                    | 2/28/2007                               |                                     | 2/28/2007                     | 3/2/2007                                          |                    | 3/1/2007             |
| 3.51                                                                       | 5.00%                                   |                                     | 3.05%                         | 3.20%                                             |                    | 3.51%                |
| 3/7/07                                                                     | 3/7/2007                                |                                     | 3/7/2007                      | 3/9/2007                                          | 3/6/2007           | 3/8/2007             |
| 3.52                                                                       | 5.00%                                   |                                     | 3.05%                         | 2.926%                                            | 3.25%              | 3.52%                |
| 3/14/07                                                                    | 3/14/2007                               | 3/9/2007                            | 3/14/2007                     | 3/16/2007                                         |                    | 3/15/2007            |
| 3.60                                                                       | 5.30%                                   | 2.96%                               | 3.05%                         | 2.926%                                            |                    | 3.60%                |
| 3/21/07                                                                    | 3/21/2007                               |                                     | 3/21/2007                     | 3/23/2007                                         |                    | 3/22/2007            |
| 3.65                                                                       | 5.10%                                   |                                     | 3.00%                         | 3.10%                                             |                    | 3.65%                |
| 3/28/07                                                                    | 3/28/2007                               |                                     | 3/28/2007                     | 3/30/2007                                         |                    | 3/29/2007            |
| 3.65                                                                       | 4.90%                                   |                                     | 3.30%                         | 2.926%                                            |                    | 3.65%                |
| 4/4/07                                                                     | 4/4/2007                                |                                     | 4/4/2007                      | 4/9/2007                                          |                    | 4/5/2007             |
| 3.61                                                                       | 4.75%                                   |                                     | 3.00%                         | 3.30%                                             |                    | 3.61%                |
| 4/11/07                                                                    | 4/11/2007                               |                                     | 4/11/2007                     | 4/13/2007                                         | 4/10/2007          | 4/12/2007            |
| 3.70                                                                       | 5.00%                                   |                                     | 3.00%                         | 3.40%                                             | 3.45%              | 3.70%                |
| 4/18/07                                                                    | 4/18/2007                               | 4/13/2007                           | 4/18/2007                     | 4/20/2007                                         |                    | 4/19/2007            |
| 3.78                                                                       | 4.75%                                   | 3.50%                               | 3.40%                         | 3.50%                                             |                    | 3.78%                |
| 4/25/07                                                                    | 4/25/2007                               |                                     | 4/25/2007                     | 4/27/2007                                         |                    | 4/26/2007            |
| 3.92                                                                       | 5.25%                                   |                                     | 3.00%                         | 3.55%                                             |                    | 3.92%                |
| 5/2/07                                                                     | 5/2/2007                                |                                     | 5/2/2007                      | 5/4/2007                                          |                    | 5/3/2007             |
| 3.92                                                                       | 5.15%                                   |                                     | 3.65%                         | 3.65%                                             |                    | 3.92%                |
| 5/9/07                                                                     | 5/9/2007                                |                                     | 5/9/2007                      | 5/11/2007                                         |                    | 5/10/2007            |
| 3.91                                                                       | 5.10%                                   |                                     | 3.20%                         | 3.50%                                             |                    | 3.91%                |

## New Jersey Educational Facilities Authority

| Securities Industry and Financial Markets Association Municipal Swap Index | New Jersey City University 2006C (CIFG) | Rowan University 2003K (XL Capital) | Rowan University 2006H (MBIA) | Richard Stockton College of NJ 2005C (XL Capital) | UMDNJ 2001A (MBIA) | UMDNJ 2002B* (Ambac) |        |            |        |            |       |
|----------------------------------------------------------------------------|-----------------------------------------|-------------------------------------|-------------------------------|---------------------------------------------------|--------------------|----------------------|--------|------------|--------|------------|-------|
| 5/16/07                                                                    | 3.85                                    | 5/16/2007                           | 5.08%                         | 5/18/2007                                         | 3.60%              | 5/18/2007            | 2.926% | 5/15/2007  | 3.60%  | 5/17/2007  | 3.85% |
| 5/23/07                                                                    | 3.83                                    | 5/23/2007                           | 5.05%                         | 5/23/2007                                         | 3.55%              | 5/23/2007            | 3.55%  | 5/25/2007  | 3.75%  | 5/24/2007  | 3.83% |
| 5/30/07                                                                    | 3.76                                    | 5/30/2007                           | 5.08%                         | 5/30/2007                                         | 3.55%              | 6/1/2007             | 3.65%  | 6/1/2007   | 3.65%  | 5/31/2007  | 3.76% |
| 6/6/07                                                                     | 3.61                                    | 6/6/2007                            | 5.08%                         | 6/6/2007                                          | 3.55%              | 6/8/2007             | 3.50%  | 6/8/2007   | 3.50%  | 6/7/2007   | 3.61% |
| 6/13/07                                                                    | 3.71                                    | 6/13/2007                           | 5.08%                         | 6/13/2007                                         | 3.50%              | 6/15/2007            | 2.926% | 6/15/2007  | 2.926% | 6/14/2007  | 3.71% |
| 6/20/07                                                                    | 3.73                                    | 6/20/2007                           | 5.08%                         | 6/20/2007                                         | 3.30%              | 6/22/2007            | 3.65%  | 6/22/2007  | 3.65%  | 6/21/2007  | 3.73% |
| 6/27/07                                                                    | 3.73                                    | 6/27/2007                           | 5.08%                         | 6/27/2007                                         | 3.20%              | 6/29/2007            | 3.70%  | 6/29/2007  | 3.70%  | 6/28/2007  | 3.73% |
| 7/4/07                                                                     | 3.60                                    | 7/4/2007                            | 5.10%                         | 7/4/2007                                          | 3.40%              | 7/6/2007             | 3.65%  | 7/6/2007   | 3.65%  | 7/5/2007   | 3.60% |
| 7/11/07                                                                    | 3.58                                    | 7/11/2007                           | 5.10%                         | 7/11/2007                                         | 3.45%              | 7/13/2007            | 3.55%  | 7/13/2007  | 3.55%  | 7/12/2007  | 3.58% |
| 7/18/07                                                                    | 3.61                                    | 7/18/2007                           | 2.89%                         | 7/18/2007                                         | 3.30%              | 7/20/2007            | 3.40%  | 7/20/2007  | 3.40%  | 7/19/2007  | 3.61% |
| 7/25/07                                                                    | 3.61                                    | 7/25/2007                           | 5.08%                         | 7/25/2007                                         | 3.20%              | 7/27/2007            | 2.926% | 7/27/2007  | 2.926% | 7/26/2007  | 3.61% |
| 8/1/07                                                                     | 3.52                                    | 8/1/2007                            | 5.10%                         | 7/27/2007                                         | 3.50%              | 8/1/2007             | 3.00%  | 8/3/2007   | 3.45%  | 8/2/2007   | 3.52% |
| 8/8/07                                                                     | 3.51                                    | 8/8/2007                            | 5.15%                         | 8/8/2007                                          | 3.20%              | 8/8/2007             | 3.25%  | 8/10/2007  | 3.25%  | 8/9/2007   | 3.51% |
| 8/15/07                                                                    | 3.69                                    | 8/15/2007                           | 5.55%                         | 8/15/2007                                         | 3.00%              | 8/17/2007            | 3.20%  | 8/17/2007  | 3.20%  | 8/16/2007  | 3.69% |
| 8/22/07                                                                    | 3.89                                    | 8/22/2007                           | 5.75%                         | 8/22/2007                                         | 3.65%              | 8/24/2007            | 3.70%  | 8/24/2007  | 3.70%  | 8/23/2007  | 3.89% |
| 8/29/07                                                                    | 3.95                                    | 8/29/2007                           | 5.60%                         | 8/29/2007                                         | 3.75%              | 8/31/2007            | 3.80%  | 8/31/2007  | 3.80%  | 8/30/2007  | 3.95% |
| 9/5/07                                                                     | 3.85                                    | 9/5/2007                            | 5.70%                         | 9/5/2007                                          | 3.85%              | 9/5/2007             | 3.80%  | 9/7/2007   | 3.80%  | 9/6/2007   | 3.85% |
| 9/12/07                                                                    | 3.73                                    | 9/12/2007                           | 5.70%                         | 9/12/2007                                         | 3.85%              | 9/12/2007            | 3.85%  | 9/14/2007  | 3.164% | 9/13/2007  | 3.73% |
| 9/19/07                                                                    | 3.77                                    | 9/19/2007                           | 2.769%                        | 9/19/2007                                         | 3.75%              | 9/19/2007            | 3.60%  | 9/21/2007  | 3.60%  | 9/20/2007  | 3.77% |
| 9/26/07                                                                    | 3.84                                    | 9/26/2007                           | 5.30%                         | 9/26/2007                                         | 3.65%              | 9/28/2007            | 2.82%  | 9/28/2007  | 2.82%  | 9/27/2007  | 3.84% |
| 10/3/07                                                                    | 3.56                                    | 10/3/2007                           | 5.20%                         | 10/5/2007                                         | 3.70%              | 10/3/2007            | 3.65%  | 10/5/2007  | 3.65%  | 10/4/2007  | 3.56% |
| 10/10/07                                                                   | 3.55                                    | 10/10/2007                          | 5.05%                         | 10/10/2007                                        | 3.55%              | 10/10/2007           | 3.55%  | 10/12/2007 | 3.40%  | 10/11/2007 | 3.55% |
| 10/17/07                                                                   | 3.49                                    | 10/17/2007                          | 4.95%                         | 10/17/2007                                        | 3.43%              | 10/17/2007           | 3.43%  | 10/19/2007 | 3.35%  | 10/18/2007 | 3.49% |
| 10/24/07                                                                   | 3.43                                    | 10/24/2007                          | 2.59%                         | 10/24/2007                                        | 3.45%              | 10/24/2007           | 3.25%  | 10/26/2007 | 3.25%  | 10/25/2007 | 3.43% |
| 10/31/07                                                                   | 3.26                                    | 10/31/2007                          | 4.65%                         | 11/9/2007                                         | 3.45%              | 10/31/2007           | 3.35%  | 11/2/2007  | 3.15%  | 11/1/2007  | 3.26% |
| 11/7/07                                                                    | 3.41                                    | 11/7/2007                           | 4.50%                         | 11/9/2007                                         | 3.45%              | 11/7/2007            | 3.25%  | 11/9/2007  | 3.20%  | 11/8/2007  | 3.41% |
| 11/14/07                                                                   | 3.54                                    | 11/14/2007                          | 4.75%                         | 11/14/2007                                        | 3.30%              | 11/14/2007           | 3.30%  | 11/16/2007 | 3.60%  | 11/15/2007 | 3.54% |
| 11/21/07                                                                   | 3.58                                    | 11/21/2007                          | 4.55%                         | 11/21/2007                                        | 3.40%              | 11/21/2007           | 3.40%  | 11/23/2007 | 3.60%  | 11/22/2007 | 3.58% |
| 11/28/07                                                                   | 3.58                                    | 11/28/2007                          | 4.80%                         | 11/28/2007                                        | 3.45%              | 11/28/2007           | 3.90%  | 11/30/2007 | 3.90%  | 11/29/2007 | 3.58% |
| 12/5/07                                                                    | 3.40                                    | 12/5/2007                           | 4.75%                         | 12/5/2007                                         | 3.55%              | 12/5/2007            | 3.90%  | 12/7/2007  | 3.90%  | 12/6/2007  | 3.40% |
| 12/12/07                                                                   | 3.09                                    | 12/12/2007                          | 5.10%                         | 12/12/2007                                        | 3.55%              | 12/12/2007           | 3.75%  | 12/14/2007 | 3.75%  | 12/13/2007 | 3.09% |
| 12/19/07                                                                   | 3.16                                    | 12/19/2007                          | 5.00%                         | 12/19/2007                                        | 3.60%              | 12/19/2007           | 3.75%  | 12/21/2007 | 3.75%  | 12/20/2007 | 3.16% |
| 12/26/07                                                                   | 3.42                                    | 12/26/2007                          | 5.60%                         | 12/26/2007                                        | 3.60%              | 12/26/2007           | 3.75%  | 12/28/2007 | 3.75%  | 12/27/2007 | 3.42% |
| 1/2/08                                                                     | 3.06                                    | 1/2/2008                            | 5.00%                         | 1/2/2008                                          | 3.60%              | 1/2/2008             | 3.75%  | 1/4/2008   | 3.75%  | 1/3/2008   | 3.06% |
| 1/9/08                                                                     | 3.02                                    | 1/9/2008                            | 4.80%                         | 1/9/2008                                          | 3.55%              | 1/9/2008             | 3.85%  | 1/11/2008  | 3.85%  | 1/10/2008  | 3.02% |



# Rating Action on the Bond Insurers

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| Ratings Information<br>(current as of 4/4/08 at 3:30 pm) | Moody's                                          | S&P                                       | Fitch                                 |
|----------------------------------------------------------|--------------------------------------------------|-------------------------------------------|---------------------------------------|
| <b>Ambac</b>                                             | Affirmed Aaa<br>Negative Outlook                 | Affirmed AAA<br>Negative Outlook          | Affirmed AA<br>Negative Outlook       |
| <b>FGIC</b>                                              | Downgraded to Baa3<br>Under Review for Downgrade | Downgraded to BB<br>Negative Outlook      | Downgraded to BBB<br>Negative Outlook |
| <b>FSA</b>                                               | Affirmed Aaa<br>Stable Outlook                   | Affirmed AAA<br>Stable Outlook            | Affirmed AAA<br>Stable Outlook        |
| <b>MBIA</b>                                              | Affirmed Aaa<br>Negative Outlook                 | Affirmed AAA<br>Negative Outlook          | Downgraded to AA<br>Negative Outlook  |
| <b>XLCA</b>                                              | Downgraded to A3<br>Under Review for Downgrade   | Downgraded to A-<br>Credit Watch Negative | Downgraded to BB<br>Negative Outlook  |
| <b>Assured Guaranty</b>                                  | Affirmed Aaa<br>Stable Outlook                   | Affirmed AAA<br>Stable Outlook            | Affirmed AAA<br>Stable Outlook        |
| <b>CIFG</b>                                              | Downgraded to A1<br>Stable Outlook               | Downgraded to A+<br>Negative Outlook      | Downgraded to A-<br>Negative Outlook  |
| <b>Radian Asset</b>                                      | Affirmed Aa3<br>Negative Outlook                 | Affirmed AA<br>Stable Outlook             | Downgraded to A+<br>Watch Evolving    |
| <b>ACA</b>                                               | NR                                               | Downgraded to CCC<br>Watch Developing     | NR                                    |