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national association of state student grant and aid programs
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NASSGAP REPORT TOUTS BENEFITS OF THE LEAP PROGRAM

The National Association of State Student Grant and Aid Programs (NASSGAP) today released a commissioned report highlighting the long-term success of the Federal Leveraging Educational Assistance Partnership (LEAP) Program, a program recommended for elimination in the president's FY 2008 budget.

The NASSGAP report directly responds to the U.S. Department of Education/OMB "PART" analysis, used in constructing the president's budget, which concluded that the $65 million federal LEAP program is not needed because its purpose – to help all states start student grant programs – has been achieved and it is not attracting new state funds.

NASSGAP's report found, instead, that: (1) the statutory purpose of LEAP is to provide **ongoing** assistance to states to provide grants to needy students; (2) since 2000, over $900 million in **new** state funds were allocated to need-based student grants as a result of the LEAP program; (3) nearly 60% of LEAP students reported family incomes under $20,000 (poverty level for a family of four); (4) since states receive no federal administrative funding, 100 percent of the federal appropriation and matching state funds benefit students; and, (5) since the states use the Federal application, the process students use to apply for state grants is streamlined.

According to the report, the unique matching component required by the LEAP program makes its expansion a powerful tool to help remove financial barriers to higher education for the nation's neediest students. "No other federally-funded student aid program comes close to the amount of leveraged funding provided through the LEAP program," claims Jamie H. Dushin, author of the report and a budget analyst at the Montana Guaranteed Student Loan Program. "States are currently matching at levels that could maintain $160 million in federal funding, which translates into nearly 130,000 additional studentawards."

The report concludes that if the federal funding for the program were eliminated, it would likely cause the termination of need-based student grant programs in at least five states. “In fact,” Mr. Dushin notes, “nearly 9 out of every 10 states would see losses in need-based grant funding to a demographic of students who need help the most.”

“We’re pleased that the President’s FY08 budget calls for a substantial increase in the Pell Grant program,” noted Mary Ann Welch, President of NASSGAP. “But given the direct federal costs of the program, attempting to completely fund student access only through Pell Grants is not a sustainable strategy.”

Welch added, “The states stand ready and willing to help find ways to meet the student access needs cited in Secretary Spelling’s recent commission on higher education, and in her *Action Plan for Higher Education: Improving Accessibility, Affordability, and Accountability.* At a time when the federal budget is stretched thin, it is unfortunate the Administration is leaving state dollars on the stump, instead of putting them to work for needy students.”

NASSGAP is mounting an aggressive information campaign, coordinated through its member agencies in every state, to inform policymakers of what their states will lose if the LEAP program is not fully funded. “Our research clearly shows that, if given the chance, the states can help address the growing college participation gap between high and low-income families, and increase the ability of our nation to remain economically competitive in the global market,” Welch concluded.

The report can be downloaded from the NASSGAP website (www.nassgap.org). For more information, contact Bart Astor at (571) 239-0511.