

# Leveraging Educational Assistance Partnership Program\*

## LEAP

### Purpose:

To make federal grants available to states to assist them in providing:

- (1)** grants to eligible students attending institutions of higher education or participating in programs of study abroad that are approved for credit by institutions of higher education at which such students are enrolled;
- (2)** grants to eligible students for campus-based community service work-study; and
- (3)** early aid estimates and college information through partnerships with colleges and private organizations.

### Issue:

Additional federal funding is needed for Leveraging Educational Assistance Partnership Program to attract new state funds for need-based student grants. **A \$100 million federal funding level is being recommended** by: the Committee For Education Funding, the Student Aid Alliance, the National Association of State Student Grant and Aid Programs (NASSGAP), and most other major higher education associations. **At \$100 million in federal funding, students will receive a total of up to \$270 million in grant aid.**

### How the

### Current Program Works:

Federal LEAP funds are awarded to states to encourage the retention and expansion of existing state grant programs, and to establish community service programs to help financially needy students pay for college. The program currently serves **1.1 million students** throughout the country. LEAP is the only federal HEA Title IV student financial aid program that requires state or local matching funds on **up to a 50/50** basis. For federal funds up to and including \$30 million, each federal LEAP dollar leverages at least \$2 in need-based student financial aid as states are required to expend from non-LEAP sources an amount equal to at least the average state expenditure during the past three years in order to qualify for federal funds. For federal funding that exceeds \$30 million, students receive \$3 in Special LEAP aid for every \$1 of federal funds because states contribute \$2 in new aid expenditures for every federal dollar.

A new **Grants for Access and Persistence (GAP)** component of LEAP, to be phased in to replace Special LEAP, raises the federal funding share to 66% when a state partners with colleges enrolling the majority of students in the state.

- (1) LEAP generates more than **\$1.2 billion in matching state spending** for need-based student grants. In FY 2006, the LEAP program was funded at \$64.5 million. That amount attracted nearly \$1.2 billion in state expenditures for student financial aid, as reported by the states to ED to satisfy the maintenance-of-effort provision. For some states, the maintenance of effort requirement established for the LEAP/SLEAP program ensures that the state continues to fund the state grant program, which might otherwise receive lesser or no funding. In 2006-2007, 1.1 million LEAP awards (including Special LEAP) were made. LEAP funds account for one-fifth or more of the need-based postsecondary education student financial aid provided in 2006-2007 by Alaska, Georgia, Hawaii, Idaho, Louisiana, and Wyoming.
- (2) LEAP increases **State matching funds** up to \$2 (State) for every \$1 (federal) for those appropriations above \$30 million. To receive a share of those federal funds above \$30 million, states are required to **increase** their total student aid **expenditures**. Since 2000-2001, states have provided more than **\$900 million in new** state funding to qualify for these allotments. **At \$100 million in federal funding, students would receive a total of up to \$270 million in grant aid.**
- (3) Under the new **Grants for Access and Persistence (GAP)** component of LEAP, states will also provide early aid estimates and outreach services to lower income students as early as middle school.
- (4) LEAP funds **improve student persistence and retention**. Research by the U.S. Department of Education and the General Accounting Office shows that grant-assisted students stay in postsecondary education at higher rates, as a major cause of dropping out is being countered with non-loan financial aid.
- (5) LEAP **encourages student work-study**. In a recent year, nearly 5,000 students received \$4.0 million in LEAP-related work-study state awards. An Education Department study, "Answers in the Tool Box," found that work-study employment bears **a positive relation to degree completion**. Under the GAP component of LEAP states will be monitoring degree completion of grant recipients.
- (6) LEAP-supported grant programs serve very needy students. According to the U.S. Department of Education, more than **53 percent of basic LEAP grant recipients in 2006-2007 had family incomes below \$20,000.**
- (7) The LEAP program works well to provide significant amounts of money within the federal student financial aid delivery system. The average basic LEAP-supported student grant was \$1,496 in 2006-2007, and \$484 for the Special LEAP program. The administration of the LEAP program is **fully integrated** within the student aid delivery system and the Free Application for Federal Student Aid.
- (8) The LEAP program serves as a **model for federal-state-institutional-student partnerships** that can be used for other programs. For example, the GEAR UP and College Access Challenge Grant programs assume continuation of the LEAP administration framework for the distribution of student scholarships and grants.
- (9) The LEAP appropriations spend-out rate is 19.6%, comparable to other Title IV programs, thus putting **no undue pressure on budgetary outlays**.
- (10) The LEAP program **supports the federal strategy for moving the nation toward the Strategic Plan Education Goals** of the U.S. Department of Education, particularly #5, "Enhance the Quality and Access to Postsecondary and Adult Education."

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\* Formerly the State Student Incentive Grant (SSIG) Program