EXECUTIVE COMMITTEE

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Public Member

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Executive Director
Ex Officio

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Public Member

Vice Chairperson
Maria L. Torres
Public Member

Caroline Ehrlich
State Treasurer Permanent Designee
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Independent Colleges and Universities

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Educational Opportunity Fund
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Rutgers University

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County Colleges

Erin Ferris
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Student Advisory Committee

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State Colleges and Universities

Mr. Frank Mertz
Representative
Commission on Higher Education
Ex Officio

Joseph Smith
Vice-Chair
Student Advisory Committee
Ex Officio
New Jersey boasts one of the second highest rates of college participation among low-income families in the nation.

source: Postsecondary Education Opportunity

“...to sustain a robust economy and compete in the 21st century marketplace, we must have an educated workforce.”

— Jon S. Corzine
Governor

Among my priorities as Governor is to provide the citizens of New Jersey with the opportunity to pursue their education beyond high school. It is through education that individual students can create limitless possibilities in their personal and professional lives.

For the State to sustain a robust economy and compete in the 21st century marketplace, we must have an educated workforce. New Jersey is home to many of the nation’s leading companies in pharmaceuticals, communications, biotech, finance, and healthcare – just to name a few. With rapid advances in technology, and an increasingly global work environment, comes the demand for a highly educated and well-trained workforce.

To that end, the New Jersey Higher Education Student Assistance Authority (HESAA) provides the tools to make a college education more affordable and accessible. HESAA accomplishes this by providing some of the most generous and comprehensive student aid programs in the country.

Here in the Garden State, through a continued partnership with New Jersey’s colleges and universities, HESAA opens the door to higher education for all those who seek to reach their full potential. I am proud of HESAA’s commitment to make the dream of a college education a reality for all New Jerseyans.

Thank you for your interest in higher education and HESAA.

JON S. CORZINE
## NJ ADVISORY COMMITTEE ON STUDENT AID

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Institution</th>
</tr>
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<tbody>
<tr>
<td>UMDFNJ Representative</td>
<td>Cheryl White</td>
<td>Rutgers, The State University</td>
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<tr>
<td>Rutgers Representative</td>
<td>Nita Vuiller</td>
<td>Rutgers, The State University</td>
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<tr>
<td>NJASFAA Representatives</td>
<td>Carmen Pantillo</td>
<td>New Jersey City University</td>
</tr>
<tr>
<td>Jack Williams</td>
<td>Director of Student Financial Services</td>
<td>Rider University</td>
</tr>
<tr>
<td>Non-traditional Sector</td>
<td>Marilyn Failer</td>
<td>Bank of New Jersey</td>
</tr>
<tr>
<td>Lender Representative</td>
<td>Kimber Decker</td>
<td>NJ Net</td>
</tr>
<tr>
<td>Independent Sector</td>
<td>Lissa Anderson</td>
<td>Caldwell College</td>
</tr>
<tr>
<td>NJIT Representative</td>
<td>Kathy Braik</td>
<td>New Jersey Institute of Technology</td>
</tr>
<tr>
<td>State College Sector</td>
<td>Mark Singer</td>
<td>Ramapo College of New Jersey</td>
</tr>
<tr>
<td>County College Sector</td>
<td>Chris Paszatki</td>
<td>Burlington County College</td>
</tr>
<tr>
<td>EOF Prof. Assoc. Representative</td>
<td>Maria Rodriguez</td>
<td>Monmouth University</td>
</tr>
<tr>
<td>NJBA Representative</td>
<td>Philip Sanders</td>
<td>Bergen County Community College</td>
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</tbody>
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## STUDENT ADVISORY COMMITTEE

<table>
<thead>
<tr>
<th>Name</th>
<th>Institution</th>
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<tbody>
<tr>
<td>Sabrina Walker</td>
<td>Camden County College</td>
</tr>
<tr>
<td>Pierre Beilour</td>
<td>Bergen County College</td>
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<tr>
<td>Joseph Malloy</td>
<td>Morris County College</td>
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<td>Dykkeema Morris</td>
<td>Ocean County College</td>
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<tr>
<td>Gema Castaneda-M</td>
<td>Raritan County College</td>
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<tr>
<td>Leonard Grayson</td>
<td>Union County College</td>
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<tr>
<td>Ryan Matthews</td>
<td>Kean University</td>
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<tr>
<td>La-trenda Ross</td>
<td>New Jersey City University</td>
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<tr>
<td>Melissa Langan</td>
<td>Rowan University</td>
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<tr>
<td>Travis Liebtag</td>
<td>The Richard Stockton College of New Jersey</td>
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<tr>
<td>April Konndorfer</td>
<td>The Richard Stockton College of New Jersey</td>
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<tr>
<td>Shonnell Haynes</td>
<td>The College of New Jersey</td>
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<tr>
<td>Brian Nauer, Secretary</td>
<td>Centenary College of New Jersey</td>
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<tr>
<td>Dana Downer, Chair</td>
<td>Monmouth University</td>
</tr>
<tr>
<td>Sheena Collum</td>
<td>Seton Hall University</td>
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<tr>
<td>Robert Hoar</td>
<td>Stevens Institute of Technology</td>
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<tr>
<td>Robert Foley</td>
<td>St. Peter's College</td>
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<tr>
<td>Mubarak Guy, Vice Chair</td>
<td>Rutgers, The State University</td>
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<tr>
<td>Andrew Vigario</td>
<td>Rutgers, The State University</td>
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<tr>
<td>Justin Fincher</td>
<td>Rutgers, The State University</td>
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<tr>
<td>Joana Domingos</td>
<td>Rutgers, The State University</td>
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<tr>
<td>Marelis Bernal</td>
<td>New Jersey Institute of Technology</td>
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<tr>
<td>Dennis De Holland</td>
<td>New Jersey Institute of Technology</td>
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<tr>
<td>Ely Duran</td>
<td>New Jersey Institute of Technology</td>
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</table>
HESAA assists over 1 million students, families, and educators each year by providing information on enrollment and financial aid.

“Through extensive public outreach initiatives, HESAA gets the word out about the economic and social benefits of a college education.”
— E. Michael Angulo
Executive Director

As the Executive Director of HESAA, it has been an honor to lead an organization that supports the citizens of our State in their pursuit of a higher education. I have witnessed, firsthand, the State’s commitment to making higher education affordable and accessible to all segments of our community. A higher education is an important factor towards attaining unlimited success.

In 2005, HESAA created one of the most innovative Stafford Loan programs in the nation. NJLIFE, or the Low Interest Financing for Education loan, allows low-income students to borrow money for college with zero fees, while providing a very attractive borrower benefit package at the time of repayment. Through NJLIFE, the neediest college bound students can pursue the college of their choice. This new loan program is a terrific complement to one of the nation’s most comprehensive need-based grants, the New Jersey Tuition Aid Grant program (TAG).

HESAA encourages and educates families on the benefits of a disciplined savings program for their young children’s future. NJBEST is the State’s 529 College Savings Plan that provides tremendous investment opportunities for families. NJBEST is the only 529 Plan in the country that provides a scholarship of up to $1,500 for students who attend school in state. The success of NJBEST is reflected in its significant recent growth, with assets under management eclipsing $1 billion in 2005.

Although our financial aid programs are the cornerstone of HESAA’s mission, it is our informational resources that are key to our success. Through extensive public outreach initiatives, HESAA gets the word out about the economic and social benefits of a college education. Moreover, HESAA’s activities are critical towards ensuring a highly educated, well-trained workforce necessary for New Jersey’s continued economic prosperity.

I thank you for supporting HESAA and its commitment to promoting higher education and assisting New Jersey students and their families. I hope the information in this report is helpful in learning about HESAA and its mission.

Sincerely,

Michael Angulo
E. MICHAEL ANGULO
“**KNOWLEDGE** is the only instrument of production that is not subject to diminishing returns.”

— J.M. Clark
Economist
FOUR WAYS HESAA MAKES EDUCATION ACCESSIBLE AND AFFORDABLE

GRANTS
New Jersey is committed to providing college access to all students. One of the nation’s premier need-based programs, TAG, provided approximately 60,000 awards totaling $190.2 million in FY 2005. HESAA administers the EOF program on behalf of the Commission on Higher Education that provides grants to an additional 13,400 students from educationally and economically disadvantaged backgrounds.

SCHOLARSHIPS
HESAA awarded over 13,000 merit-based scholarships to keep the State’s brightest students in New Jersey.

COLLEGE SAVINGS PLAN
NJBEST provides New Jersey residents with the opportunity to start an investment savings account for their children’s college fund.

STUDENT LOAN PROGRAMS
NJCLASS is the best supplemental student loan program available, providing over 11,800 loans exceeding $121 million in 2005.

HESAA provided FFELP loan guarantees exceeding $633 million for over 167,000 students and their families. Additionally, HESAA guaranteed Federal Consolidation Loans equalling $333.5 million to 14,000 students for a total of nearly $1 billion.
TUITION AID GRANT (TAG)
The TAG program helps students pursue their higher education goals at New Jersey institutions. TAG consistently ranks in the top five in the nation based upon the value of its awards. The program continues to offer New Jersey residents access and choice as they make their higher education decisions, contributing to the statewide availability of a skilled and well-trained workforce.

<table>
<thead>
<tr>
<th>STUDENTS AWARDED</th>
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<tbody>
<tr>
<td>60,016</td>
</tr>
<tr>
<td>$190,212,481</td>
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PART-TIME TUITION AID GRANT (TAG) FOR COUNTY COLLEGE STUDENTS
This program assists eligible students at any of New Jersey’s 19 county colleges who enroll for 6 –11 credits in a degree or certificate program.

<table>
<thead>
<tr>
<th>STUDENTS AWARDED</th>
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<tr>
<td>7,961</td>
</tr>
<tr>
<td>$3,957,639</td>
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EDUCATIONAL OPPORTUNITY FUND (EOF) GRANTS
Educational Opportunity Fund (EOF) Grants serve low-income New Jersey undergraduate and graduate students. The program provides both educational support services as well as financial assistance.

<table>
<thead>
<tr>
<th>STUDENTS AWARDED</th>
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<tbody>
<tr>
<td>13,335</td>
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<tr>
<td>$14,893,944</td>
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</table>
EDWARD J. BLOUSTEIN
DISTINGUISHED SCHOLAR AWARD
This program recognizes the exceptional academic performance of New Jersey high school students. This four-year renewable scholarship is based upon high school class rank and SAT scores.

<table>
<thead>
<tr>
<th>STUDENTS AWARDED</th>
<th>$5,088,957</th>
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URBAN SCHOLAR AWARD
Targeted to students from the State’s urban and economically distressed areas this renewable scholarship is based on class rank and high school GPA.

<table>
<thead>
<tr>
<th>STUDENTS AWARDED</th>
<th>$2,111,917</th>
</tr>
</thead>
</table>

OUTSTANDING SCHOLAR RECRUITMENT PROGRAM (OSRP)
This program is a unique partnership of the State of New Jersey and fifteen (15) New Jersey higher education institutions. The participating schools and the State share in the funding of OSRP annual scholarships.

<table>
<thead>
<tr>
<th>STUDENTS AWARDED</th>
<th>$13,177,908</th>
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</table>

STUDENT TUITION ASSISTANCE REWARD SCHOLARSHIP (NJ STARS)
NJ STARS is designed to ensure that all high school students who graduate in the top 20% of their class can attend college in New Jersey. The program covers up to 15 credits per semester of tuition and approved fees for up to 5 semesters at their county college.

<table>
<thead>
<tr>
<th>STUDENTS AWARDED</th>
<th>$1,675,057</th>
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“The whole purpose of EDUCATION is to turn mirrors into windows.”
— Sydney J. Harris
Syndicated journalist
FFELP PROVIDER
Since 1959, HESAA has assisted the college bound students of New Jersey in meeting the costs of a post-secondary education. As one of the oldest guarantee agencies in the Federal Family Education Loan Program, HESAA works in partnership with schools and lenders to provide guarantees for federal student loans.

During FY 2005, HESAA provided loan guarantees exceeding $633 million to over 167,000 students and parents. Students and parents saved an additional $6.3 million through HESAA’s waiving of the 1% insurance premium. As a result of these benefits, students were able to apply more funds from their student loan proceeds toward tuition and other educational costs.

NJCLASS OFFERS THE BEST OPTIONS ON STUDENT LOANS
HESAA helps families close the gap between financial aid and college costs by providing the College Loans to Assist State Students (NJCLASS). NJCLASS has become a national leader by offering one of the lowest fixed-rate supplemental loan programs. New Jersey residents can take NJCLASS loans worldwide, and all students attending schools in New Jersey are eligible to apply.

In FY 2005, NJCLASS originated and serviced over 11,800 loans exceeding $121 million. The NJCLASS total loan holdings exceed $880 million dollars.

“An investment in KNOWLEDGE pays the best interest.”
— Benjamin Franklin
Inventor and statesman
TOLL-FREE HOTLINES & WEB SITES

Trying to reach us has never been easier. HESAA undertook an extensive upgrade of the Call Center in 2005. Extended hours of operation, more efficient call routing, and call queues in English and Spanish mean better service for students and parents. Financial Aid Professionals get immediate service with a special toll-free number restricted for their use.

800.792.8670

HESAA’s web site receives approximately 1 million visitors, producing over 15 million hits annually, and provides New Jersey residents with detailed college information, applications, student aid calculators, and valuable links to other educational sites. Web messages are now routed through our Call Center, which enables quicker response times to inquiries.

www.hesaa.org

HESAA is a founding sponsor of this award-winning college planning web site, which provides information on financial aid opportunities, college selection, and career choices, as well as a chat room to address student’s concerns.

www.mapping-your-future.org

Publications

HESAA provides a valuable service to students, families, and financial aid professionals in the distribution of over one million informational booklets and brochures that explain the financial aid process and the availability of student aid programs. Our most popular publication, Going to College in New Jersey, highlights our institutions and, along with Life 101, illustrates how accessible higher education can be.
NEW JERSEY BETTER EDUCATION SAVINGS TRUST (NJBEST)

By partnering with Franklin Templeton Investments, HESAA can offer New Jersey residents reliable, professional investment advice. New and present account holders are able to benefit from a wide variety of investment options. NJBEST is the only 529 Plan in the country that offers the student a scholarship of up to $1500. It’s one of the reasons that NJBEST is considered by many to be among the best college savings programs in the country.

PROFESSIONAL SUPPORT

HESAA looks to help not only students and families, but assists our partners at educational institutions by providing on-site technical support and training.

The agency conducts audits and management reviews on college campuses of federal and state-supported programs.

HESAA has established a dedicated Professional Hotline, so that institutional staff receive immediate answers to questions.

“Today KNOWLEDGE is power. It controls access to opportunity and advancement.”

— Peter F. Drucker
Author and management consultant
FULFILLING OUR MISSION

PUBLIC OUTREACH
One of the Authority’s top priorities is public outreach. We provide college bound students and their families with the information they need to pursue an education beyond high school. In our efforts, HESAA reaches out to high schools, middle schools, business, cultural, and educational centers throughout the state on a daily basis.

In the past year, HESAA conducted visits, presentations, and workshops at 350 events, bringing our message of affordability and access to a higher education to over 20,000 students and families.

CONNECTING WITH STUDENTS
HESAA is dedicated to serving students. In order to better assist New Jersey students, HESAA goes right to the source. Created by the Legislature, The Student Advisory Committee (SAC) provides a consultative voice to the HESAA Board and the Authority. The committee consists of students from all sectors and levels of New Jersey higher education.

OUR MISSION is to provide students and families with the financial and informational resources for students to pursue their education beyond high school.
“America’s FUTURE walks through the doors of our schools every day.”

— Mary Jean LeTendre
Educator
## COMBINED BALANCE SHEET

### Assets
- **Cash and Cash Equivalents**: $42,779,690
- **Investments**: 1,366,156,430

### Receivables
- Federal Government: 13,921,226
- Loans: 668,360,332
- Other: 6,133,680

### Fixed Assets, Net: 1,170,019

### Other Assets
- Due from Intergovernmental Agencies: 629,430
- Deferred Charges: 7,047,233

### Total Assets: $2,106,198,040

### Liabilities and Fund Balances

### Liabilities
- Accounts payable and accrued expenses: $8,946,013
- Due to Federal Government: 4,985,440
- Due to other funds: 4,852,571
- Revenue bonds payable: 1,154,775,789

### Total Liabilities: $1,173,559,813

### Fund Balances
- Reserved for Loan Servicing: $54,404,912
- Restricted: 878,233,315

### Total Fund Balances: $932,638,227

### Total Liabilities and Fund Balances: $2,106,198,040

## COMBINED STATEMENT OF REVENUE, EXPENDITURES

### Revenues
- Appropriations: $253,932,824
- Federal and other grants: 54,573,010
- Fees: 76,114,092
- Investment earnings: 54,398,634
- Other: 361,362,953

### Total Revenues: $800,381,513

### Expenditures
- Direct grant aid to students: $226,014,021
- Program expenses: 119,808,961
- Administrative expenses: 27,000,149
- Debt service interest: 34,416,631

### Total Expenditures: $407,239,762

### Less:
- Year-end Lapsed Funds: ($27,711,589)

### Net Increase (Decrease) in Net Assets: $365,430,162

### Net Assets - June 30, 2004: $567,208,065

### Net Assets - June 30, 2005*: $932,638,227

*Of the total change in fund balance of over $365 million, approximately $358 million is the result of contributions and investment earnings on the NJBEST 529 Program, less related expenses.

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**NJBEST** has over 130,000 accounts totaling **$1.1 billion** of assets under management.
STUDENT AID STATISTICS FY 2005

NJBEST Fiscal Years 2003-2005

- 2003: $198.4 million
- 2004: $470.7 million
- 2005: $1.100 billion

Dollars Invested for College (in millions)

Total Volume: Grants, Scholarships & Loans

- 49% FFELP Loans: $633.9 million – 168,000 loans
- 25% Consolidated Loans: $333.5 million – 14,000 loans
- 17% Grants & Scholarships: $216.7 million – 82,000 awards
- 9% NJCLASS Loans: $121.4 million – 11,800 loans

Grants and Scholarships by Sector

- 33% Independent Colleges & Universities: $70.6 million – 14,600 awards
- 28% Rutgers/NJIT/UMDNJ: $59.7 million – 17,600 awards
- 24% State Colleges & Universities: $52.9 million – 19,400 awards
- 15% County Colleges: $33.5 million – 30,400 awards

Total Volume of Grants, Scholarships and Loans

Total 275,800 grants, scholarships and loans – $1.3 billion awarded

Grants and Scholarships by Sector

Total 82,000 awards – $216.7 million
**NJBEST Fiscal Years 2003-2005**

- 2003: 34 accounts (in thousands)
- 2004: 60 accounts
- 2005: 130 accounts

**OFFELP Loans by Sector**

- Independent Colleges & Universities: 39%
  - $249.0 million – 51,000 loans
- Proprietary & Vocational Institutions: 32%
  - $205.4 million – 65,500 loans
- State Colleges & Universities: 21%
  - $131.7 million – 31,500 loans
- County Colleges: 8%
  - $47.8 million – 20,000 loans

**NJCLASS Loans by Sector**

- Independent Colleges & Universities: 52%
  - $64.0 million – 5,100 loans
- State Colleges & Universities: 26%
  - $31.3 million – 3,400 loans
- Public Research Universities: 20%
  - $20.4 million – 3,000 loans
- County Colleges/Proprietary: 2%
  - $2.1 million – 300 loans

**FFELP Loans by Sector**

- Total 168,000 loans – $633.9 million awarded

* Excludes Consolidation Loans and Secondary Market Purchases

**Total 11,800 NJCLASS loans – $121.4 million**
Educational Opportunity Fund (EOF) Grants

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)

Governor’s Teaching Scholars Program (GTSP)

Law Enforcement Officers Memorial Scholarship (LEOM)

Leveraging Educational Assistance Partnership (LEAP)

Mapping-Your-Future

Minority Academic Careers (MAC)

Paul Douglas Teacher Scholarship Program

Student Unit Record Enrollment (SURE) System

The Primary Care Physician/Dentist Loan Redemption Program

“...The main hope of a nation lies in the proper EDUCATION of its youth...”

— Erasmus, Theologian
HESAA PROGRAMS

- Tuition Aid Grant Program (TAG)
- Part-Time TAG for County College Students
- Part-Time TAG for Educational Opportunity Fund Recipients
- Student Tuition Assistance Reward Scholarship (NJ STARS)
- Edward J. Bloustein Distinguished Scholars Award
- Urban Scholar Award
- Outstanding Scholar Recruitment Program (OSRP)
- New Jersey College Loans to Assist State Students (NJCLASS)
- Federal Stafford Loan
- Federal PLUS Loan
- Federal Consolidation Loan
- New Jersey Better Educational Savings Trust (NJBEST)
- New Jersey World Trade Center Scholarship Program
- Dana Christmas Scholarship for Heroism
- Teaching Fellows Program
- Social Services Loan Redemption Program
- Survivor Tuition Benefits Program
- Veterinary Medical Education Program