

## AMENDMENTS TO SENATE BILL NO. 795

Sponsor: SENATOR A. WILLIAMS

Printer's No. 902

1 Amend Bill, page 1, lines 5 and 6, by striking out  
2 "establishing the Lifeline Scholarship" in line 5 and all of  
3 line 6 and inserting  
4 establishing the Pennsylvania Award for Student Success  
5 Scholarship Program.

6 Amend Bill, page 1, lines 10 and 11, by striking out "an  
7 article" and inserting  
8 articles

9 Amend Bill, page 1, lines 12 through 19; pages 2 through 14,  
10 lines 1 through 30; page 15, lines 1 through 18; by striking out  
11 all of said lines on said pages and inserting

ARTICLE XXVII-E(Reserved)ARTICLE XVII-FPENNSYLVANIA AWARD FOR STUDENT  
SUCCESS SCHOLARSHIP PROGRAMSection 1701-F. Scope of article.

18 This article relates to the Pennsylvania Award for Student  
19 Success Scholarship Program.

Section 1702-F. Definitions.

21 The following words and phrases when used in this article  
22 shall have the meanings given to them in this section unless the  
23 context clearly indicates otherwise:

24 "Applicant." A parent who applies for participation in the  
25 program under section 1704-F on behalf of an eligible student.

26 "Attendance boundary." As defined in section 2002-B.

27 "Department." The Department of Education of the  
28 Commonwealth.

29 "Eligible student." A school-age child who:

30 (1) Is a resident of this Commonwealth.

31 (2) Has not received a high school diploma.

32 (3) Resides, as determined under section 1302, within  
33 the attendance boundary of a low-achieving school or resided,

1 as determined under section 1302, within the attendance  
2 boundary of a low-achieving school at the time the State  
3 Treasury received written confirmation that the child  
4 accepted an offer of enrollment under section 1704-F.

5 (4) Lives in a household with a household income below  
6 250% of the Federal poverty guidelines or lived in a  
7 household with a household income below 250% of the Federal  
8 poverty guidelines at the time the State Treasury received  
9 written confirmation that the child accepted an offer of  
10 enrollment under section 1704-F.

11 (5) Satisfies one of the following:

12 (i) Attended a public school in this Commonwealth in  
13 the preceding school year.

14 (ii) Received a scholarship from the program in the  
15 preceding school year.

16 (iii) Will attend kindergarten for the first time in  
17 the next school year.

18 "Fund." The Pennsylvania Award for Student Success  
19 Scholarship Fund established in section 1708-F.

20 "Kindergarten." A one-year formal educational program,  
21 whether part time or full time, that occurs during the school  
22 year immediately prior to first grade.

23 "Low-achieving school." As defined in section 2002-B.

24 "Nonpublic school." A nonprofit school, other than a public  
25 school, located in this Commonwealth where a resident of this  
26 Commonwealth may legally fulfill the compulsory attendance  
27 requirements of this act.

28 "Parent." An individual who is a resident of this  
29 Commonwealth and:

30 (1) has legal custody or guardianship of an eligible  
31 student; or

32 (2) keeps in the individual's home an eligible student  
33 and supports the student gratis as if the student were a  
34 lineal descendant of the individual.

35 "Participating nonpublic school." A nonpublic school  
36 offering a program of instruction for kindergarten through grade  
37 twelve, or a combination of grades, that notifies the State  
38 Treasury of the nonpublic school's desire to participate in the  
39 program and provides certification to the State Treasury that  
40 the nonpublic school meets the criteria under section 1711-F.

41 "PASS scholarship account." A spending account established  
42 and administered by the State Treasury, and directed by a parent  
43 for a scholarship recipient, that may be used for tuition,  
44 school-related fees and special education services fees to  
45 attend a participating nonpublic school.

46 "Program." The Pennsylvania Award for Student Success  
47 Scholarship Program established under section 1703-F(a).

48 "Public school." A school operated by a school district, an  
49 intermediate unit, area career and technical school, a charter  
50 school, regional charter school or cyber charter school.

51 "Resident school district." The school district in which an

1 eligible student resides.

2 "Scholarship." A scholarship that is awarded to an eligible  
3 student under the program.

4 "Scholarship recipient." An eligible student that is awarded  
5 a scholarship under the program.

6 "School-age child." A child enrolling in kindergarten or in  
7 grade one through grade twelve.

8 "School-related fee." A fee charged by a participating  
9 nonpublic school to all students for books, instructional  
10 materials, technology equipment and services, uniforms,  
11 activities and concurrent enrollment programs under Article XVI-  
12 B.

13 "School year." A school term as defined in section 102.

14 "Special education services fee." A fee charged by a  
15 participating nonpublic school for special education services  
16 for a student with special needs as agreed to by the parent and  
17 the participating nonpublic school.

18 "State Treasury." The Treasury Department of the  
19 Commonwealth.

20 "Student with special needs." A child who is subject to an  
21 individualized education program under 20 U.S.C. Ch. 33  
22 (relating to education of individuals with disabilities) and 22  
23 Pa. Code Ch. 14 (relating to special education services and  
24 programs).

25 Section 1703-F. Pennsylvania Award for Student Success  
26 Scholarship Program.

27 (a) Establishment.--Beginning with the 2024-2025 school  
28 year, the Pennsylvania Award for Student Success Scholarship  
29 Program is established as a program in the State Treasury to  
30 provide scholarships to help eligible students pay tuition,  
31 school-related fees and special education services fees for  
32 attendance at a participating nonpublic school. The program may  
33 be referred to as the PASS Scholarship Program.

34 (b) Notice to parents.--

35 (1) Within 15 days of receipt of a notice under section  
36 2010-B, a school district with at least one school designated  
37 as a low-achieving school shall notify the parent of a  
38 student who is attending or residing within the attendance  
39 boundary of a low-achieving school during the school year of  
40 the school's designation.

41 (2) The notice shall be in a form provided by the State  
42 Treasury, in consultation with the department, and shall  
43 provide the following information regarding the program:

44 (i) A description of the program.

45 (ii) Instructions for obtaining information about  
46 applying for a scholarship under the program.

47 (iii) A list of schools in the school district that  
48 have been designated as low-achieving schools.

49 (iv) Notice of the parent's responsibilities  
50 regarding application to a participating nonpublic school  
51 if the parent seeks to enroll an eligible student in a

1 participating nonpublic school.

2 (3) The notice shall be posted on the school district's  
3 publicly accessible Internet website.

4 (c) Notice to State Treasury.--A school district required to  
5 submit a notice to parents under subsection (b) shall provide  
6 the State Treasury with a list of students whose parents were  
7 provided the notice. The notification shall be made in a manner  
8 and form established by the State Treasury.

9 Section 1704-F. Application.

10 (a) Application form.--By June 1, 2024, the State Treasury  
11 shall develop an application form that can be accessed from and  
12 submitted electronically on the State Treasury's publicly  
13 accessible Internet website.

14 (b) Application and approval process.--

15 (1) By July 1, 2024, and by April 1 of each year  
16 thereafter, the applicant may apply to the State Treasury for  
17 a scholarship for the following school year according to  
18 guidelines developed by the State Treasury under section  
19 1709-F. An application shall be approved by the State  
20 Treasury if the student meets the eligibility requirements of  
21 this article.

22 (1.1) A renewal application shall be approved by the  
23 State Treasury if the student meets the eligibility  
24 requirements of this article, notwithstanding the residence  
25 and income criteria specified in paragraphs (3) and (4) of  
26 the definition of "eligible student" in section 1702-F.

27 (1.2) The parent may appeal the State Treasury's  
28 decision regarding nonapproval of an application. The appeal  
29 shall be governed by 2 Pa.C.S. Chs. 1 (relating to general  
30 provisions), 5 (relating to practice and procedure) and 7  
31 (relating to judicial review).

32 (2) By July 1, 2024, and by May 1 of each year  
33 thereafter, the State Treasury shall notify the applicant  
34 whether a scholarship will be awarded for the following  
35 school year.

36 (3) For the 2024-2025 school year, scholarships shall be  
37 awarded on a first-come, first-served basis considering money  
38 available in the fund.

39 (4) For the 2025-2026 school year and each school year  
40 thereafter, priority for scholarships shall be given to prior  
41 year scholarship recipients. New applicants shall be awarded  
42 a scholarship on a first-come, first-served basis considering  
43 money available in the fund.

44 (5) Upon notification by the State Treasury that a  
45 scholarship has been awarded, the applicant shall apply for  
46 enrollment of the scholarship recipient directly to the  
47 participating nonpublic school under an application procedure  
48 developed by the participating nonpublic school.

49 (6) By July 1, 2024, and by June 1 each year thereafter,  
50 a participating nonpublic school shall provide written  
51 confirmation to the State Treasury of scholarship recipients

1 who have accepted an offer of enrollment for the following  
2 school year and provide the State Treasury with the amounts  
3 to be charged to the scholarship recipient for tuition,  
4 school-related fees and special education services fees. The  
5 notification shall be made in a manner and form established  
6 by the State Treasury.

7 (7) The State Treasury may establish a waiting list for  
8 eligible students with approved applications and who did not  
9 receive awards due to availability of money in the fund and,  
10 if, after July 1, 2024, and by July 1 each year thereafter,  
11 additional money is available in the fund for scholarships,  
12 may award scholarships to the eligible students on a first-  
13 come, first-served basis.

14 Section 1705-F. Agreement.

15 (a) Authorization.--Upon receipt of written confirmation  
16 that the scholarship recipient has accepted an offer of  
17 enrollment under section 1704-F, the State Treasury shall enter  
18 into or renew an agreement with the applicant. The agreement  
19 shall provide the following:

20 (1) The scholarship recipient shall enroll in a  
21 participating nonpublic school for the school year for which  
22 the agreement applies.

23 (2) A certain sum of money shall be deposited into a  
24 PASS scholarship account under section 1706-F on behalf of  
25 the scholarship recipient.

26 (3) The money in the PASS scholarship account may be  
27 expended only as authorized under this article.

28 (4) The parent shall notify the State Treasury if the  
29 scholarship recipient no longer resides in this Commonwealth  
30 or withdraws or is forced to withdraw from the participating  
31 nonpublic school within 15 days of the change of residency or  
32 withdrawal.

33 (b) Term of agreement.--Except as otherwise provided under  
34 this article, an agreement entered into under subsection (a)  
35 shall be valid for one school year.

36 (c) Termination.--

37 (1) An agreement entered into under subsection (a) may  
38 be terminated early by the parent for any reason.

39 (2) An agreement entered into under subsection (a) shall  
40 be terminated by the State Treasury for the following  
41 reasons:

42 (i) The parent is found to have engaged in  
43 fraudulent misuse of the PASS scholarship account. In  
44 such case, the scholarship recipient shall be ineligible  
45 for future participation in the program. The parent may  
46 appeal the State Treasury's decision regarding  
47 termination and student eligibility within 30 days of  
48 issuance of the decision. The appeal shall be governed by  
49 2 Pa.C.S. Chs. 1 (relating to general provisions), 5  
50 (relating to practice and procedure) and 7 (relating to  
51 judicial review).

1           (ii) The scholarship recipient no longer resides in  
2 this Commonwealth.

3           (iii) The scholarship recipient withdraws or is  
4 forced to withdraw from a participating nonpublic school  
5 prior to the completion of the school year.

6       (3) If an agreement is terminated early under this  
7 subsection, the following shall apply:

8           (i) All available money in the PASS scholarship  
9 account shall revert to the fund.

10          (ii) The participating nonpublic school shall repay  
11 to the State Treasury for deposit into the fund the full  
12 amount of the scholarship payment, reduced on a pro rata  
13 basis by the tuition, school related fees and special  
14 education services fees owed for the portion of the  
15 school year in which the scholarship recipient was  
16 enrolled.

17          (iii) The participating nonpublic school may not  
18 require a parent to reimburse the participating nonpublic  
19 school for the amount of the scholarship returned to the  
20 State Treasury.

21       (d) Renewal.--An agreement entered into under subsection (a)  
22 may be renewed for each school year for the same student.

23       (e) Multiple agreements.--A parent may enter into separate  
24 agreements under subsection (a) for each child of the parent who  
25 is a scholarship recipient.

26       (f) Explanation.--Upon entering into an agreement under  
27 subsection (a) or renewing an agreement under subsection (d),  
28 the State Treasury shall provide the parent with a written  
29 explanation of the authorized uses of the money in the PASS  
30 scholarship account and, a notice that students with  
31 disabilities who participate in the program are "parentally  
32 placed private school children with disabilities" under 20  
33 U.S.C. § 1412 (relating to state eligibility) and an explanation  
34 of the rights of parentally placed private school children under  
35 20 U.S.C. Ch. 33 (relating to Education of Individuals with  
36 Disabilities) ("Individuals with Disabilities Education Act")  
37 and any applicable State law and regulation.

38 Section 1706-F. Pennsylvania Award for Student Success  
39 Scholarship Account.

40       (a) Establishment.--If an agreement is entered into under  
41 section 1705-F(a), the State Treasury shall establish a  
42 Pennsylvania Award for Student Success Scholarship Account for  
43 the scholarship recipient. The PASS scholarship account shall be  
44 administered by the State Treasury in accordance with this  
45 article.

46       (b) Deposit.--

47           (1) Upon establishment of a PASS scholarship account,  
48 the State Treasury shall deposit a sum of money for the  
49 applicable school year in the PASS scholarship account for  
50 the scholarship recipient in accordance with this section.

51           (2) For the 2024-2025 school year, the sum shall be as

1 follows:

2 (i) for a student in half-day kindergarten, \$2,500;

3 (ii) for a student in full-day kindergarten through  
4 grade eight, \$5,000;

5 (iii) for a student in grade nine through grade  
6 twelve, \$10,000; or

7 (iv) for a student with special needs regardless of  
8 grade level, \$15,000.

9 (3) Beginning with the 2025-2026 school year, and each  
10 school year thereafter, the amounts in paragraph (2) shall be  
11 increased by the greater of the average percentage increase  
12 in the index as defined in section 302 of the act of June 27,  
13 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer  
14 Relief Act, for all school districts for the prior school  
15 year and the percentage increase in the appropriation for  
16 basic education for the prior fiscal year. The State Treasury  
17 shall calculate the increases on an annual basis and shall  
18 submit a notice of the increases to the Legislative Reference  
19 Bureau for publication in the next available issue of the  
20 Pennsylvania Bulletin.

21 (c) Installments.--The State Treasury shall deposit the  
22 money for each scholarship into a PASS scholarship account on a  
23 schedule determined by the State Treasury in consultation with  
24 the department.

25 (d) Payments to participating nonpublic schools.--A parent  
26 may direct payments from the PASS scholarship account to a  
27 participating nonpublic school on behalf of the scholarship  
28 recipient via an electronic money transfer system or other  
29 method approved by the State Treasury under section 1709-F.  
30 Section 1707-F. Qualified education expenses.

31 (a) General rule.--Money deposited into a PASS scholarship  
32 account may be used only to pay for the following qualified  
33 expenses incurred by or associated with the scholarship  
34 recipient:

35 (1) Tuition required by a participating nonpublic  
36 school.

37 (2) School-related fees.

38 (3) Special education services fees.

39 (b) Prohibition.--A participating nonpublic school that  
40 receives a payment for qualified education expenses authorized  
41 under subsection (a) may not refund, rebate or otherwise  
42 directly share any portion of the payment with the parent who  
43 made the payment.

44 (c) Tax consequences and status of awards.--

45 (1) The money in a PASS scholarship account is not  
46 taxable income to the parent or scholarship recipient under  
47 State law.

48 (2) An award made to, or payment from, a PASS  
49 scholarship account may not be construed to be an  
50 appropriation or financial assistance to a participating  
51 nonpublic school.

1 Section 1708-F. Pennsylvania Award for Student Success  
2 Scholarship Fund.

3 (a) Establishment.--The Pennsylvania Award for Student  
4 Success Scholarship Fund is established in the State Treasury.  
5 All interest and earnings received from investment or deposit of  
6 the money in the fund shall be paid into the fund and used for  
7 scholarships. Any unexpended money and interest or earnings on  
8 the money in the fund may not be transferred or revert to the  
9 General Fund but shall remain in the fund.

10 (b) Funding.--The fund shall consist of money that is  
11 appropriated, given, granted or donated by the Commonwealth or  
12 any other government or private agency or person for the purpose  
13 established under this article.

14 (c) Continuing appropriation.--The money in the fund is  
15 appropriated on a continuing basis to the State Treasury for  
16 scholarships.

17 Section 1709-F. Duties of State Treasury.

18 (a) General rule.--The State Treasury shall:

19 (1) Develop guidelines, in consultation with the  
20 department, as necessary for the administration of this  
21 article.

22 (2) Make payments to PASS scholarship accounts as  
23 provided in this article.

24 (3) Develop a system that enables a parent to direct  
25 payment to a participating nonpublic school in accordance  
26 with this article.

27 (4) Develop a process by which a nonpublic school may  
28 inform the State Treasury of the nonpublic school's interest  
29 to participate in the program and demonstrate compliance with  
30 the requirements of this article.

31 (5) Ensure that eligible students and their parents are  
32 informed annually of the participating nonpublic schools in  
33 the program by posting a list of participating nonpublic  
34 schools on the State Treasury's publicly accessible Internet  
35 website by June 1, 2024, and by April 1 of each year  
36 thereafter.

37 (6) At such time and in such form and manner as may be  
38 directed by the State Treasury, request and receive  
39 information and data from a public school, resident school  
40 district, participating nonpublic school or applicant  
41 determined to be necessary by the State Treasury to  
42 administer this article.

43 (b) Third-party administration.--The State Treasury may  
44 contract with a third party to administer the program.

45 (c) Contracting.--

46 (1) Notwithstanding any provision of 62 Pa.C.S. Pt. I  
47 (relating to Commonwealth Procurement Code), to the contrary  
48 and in order to facilitate the prompt implementation of this  
49 article, a contract may be awarded for a supply or service  
50 without competition if the State Treasury determines in  
51 writing that the contract is necessary for the implementation



1 of any provision of this article and is in the best interest  
2 of the Commonwealth. The State Treasury shall provide and  
3 make publicly available a written justification of any  
4 procurement under this section.

5 (2) Paragraph (1) shall expire no later than two years  
6 following the issuance of the procurement under paragraph  
7 (1). Procurements issued after this period shall be issued as  
8 provided by law.

9 (d) Regulations.--

10 (1) In order to facilitate the prompt implementation of  
11 this chapter, regulations determined to be necessary and  
12 promulgated by the State Treasury shall be deemed temporary  
13 regulations and shall expire no later than two years  
14 following the publication of temporary regulations. The State  
15 Treasury may promulgate temporary regulations not subject to:

16 (i) Section 612 of the act of April 9, 1929  
17 (P.L.177, No.175), known as The Administrative Code of  
18 1929.

19 (ii) Sections 201, 202, 203, 204 and 205 of the act  
20 of July 31, 1968 (P.L.769, No.240), referred to as the  
21 Commonwealth Documents Law.

22 (iii) Section 204(b) of the act of October 15, 1980  
23 (P.L.950, No.164), known as the Commonwealth Attorneys  
24 Act.

25 (iv) The act of June 25, 1982 (P.L.633, No.181),  
26 known as the Regulatory Review Act.

27 (2) The authority provided to the State Treasury to  
28 adopt temporary regulations in this subsection shall expire  
29 no later than two years following the publication of the  
30 temporary regulations. Regulations adopted after this period  
31 shall be promulgated as provided by law.

32 Section 1710-F. Duties of Auditor General.

33 The Auditor General may:

34 (1) Conduct a random audit of PASS scholarship accounts.

35 (2) Refer cases of suspected fraudulent misuse of PASS  
36 scholarship accounts to the Inspector General for  
37 investigation. If the investigation results in a finding that  
38 risks to the level of criminal activity, the Inspector  
39 General shall refer the matter to the appropriate law  
40 enforcement agency for prosecution.

41 (3) Notify the State Treasury of cases of suspected  
42 fraudulent misuse that are referred to the Inspector General.

43 Section 1711-F. Duties of participating nonpublic schools.

44 (a) Notification requirement.--A nonpublic school that  
45 desires to participate in the program shall notify the State  
46 Treasury by a date and in a manner and form established by the  
47 State Treasury. The notification shall include certification by  
48 the nonpublic school that:

49 (1) The nonpublic school is a nonprofit entity exempt  
50 from Federal taxation under 26 U.S.C. § 501(c)(3) (relating  
51 to exemption from tax on corporations, certain trusts, etc.).

1       (2) The nonpublic school complies with the  
2       nondiscrimination policies specified in 42 U.S.C. § 1981  
3       (relating to equal rights under the law).

4       (3) The nonpublic school complies with the provisions of  
5       sections 111 and 111.1.

6       (b) Prohibition.--A participating nonpublic school may not  
7       charge a Pennsylvania award for student success scholarship  
8       recipient a tuition rate, student-related fees or special  
9       education services fees that are higher than the rates the  
10       participating nonpublic school would have charged to a student  
11       who had not received a Pennsylvania award for student success  
12       scholarship.

13       (c) Reporting requirements.--

14       (1) Each participating nonpublic school shall report in  
15       a manner and form determined by the State Treasury, in  
16       consultation with the department, information regarding  
17       scholarship recipients enrolled in the participating  
18       nonpublic school as follows:

19               (i) Enrollment and disenrollment.

20               (ii) Regular attendance.

21               (iii) Chronic absenteeism.

22               (iv) Academic progress as measured by advancement to  
23       the next grade level.

24               (v) Indication of graduation.

25               (vi) Concurrent or dual enrollment course credits.

26       (2) The State Treasury shall report the information  
27       regularly to the department on a schedule agreed to by the  
28       State Treasury and the department.

29       (d) Construction.--

30       (1) For purposes of this article, a participating  
31       nonpublic school shall be autonomous and is not an agent of  
32       the State Treasury, the department or the Commonwealth.

33       (2) Neither the State Treasury, the department nor other  
34       State agency may regulate the educational program of a  
35       participating nonpublic school that accepts money from a  
36       scholarship recipient beyond what is necessary to administer  
37       the program.

38       Section 1712-F. Bar of certain participating nonpublic schools.

39       (a) General rule.--The State Treasury may bar a nonpublic  
40       school from participation in the program if State Treasury  
41       establishes that the nonpublic school has:

42               (1) routinely failed to comply with the requirements  
43       established in section 1711-F; or

44               (2) failed to provide a scholarship recipient with the  
45       educational services funded by the recipient's PASS  
46       scholarship account.

47       (b) Notice.--If the State Treasury bars a nonpublic school  
48       from participation in the program, the State Treasury shall,  
49       after any appeal is concluded and the State Treasury's decision  
50       is upheld under subsection (c), post the decision on the State  
51       Treasury's publicly accessible Internet website.

1 (c) Appeal.--A nonpublic school may appeal the State  
2 Treasury's decision to bar its participation in the program  
3 within 30 days of issuance of the decision. The appeal shall be  
4 governed by 2 Pa.C.S. Chs. 1 (relating to general provisions), 5  
5 (relating to practice and procedure) and 7 (relating to judicial  
6 review).

7 Section 1713-F. Duties of resident school districts.

8 A resident school district shall provide a participating  
9 nonpublic school that has admitted a scholarship recipient with  
10 a complete copy of the scholarship recipient's school record  
11 within 10 days of the receipt of notice from the participating  
12 nonpublic school of the scholarship recipient's enrollment.

13 Section 1714-F. Report.

14 (a) Duty to prepare and submit.--Beginning January 31, 2025,  
15 and each January 31 thereafter, the State Treasury, in  
16 consultation with the department, shall prepare and submit to  
17 the General Assembly an annual report on the program.

18 (b) Contents.--The report shall include the following:

19 (1) The total number of applications received for the  
20 program.

21 (2) The total number of applications received for the  
22 program, by resident school district.

23 (3) The total number of applications approved for the  
24 program.

25 (4) The total number of applications approved for the  
26 program, by resident school district.

27 (5) The total number of PASS scholarship accounts  
28 terminated early.

29 (6) The total number of PASS scholarship accounts  
30 investigated for fraud by the Inspector General.

31 (7) The total number of scholarships awarded to students  
32 attending half-day kindergarten.

33 (8) The total number of scholarships awarded to students  
34 attending full-day kindergarten through grade eight.

35 (9) The total number of scholarships awarded to students  
36 attending grade nine through grade twelve.

37 (10) The total dollar amount of scholarships awarded.

38 (11) The total number of applications not approved due  
39 to lack of funding.

40 (12) The cost of administration of the program.

41 (13) Other information the State Treasury deems helpful  
42 to the General Assembly.