

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 \$200 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. Currently, States match the \$64m in Federal LEAP appropriations with more than \$1 billion in aid to students. If funded at the increased and authorized level of **\$200 million in Federal funding**, students will be assured of healthy State financial aid and outreach programs necessary in these times of economic challenge.

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 **nearly one million students** throughout the country. With a dollar-for-dollar matching requirement, the base LEAP Program requires the highest match of any of the federal HEA Title IV student financial aid program. In addition, to qualify for Federal LEAP funds States are required to expend from non-LEAP sources an amount equal to at least the average State expenditure for the past three years. 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, that will replace Special LEAP, raises the federal funding share to up to 66% when a State partners with colleges enrolling the majority of students in the State.

- (1) LEAP **generates matching State spending** for need-based student grants. For some States, the maintenance of effort requirement established for the LEAP/SLEAP program will ensure that those States continue to fund the State grant program, which might otherwise receive less or no funding. In 2007-2008, nearly 986,000 LEAP awards (including Special LEAP) were made to students across the country.
- (2) LEAP **requires State matching funds** of up to \$1 for each Federal dollar appropriated, up to \$30m. To receive a share of Federal appropriations above \$30 million, States must increase their total student aid expenditures and their matching funds to \$2 for every \$1 in Federal funds. Each year since 2000-2001, States have provided more than **\$1 billion in new** State funding to qualify for these allotments even though the Federal allocation has been only about \$65m each of those years. Given the prior years' success, if LEAP funding were to be increased to authorized level of **\$200 million in federal funding**, States can continue to match the federal allocation beyond expectations, **and needy students will be the beneficiaries.**
- (3) Under the new **Grants for Access and Persistence (GAP)** component of LEAP, States will also provide early financial aid estimates and outreach services to lower income students as early as during their years in middle school. This is hoped to significantly impact the access of these students to higher education, a strategic goal of the U.S. Department of Education.
- (4) LEAP funds **improve student persistence and retention.** Research by the U.S. Department of Education and the General Accounting Office demonstrates that grant-assisted students persist longer than students that must rely entirely on loans to finance their postsecondary education.
- (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.**
- (6) Under the GAP component of LEAP states will be able to monitor and **enhance degree completion** of grant recipients.
- (7) 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 2007-2008 **had family incomes below \$20,000.**
- (8) 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 in 2007-08 was \$1,777, and \$531 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.
- (9) The LEAP program serves as a **model and framework for Federal-State-Institutional partnerships.** For example, the GEAR UP and College Access Challenge Grant programs use the LEAP administration framework for the distribution of student scholarships and grants.
- (10) The LEAP appropriations spend-out rate is 19.6%, comparable to other Title IV programs, thus putting **no undue pressure on budgetary outlays.**
- (11) 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."

Produced by the National Association of State Student Grant and Aid Programs (NASSGAP);

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