Higher Education Student Assistance Authority
Testimony of Jerry Traino, Acting Executive Director
Fiscal Year 2027

Good Morning Chair Pintor Marin, Vice-Chair Park, Minority Budget Officer Rumpf, and members of the Assembly Budget Committee. Thank you for the opportunity to address the crucial work of the New Jersey Higher Education Student Assistance Authority, also known as HESAA.

The HESAA team continues to diligently administer programs that help make higher education more affordable for residents who attend a college or university in our state. We remain committed to supporting residents by delivering the financial assistance they need to continue their education beyond high school.

The Governor's budget for Fiscal Year 2027 prioritizes affordability by focusing on the everyday budgeting issues that matter to New Jersey families. HESAA supports the Governor's affordability agenda by putting a college degree within reach for residents through the financial and informational resources we offer.

This budget reduces our State's structural deficit while still protecting essential programs for residents, including core financial aid and student loan redemption programs administered by HESAA that benefit thousands of students and hundreds of professionals throughout New Jersey.

I. Supporting Students Through our Flagship Financial Aid Program

The Governor's budget keeps pace with projected demand for New Jersey's flagship financial aid program, the Tuition Aid Grant (better known as TAG). The budget prioritizes this important program with an allocation of $516,742,000 for full-time TAG in Fall 2026 and Spring 2027.

It is important to note that this program supports nearly one-third of all New Jersey residents attending undergraduate programs full time in our state. In this current academic year, nearly 72,000 full-time students received a TAG award.

The proposed budget also supports part-time students by providing $12,662,000 in part-time TAG for county college students as well as $842,000 for part-time students participating in the Educational Opportunity Fund (EOF) program.

The Governor's budget enables HESAA to maintain the current level of TAG award amounts for the upcoming academic year.

II. Maintaining Funding for Additional Grants and Scholarships

In addition to TAG, HESAA administers a variety of other grants and scholarships that are awarded based on numerous factors, some of which include family income and assets, number of family members in college and academic performance.

For eligible students from families with Adjusted Gross Incomes (AGIs) between $0 and $65,000, the Community College Opportunity Grant (CCOG) covers any tuition and approved fees that remain after all other financial aid has been applied while the student pursues their first associate degree at a New Jersey community college. For eligible students in that same income range who pursue their first bachelor's degree at a public, four-year college or university in New Jersey, the Garden State Guarantee covers any remaining tuition and mandatory fees during their third and fourth years of study.

With a combined appropriation of $109 million for CCOG and GSG in the Governor's budget, HESAA can continue to administer awards on behalf of eligible students under these crucial last-dollar programs in Academic Year 2026-2027.

High-achieving students will also continue to receive support in the upcoming academic year with the proposed funding for HESAA's merit-based scholarship programs. This includes a total of $6 million for the New Jersey Student Tuition Assistance Reward Scholarship (known as NJ STARS) and NJ STARS II programs, as well as $250,000 for the Governor's Urban Scholarship that supports the highest-ranking high school students from designated New Jersey communities.

Each of these programs recognizes the academic success of high-achieving students and encourages them to pursue their college degrees right here in New Jersey.

III. Supporting New Jersey Workforce Needs

HESAA uses its various, targeted student loan redemption programs to provide incentives for professionals to work here in New Jersey in high-need career fields – fields that not only support New Jersey businesses, but also ensure more of our residents have access to the essential services they need, including fully staffed K-12 classrooms.

The proposed budget provides $3.5 million for the Behavioral Healthcare Provider Loan Redemption Program and an additional $500,000 for the Nursing Faculty Loan Redemption Program. Both of these programs work to bolster New Jersey's healthcare workforce.

The first program helps address the critical shortage of behavioral healthcare providers in the State by offering student loan relief in exchange for up to six years of service as an eligible provider in an educational, non-profit, or government setting, including additional incentives for providers serving children and youth. The second program aims to address one of the underlying causes of New Jersey's nursing shortage by incentivizing current professionals to train future cohorts of nurses at institutions of higher education.

The budget also allows HESAA to continue administering both the Teacher Loan Redemption and STEM Loan Redemption programs, while funding for the Health Care Professional Loan Redemption Program, which HESAA administers in collaboration with the New Jersey Department of Health (DOH), is included in DOH's budget.

Another part of the State's efforts to grow the pipeline of professionals in key fields is through the New Jersey Pay It Forward Program. The Governor's budget recommends $1 million for this program, which offers zero-interest loans and stipends to participants enrolled in high-quality job training programs throughout the State for careers in nursing, radiography, HVAC, welding, and more.

Each of these programs will continue to work in tandem to strengthen our economy and grow key workforces in our state.

IV. Conclusion

In a year where difficult decisions must be made to develop a fiscally responsible budget while still investing in working families, the proposed funding allows HESAA to continue supporting students and families with the information and resources they need to access a postsecondary degree. Through the programs funded in this budget, HESAA can continue to reduce out-of-pocket costs for tens of thousands of students, making it possible for them to pursue a postsecondary degree in our state.

As always, HESAA distributes State funding directly to New Jersey college student accounts and towards the outstanding balance of qualified student loans held by New Jersey professionals in high-need and high-growth careers. From financial literacy outreach to our Customer Care call center, the HESAA team will continue to work diligently to ensure every New Jersey resident receives the information and resources they need to pursue a college degree here in the Garden State.

Thank you for the opportunity to testify today. I welcome any questions you may have about our work at HESAA.