
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2390 Session of
2022

INTRODUCED BY ROZZI, SCHLOSSBERG, HOWARD, MADDEN, HILL-EVANS,
KINSEY, SANCHEZ, GUZMAN, PARKER, FREEMAN, HARKINS, HANBIDGE,
DELLOSO, N. NELSON AND SCHWEYER, MARCH 8, 2022

REFERRED TO COMMITTEE ON EDUCATION, MARCH 8, 2022

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," providing for Affordability of
6 College Education Scholarship Program.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
10 as the Public School Code of 1949, is amended by adding an
11 article to read:

12 ARTICLE XX-L

13 AFFORDABILITY OF COLLEGE EDUCATION

14 SCHOLARSHIP PROGRAM

15 Section 2001-L. Definitions.

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

19 "Academic year." A complete school year commencing on or

1 after August 1 of the calendar year.

2 "Cost of attendance." The direct and indirect costs relating
3 to attendance at an institution. The term includes tuition and
4 fees, room and board or living expenses, books, supplies,
5 transportation, loan fees, the documented cost of a personal
6 computer and other school-related miscellaneous expenses,
7 allowance for child care or other dependent care, costs related
8 to a disability, eligible study-abroad programs, costs related
9 to student teaching and any other cost approved by the
10 department.

11 "Department." The Department of Education of the
12 Commonwealth.

13 "Eligible student." An individual who meets the eligibility
14 criteria specified in section 2006-L.

15 "Emergency grant." A grant to a student by the State system
16 to cover emergency funding needs of a student such as textbook
17 expenses, small outstanding balances on a scholarship
18 recipient's account with an institution or other emergency needs
19 deemed acceptable by the institution.

20 "FAFSA" or "application." The Free Application for Federal
21 Student Aid.

22 "Financial aid." Money paid by an entity on behalf of a
23 student enrolled in higher education to help pay for college or
24 career school. The term includes grants, work study, loans and
25 scholarships.

26 "Full-time enrollment." A course load of credited classes
27 that add up to 12 or more credits per academic semester.

28 "Funding award." A transfer of funds from the account to the
29 State system to fund scholarship awards and emergency grants.

30 "Institution." A State-owned college or university within

1 the State system established and listed in section 2002-A(a).

2 "Institutional aid." Financial aid offered to a student of
3 an institution directly by the institution. The term includes
4 merit aid, gift aid and athletic awards.

5 "Private scholarship." Financial aid awards funded by
6 entities other than the Federal Government, the Commonwealth or
7 an institution, including awards by companies, service groups,
8 foundations, organizations and individuals.

9 "Program." The Affordability of College Education
10 Scholarship (ACES) Program established under section 2002-L.

11 "Program administration agreement." The written agreement
12 between the department and the State system that governs the
13 administration of the program.

14 "Scholarship agreement." The written agreement between the
15 institution and a scholarship recipient when a scholarship award
16 is made.

17 "Scholarship award." An award of program funds made by the
18 State system to an eligible student toward the costs of
19 attendance.

20 "Scholarship recipient." An eligible student who is awarded
21 a scholarship or emergency grant.

22 "State system." The State System of Higher Education
23 established under Article XX-A.
24 Section 2002-L. Affordability of College Education Scholarship
25 Program.

26 (a) Establishment.--The Affordability of College Education
27 Scholarship (ACES) Program is established within the department.

28 (b) Funding award.--The department shall make a funding
29 award to the State system. The State system shall use the
30 funding award to make scholarship awards and emergency grants to

1 eligible students. The department shall allocate the funds
2 appropriated to the department for the program as follows:

3 (1) One-quarter of 1% for reimbursement for the
4 administrative program costs incurred by the department,
5 including costs for data collection, audits and reviews under
6 section 2003-L(e).

7 (2) Three-quarters of 1% for reimbursement for the
8 administrative program costs incurred by the State system,
9 including costs incurred by the State system under section
10 2004-L(d) (5).

11 (3) One percent for funding by the State system of
12 emergency grants.

13 (4) Eighty-eight percent for funding by the State system
14 of scholarship awards.

15 (c) Available funds.--The department shall make a funding
16 award to the State system from funds appropriated to the
17 department for that purpose.

18 Section 2003-L. Duties of department.

19 (a) Program administration agreement.--The department shall
20 enter into a program administration agreement with the State
21 system which shall include the following:

22 (1) The amount of the funding award being made by the
23 department to the State system.

24 (2) The timing of the funding award.

25 (3) The responsibilities of the State system as an
26 administrator of the program, as prescribed in section 2004-
27 L, including data reporting requirements and performance
28 benchmarks.

29 (4) Posting of the application for the program on the
30 department's publicly accessible Internet website.

1 (5) Other terms and conditions as deemed necessary by
2 the department through regulations.

3 (b) Termination of program administration agreement.--The
4 department may terminate the program administration agreement
5 with the State system if the department determines any of the
6 following:

7 (1) The State system breached a material term or
8 condition of the program administration agreement, including
9 failure to meet performance benchmarks, accountability
10 standards or data reporting requirements.

11 (2) The State system misused a funding award as
12 determined by an audit by the department, the Auditor General
13 or an auditor contracted by the State system or an
14 institution.

15 (3) The State system violated a condition specified by
16 the department in regulations.

17 (c) Administration after termination.--If the department
18 terminates a program administration agreement with the State
19 system under subsection (b), the department may administer the
20 program or may contract with a third party to provide program
21 administration.

22 (d) Form of scholarship agreement.--The department, in
23 coordination with the State system, shall develop the form of
24 scholarship agreements to be used by the State system when
25 awarding a scholarship.

26 (e) Audits, review and collection of data.--The department
27 may conduct audits and reviews and collect data of the
28 scholarship awards and emergency grants made by the State system
29 as the department determines to be necessary or appropriate.

30 (f) Regulations.--The department shall promulgate

1 regulations as necessary to implement, administer and enforce
2 this article.

3 (g) Temporary regulations.--The following provisions shall
4 apply:

5 (1) In order to facilitate the prompt implementation of
6 this article, the department shall promulgate temporary
7 regulations that shall expire no later than three years
8 following the effective date of this section. The temporary
9 regulations shall not be subject to:

10 (i) Sections 201, 202, 203, 204 and 205 of the act
11 of July 31, 1968 (P.L.769, No.240), referred to as the
12 Commonwealth Documents Law.

13 (ii) Section 204(b) of the act of October 15, 1980
14 (P.L.950, No.164), known as the Commonwealth Attorneys
15 Act.

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

18 (2) The department shall transmit notice of the
19 temporary regulations to the Legislative Reference Bureau for
20 publication in the Pennsylvania Bulletin.

21 (h) Guidelines for awards.--The department shall develop
22 written guidelines, in consultation with the State system, for
23 the implementation of this article. The guidelines may
24 prioritize scholarship awards for students pursuing certain
25 degree programs or career pathways identified using labor market
26 data.

27 Section 2004-L. Duties of State system.

28 (a) Administration.--The State system shall administer the
29 program in accordance with the program administration agreement.

30 (b) Assign rights.--At the request of the department, the

1 State system shall assign rights in the scholarship agreements
2 to the department.

3 (c) Accountability.--The State system shall meet benchmarks
4 and accountability standards as prescribed by the department in
5 the regulations or program administration agreement.

6 (d) Powers and duties.--The powers and duties of the State
7 system under the program shall include:

8 (1) Entering into a program administration agreement
9 with the department.

10 (2) Developing, in coordination with the department, the
11 form of scholarship agreements to be used by the State system
12 when awarding a scholarship.

13 (3) Awarding scholarships and executing scholarship
14 agreements with eligible students on a form prescribed by the
15 department.

16 (4) Enforcing scholarship agreements.

17 (5) Preparing reports and compiling program data as
18 requested by the department in a form and manner as
19 prescribed by the department.

20 (6) Coordinating with the institutions and the
21 department on the administration of the program.

22 (7) Collaborating with the department and institutions
23 on outreach to promote the program.

24 (8) Performing other responsibilities needed for the
25 administration of the program as determined by the
26 department.

27 Section 2005-L. Duties of institutions.

28 (a) Coordinate administration.--The institutions shall
29 coordinate with the State system in the administration of the
30 program.

1 (b) Duties.--The institutions shall have the following
2 powers and duties:

3 (1) Determining whether an individual qualifies as an
4 eligible student under section 2006-L.

5 (2) Determining the amount of the scholarship award or
6 emergency grant for which an eligible student qualifies.

7 (3) Preparing a financial need analysis for each
8 eligible student using the FAFSA or another institutional
9 form approved by the department.

10 (4) Counseling eligible students about the requirements
11 of the program.

12 (5) Making required refunds to the State system under
13 section 2007-L.

14 (6) Collaborating with the department and the State
15 system on outreach to promote the program.

16 (7) Confirming standards of academic progress for
17 scholarship recipients.

18 (8) Performing other program duties and responsibilities
19 as determined by the department or State system.

20 (c) Local branding.--Institutions may adopt local branding
21 for the program to align and assist with their recruitment and
22 retention strategies. Local branding shall be consistent with
23 the regulations and guidelines established by the department,
24 the eligibility qualifications under section 2006-L and the
25 duties of institutions under subsection (b), and must be
26 approved by the State system.

27 Section 2006-L. Qualifications of scholarship recipients.

28 (a) Qualifications.--To receive a scholarship award, a
29 scholarship recipient must meet the following qualifications:

30 (1) Graduate from high school or earn a general

1 educational development (GED) diploma or equivalent.

2 (2) Receive acceptance and matriculate at an
3 institution.

4 (3) Once enrolled at an institution, work toward the
5 eligible student's first undergraduate baccalaureate degree.

6 (4) Maintain full-time enrollment per semester.

7 (5) Complete the FAFSA.

8 (6) Have a household income of no more than 400% of the
9 Federal poverty level for a family of four as specified in
10 poverty guidelines issued annually by the United States
11 Department of Health and Human Services.

12 (7) Have received a scholarship award under the program
13 for less than eight full-time semesters.

14 (8) Maintain standards of academic progress as
15 determined by the department.

16 (b) Renewal requirements.--For a scholarship recipient to
17 receive a renewal of a scholarship award, the scholarship
18 recipient shall:

19 (1) Complete the FAFSA, or an institution's equivalent,
20 annually.

21 (2) Have a household income of no more than 400% of the
22 Federal poverty level for a family of four as specified in
23 poverty guidelines issued annually by the United States
24 Department of Health and Human Services.

25 (3) Maintain full-time enrollment per semester in an
26 undergraduate degree program at an institution for a period
27 not exceeding more than eight full-time semesters.

28 (4) Complete at least 24 credits per academic year.

29 (c) Scholarship agreement.--An eligible student shall enter
30 into a scholarship agreement with an institution for each year

1 the eligible student receives a scholarship award.

2 Section 2007-L. Refunding by institution.

3 An institution shall refund the State system when a
4 scholarship recipient disenrolls from the institution during the
5 institution's full refund drop period no later than the
6 beginning of the next academic year or one year after the year
7 during which the eligible student was enrolled.

8 Section 2008-L. Need-based eligibility tiers.

9 (a) Priority of awards.--The State system and institutions
10 shall use the following need-based priority ranking when
11 awarding scholarships to eligible students:

12 (1) First priority shall be given to students who have
13 household income of up to 200% of the Federal poverty level
14 for a family of four as specified in poverty guidelines
15 issued annually by the United States Department of Health and
16 Human Services.

17 (2) Second priority shall be given to students who have
18 household income of up to 300% of the Federal poverty level
19 for a family of four as specified in poverty guidelines
20 issued annually by the United States Department of Health and
21 Human Services.

22 (3) Third priority shall be given to students who have
23 household income of up to 400% of the Federal poverty level
24 for a family of four as specified in poverty guidelines
25 issued annually by the United States Department of Health and
26 Human Services.

27 (b) Order of financial aid.--An institution shall apply the
28 financial aid received by an eligible student in the following
29 order:

30 (1) Federal Pell Grant or any successor program.

- 1 (2) Pennsylvania State grants.
- 2 (3) Institutional aid.
- 3 (4) Private scholarships.
- 4 (5) Scholarship awards under the program.
- 5 (6) Federal work study.
- 6 (7) Federal student loans.

7 (c) Base amount of awards.--The base amount of a scholarship
8 award for each of the priority tiers in subsection (a) shall be
9 determined annually by the department.

10 (d) Application of award.--The scholarship award shall be
11 first applied against the direct charges at the institution
12 which include tuition, fees and room and board owed by a
13 scholarship recipient to the institution. Remaining scholarship
14 award funds may be used by the scholarship recipient for other
15 costs of attendance.

16 (e) Maximum award.--A scholarship award may not exceed the
17 cost of attendance after all financial aid ahead of the
18 scholarship awards under the program in the order of financial
19 aid in subsection (b) has been applied to a scholarship
20 recipient's account.

21 (f) Emergency grants.--Emergency grants shall be awarded to
22 eligible students by the State system upon the recommendation of
23 an institution's designated financial aid officer. Priority for
24 emergency grants shall be available to scholarship recipients.
25 The State system may award an eligible student an emergency
26 grant if the eligible student:

27 (1) Appeals to the financial aid office of an
28 institution for emergency funding for costs of attendance or
29 other costs established by the department.

30 (2) Requests an amount that does not exceed the base

1 amount for emergency grants set during the academic year.

2 (g) Award term limitations.--The term of a scholarship award
3 may not exceed six continuous academic years absent extenuating
4 circumstances established by the department.

5 Section 2009-L. Miscellaneous provisions.

6 (a) Penalty.--An individual who knowingly or intentionally
7 procures, obtains or aids another to procure or obtain a
8 scholarship award or emergency grant under this article through
9 fraudulent means shall be disqualified from participation in the
10 program and shall be liable to the State system for an amount
11 equal to three times the amount awarded.

12 (b) Award money not taxable income.--Scholarship awards and
13 emergency grants received by a scholarship recipient shall not
14 be considered taxable income for purposes of Article III of the
15 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code
16 of 1971.

17 (c) Subject to the Pennsylvania Code.--The provisions of
18 this article shall be subject to 22 Pa. Code Ch. 121 (relating
19 to student financial aid).

20 Section 2. This act shall take effect July 1, 2022, or
21 immediately, whichever is later.