

# PASS/Lifeline Scholarship Program

## OVERVIEW

- Two proposals—[Senate Bill 10](#), the Pennsylvania Award for Student Success Scholarship Program (PASS), and [forthcoming Lifeline Scholarship legislation](#) in the Pennsylvania House of Representatives—are separate but similar bills. Both would provide Education Scholarship Accounts (ESA) to students residing within the attendance boundary of a school ranked in the bottom 15 percent of academic performance.
- During the 2023–24 legislative session, the state Senate passed Lifeline Scholarship legislation multiple times. However, despite repeated endorsements and referring to Lifeline as “[unfinished business](#),” Gov. Josh Shapiro [vetoed](#) the program from the 2023–24 budget. The state House excluded the program from the 2024–25 state [budget](#).
- The 2025–26 legislative session is a new opportunity for Shapiro to keep his promise and make PASS/Lifeline Scholarships a reality for students trapped in Pennsylvania’s low-achieving schools.

## WHY DOES PENNSYLVANIA NEED PASS/LIFELINE SCHOLARSHIPS?

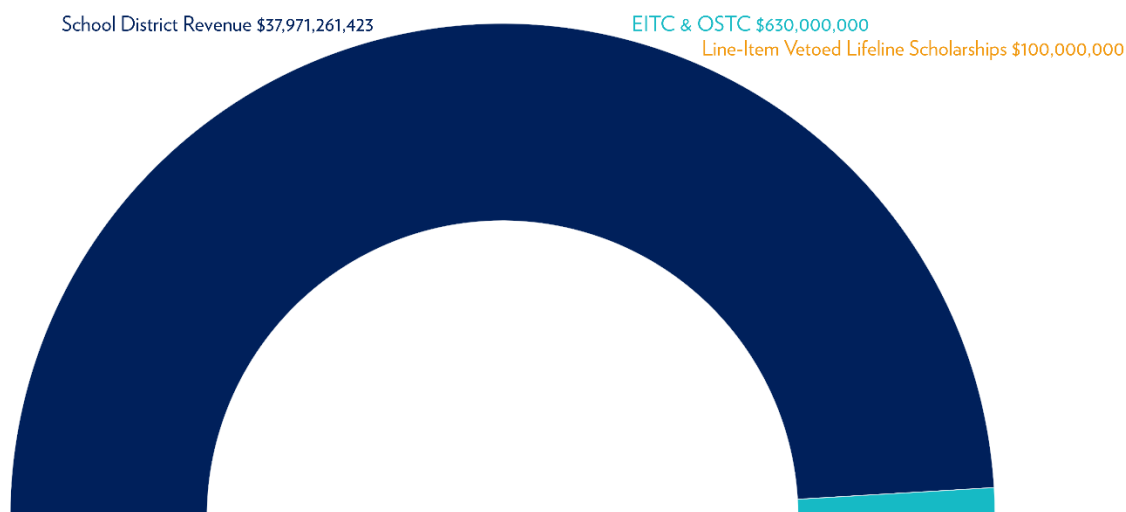
- There are more than 211,000 students stuck in 383 [low-achieving](#) public schools.<sup>1</sup> For every \$100 million appropriated or transferred into the Treasury PASS/Lifeline scholarship fund, about 13,000 students would be able to afford tuition at a school that meets their needs better than their current public school.
- Of students attending the bottom 15 percent of schools, about 80 percent are [economically disadvantaged](#),<sup>2</sup> and 83 percent are students of color.<sup>3</sup>
- The [Nations Report Card](#), or the National Assessment of Educational Progress, shows Pennsylvania public schools have made no measurable improvement since 2003 to close achievement gaps of more than 25 points for Black and Hispanic students, economically disadvantaged students, or English language learners.
- 72 percent of Pennsylvania eighth-graders are not proficient in math, and 48 percent are not proficient in language arts.<sup>4</sup> Pandemic-related learning loss has been even more severe for [minority students](#), according to an analysis by the National Bureau of Economic Research.<sup>5</sup>
- An overwhelming majority of parents want school choice. A January 2025 poll revealed that [83 percent](#) support a program like Lifeline PASS/Scholarships.

## HOW MUCH IS A PASS/LIFELINE SCHOLARSHIP WORTH?

- PASS/Lifeline Scholarships would be restricted-use spending accounts funded by state tax dollars. PASS/Lifeline dollars are separate from and would not impact public school funding.
- Students and families can only use PASS/Lifeline Scholarships for “qualified education expenses,” such as tuition, school-related fees, and special-education services fees associated with attendance at a nonpublic school.
- For each participating child:
  - K–8 students would receive \$5,000 annually (\$2,500 for half-day kindergarten).
  - Grades 9–12 would receive \$10,000 annually.
  - Students with special needs, regardless of grade, would receive \$15,000 annually.
- PASS/Lifeline Scholarships would educate students for \$5,000 to \$10,000 per student, **significantly less** than the **\$23,061** public schools receive per student, based on the latest **Pennsylvania Department of Education (PDE) data** available.<sup>6</sup>

## School District vs. Tax Credit Scholarships

As a percentage of total education spending, only one percent goes to tax credit scholarships.



Source: Pennsylvania Department of Education, Annual Financial Reports (Expenditure Data for School Districts).

## HOW DOES A PASS/LIFELINE SCHOLARSHIP WORK?

- Parents and guardians would apply for a PASS/Lifeline Scholarship through the Pennsylvania Treasury Department website between June 1 and July 1, 2026. Scholarship awards for the 2026–27 school year would be on a first-come, first-served basis. Starting in 2027, parents and guardians must apply for PASS/Lifeline Scholarships by April 1 of each calendar year.

- The Pennsylvania Treasury will notify parents and guardians of a scholarship award by July 1, 2026, and by April 1 in subsequent years. Upon notification, parents and guardians would complete an application for their child to attend a nonpublic school of their choice and submit the application directly to the school.
- The Pennsylvania Treasury would deposit funds into a PASS/Lifeline Scholarship spending account on behalf of the scholarship recipient. Parents and guardians would transfer the PASS/Lifeline funds directly from the ESA to the nonpublic school. Parents and guardians can neither withdraw ESA funds nor use them as cash.
- Because state appropriations would fund PASS/Lifeline Scholarships, the program is separate from public school funding and would take zero dollars away from public schools. Just as districts [do not lose funding](#) when students move or unenroll to attend a private or homeschool, districts would not lose money when students exit the public school system, using a PASS/Lifeline Scholarship.

## WHO BENEFITS?

- **Students attending low-achieving public schools.** A low-achieving public school ranks in the lowest 15 percent of elementary or secondary schools based on the Pennsylvania System of School Assessment (PSSA) and Keystone Exam [scores](#). The ranking does not include charter schools, cyber charter schools, or career and technical schools.
- **Students from low-income families.** Students eligible for a scholarship must have an annual household income below 250 percent of the [federal poverty level](#), or no greater than \$80,375 for a family of four.
- **Who would qualify?** Eligible students must reside within the attendance area of a low-achieving public school and meet one of the following criteria:
  - Attended a public school in the commonwealth in the preceding school year.
  - Received funds from this program in the preceding school year.
  - Will attend kindergarten for the first time in the upcoming school year.
- The agreement may be renewed annually for the same student.

## WHO ATTENDS LOW-ACHIEVING SCHOOLS?

- At public schools performing in the bottom 15 percent on standardized tests, only 7 percent of high school students and 10 percent of elementary students are proficient in math. Less than one-third can read at grade level. In 18 of these schools, there were zero students in the entire school proficient in either reading or math.
- PDE lists 383 low-achieving schools in 29 of Pennsylvania's 67 counties. These schools serve about 211,000 students.
  - The School District of Philadelphia has the highest number of low-achieving schools at 141, representing 64,207 students. [Fifty-four percent](#) of Philadelphia's students attend a low-achieving public school.

- The Pittsburgh Public School District has 23 of the district's [50 schools](#) (46 percent) qualifying as low-achieving.
- 17 out of [19 schools](#) at the School District of Reading are low-achieving, including the high school and all five middle schools.
- Students of color and low-income students are overrepresented in underperforming schools.
  - Eighty-one percent are low-income.
  - Eighty-three percent are students of color, with 41 percent Black, 34 percent Hispanic, 17 percent White, 3 percent Asian, and 5 percent “two or more races.”
  - Notably, the median household income in zip codes of low-achieving schools is \$55,000, compared to the [statewide average](#) of \$74,000.

## ARE THERE ACCOUNTABILITY MEASURES FOR PASS/LIFELINE SCHOLARSHIPS?

- The Pennsylvania Treasury would administer PASS/Lifeline Scholarships, much like the [Pennsylvania 529 program](#). In collaboration with the Office of the Auditor General, the Pennsylvania Treasury would conduct annual, random program audits.
- Fraudulent misuse of funds would make students ineligible for future program participation. The auditor general would refer cases to law enforcement agencies for further investigation.
- Funds may only be used for qualified education expenses: tuition, school-related fees, and special-education service fees.
- Families must notify the Pennsylvania Treasury within 15 days when the applicant no longer resides in Pennsylvania, or if the applicant withdraws from the nonpublic school.
  - The Pennsylvania Treasury may terminate the application agreement for any.
  - The Pennsylvania Treasury may also terminate the agreement if the parent or guardian fraudulent misused the PASS/Lifeline Scholarship account. In such a case, the scholarship applicant shall be ineligible for future program participation.
- The Pennsylvania Treasury may bar a nonpublic school from participation in the program if the department establishes that the nonpublic school has Failed to provide a scholarship recipient with the educational services funded by the recipient's PASS/Lifeline Scholarship account, or if the nonpublic school has routinely failed to comply with the requirements as outlined below.

## WHAT ARE THE PARTICIPATION REQUIREMENTS FOR NONPUBLIC SCHOOLS?

- Nonpublic schools wishing to accept PASS/Lifeline students would need to provide certification to the Pennsylvania Treasury that the school:
  - Is a nonprofit.
  - Complies with nondiscrimination law as specified in 42 U.S.C. § 1981 (relating to equal rights under the law).

- Complies with the provisions of [sections 111 and 111.1](#) of the Pennsylvania Public School Code regarding background checks for school personnel.
- Participating nonpublic schools may not charge a scholarship recipient a tuition rate, student-related fees, or special-education services fees higher than those charged to a student who had not received a scholarship.
- Each participating nonpublic school must report annually to the Pennsylvania Treasury regarding scholarship recipients and the following subjects:
  - Enrolled and disenrolled.
  - Regular attendance.
  - Chronic absenteeism.
  - Academic progress, as measured by advancement to the next grade level.
  - Indication of graduation.
  - Concurrent or dual enrollment course credits.
- Nonpublic schools accepting PASS/Lifeline Scholarship recipients would continue to operate independently. The schools also would not be subject to additional government regulation beyond what is necessary to administer the program as outlined above.

## DO OTHER STATES HAVE PROGRAMS LIKE PASS/LIFELINE?

- Educational choice programs are growing in popularity across the United States. [One in five](#) students nationwide lives in a state with universal or near-universal school choice.<sup>7</sup>
- [Thirty-three](#) states fund programs allowing students to attend nonpublic schools, with many states offering two or more choice programs.<sup>8</sup>
  - Twenty-five states, including Pennsylvania, provide tax-credit scholarships, tax-credit ESAs, or individual tax credits or deductions.
  - Seventeen states offer ESA programs.
  - Thirteen states provide school choice vouchers.

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<sup>1</sup> Pennsylvania Department of Education, Opportunity Scholarship Tax Credit Program: 2024–25 List of Low Achieving Schools,” accessed November 20, 2024, <https://www.pa.gov/en/agencies/education/programs-and-services/schools/school-services/opportunity-scholarship-tax-credit-program.html>.

<sup>2</sup> Pennsylvania Department of Education, Data and Reporting: Enrollment, accessed November 20, 2024, <https://www.pa.gov/en/agencies/education/data-and-reporting/enrollment.html#accordion-82395e5584-item-7c9e0075aa>,

<sup>3</sup> Pennsylvania Department of Education, Future Ready PA Index, Data Files, School Year (SY) 2023–2024, accessed November 20, 2024, <https://futurereadypa.org/Home/DataFiles#>.

<sup>4</sup> Pennsylvania Department of Education, Assessment Reporting: Keystone Exam and PSSA Results 2024, accessed November 22, 2024, <https://www.education.pa.gov/DataAndReporting/Assessments/Pages/PSSA-Results.aspx>.

<sup>5</sup> Clare Halloran et al., “Pandemic Schooling Mode and Student Test Scores: Evidence from US States,” National Bureau of Economic Research, November 2021, [https://www.nber.org/system/files/working\\_papers/w29497/w29497.pdf](https://www.nber.org/system/files/working_papers/w29497/w29497.pdf).

<sup>6</sup> Pennsylvania Department of Education, Annual Financial Reports (AFR) Data Files, 2022–23, August 2024, <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/AFR%20Data%20Summary/Pages/AFR-Data->

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[Summary-Level.aspx](#); Commonwealth Foundation, "Pa. School Funding Reaches \$22,000 per Student in 2023," May 20, 2024, <https://commonwealthfoundation.org/research/pa-school-funding-22000-student-2023/>; Commonwealth Foundation, "Lifeline and Education Choice Myths and Facts," January 4, 2024, <https://www.commonwealthfoundation.org/research/lifeline-education-choice-myths-facts/>.

<sup>7</sup> Martin F. Lueken and Marc LeBlond, "The Case for Universal School Choice," *Tribune News Service*, January 10, 2024, <https://www.governing.com/policy/the-case-for-universal-school-choice#:~:text=Arizona%20and%20West%20Virginia%20were,universal%20or%20near%2Duniversal%20choice.>

<sup>8</sup> EdChoice, "School Choice in America (Dashboard)," accessed November 20, 2024, <https://www.edchoice.org/school-choice-in-america-dashboard-scia/>.