

# nassgap

**national association of state student grant and aid programs**  
*www.nassgap.org*



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## **President's Budget Would Result in Loss of College Grants to Needy Students**

President Bush's FY2009 budget proposal to zero-fund the Leveraging Educational Assistance Program (LEAP) would result in the loss of an estimated 70,000 college grants annually to needy students. The President's proposal also puts at risk the substantial State commitment to a federal-state partnership for college student aid.

The most recent program data from the U.S. Department of Education, demonstrates that the current federal funding of \$64 million for LEAP generates over \$840 million in grants to the neediest students. By zero funding LEAP, the President will dissolve the partnership with States that generates these awards, force some students to increase their borrowing to replace the lost funds, and damage, perhaps beyond repair, the platform that facilitates the States' coordination of their grant application processes with the federal student aid application process.

At the budget release briefing, federal officials reported that LEAP had accomplished its purpose by seeding the State programs and now that nearly all the states have a need-based grant program, the program was not needed. "Nothing could be further from the truth, notes Marilyn Cargill, NASSGAP president. "The statutory purpose of LEAP is to assist States in making need-based grants to students, an ongoing purpose. For many States, LEAP represents a significant portion of their total student grant program, and its elimination would jeopardize the very existence of those State programs," Ms. Cargill added.

Research shows that more grant funds are needed to enable college access for needy populations. No other federal program provides the leveraging effect of LEAP, as the majority of the federal LEAP funding must be matched by the States on a \$2-for-\$1 basis (state-to-federal). That is, students receive \$3 in grant aid for every \$1 of federal funding.

LEAP is very effective in serving the lowest income students. According to latest federal data, 56% of LEAP funds were made to students whose family income levels were below \$20,000. All of the federal funding goes directly to students and the program is fully integrated within State aid application and award processes.

NASSGAP is calling upon the Congress to reject the President's proposal to eliminate LEAP. "Our nation's economic growth and recovery relies on an educated work-force. Our nation cannot afford to eliminate the LEAP program, any of the grants to the students it serves, or to damage the partnership between the states and the federal government that is so necessary to doing the most possible to educate as many as possible," Ms. Cargill noted.

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