

Lifeline (PASS) Scholarship Program

OVERVIEW

- Lifeline Scholarships, also known as the Pennsylvania Award for Student Success (PASS) program, would offer an Education Opportunity Account (EOA) to any student residing in a school ranked in the bottom 15 percent of performance. Gov. Josh Shapiro repeatedly endorsed the concept during his campaign. However, he has since threatened to [line-item veto](#) the funding for the program, despite the fact that Lifeline Scholarships passed the Senate twice.

REASONS FOR LIFELINE (PASS) SCHOLARSHIPS

- Many of our local school districts do a phenomenal job, but thousands of children are assigned to schools that persistently rank low for student achievement. According to the [latest statewide assessments](#), 77 percent of Pennsylvania eighth-graders are not proficient in math, and 44 percent are not proficient in language arts, with pandemic learning loss being even more severe for [minority students](#).
- Among the bottom 15 percent of public schools, fewer than one-in-ten students is proficient in math, and only one-quarter are proficient in English. In 40 of these schools, there were **zero students** doing math at grade level. Lifeline (PASS) Scholarships extend **immediate relief** to students in these lowest-performing public schools. The scholarships would directly fund students—not institutions—so students can choose the education that best fits their needs.
- An overwhelming majority of parents want school choice. [A 2023 poll](#) revealed widespread support for educational choice and, in particular, helping families in low-performing schools. Sixty-seven percent of registered voters **support giving families EOAs to use for their children’s educational expenses**.¹

HOW DO LIFELINE (PASS) SCHOLARSHIPS WORK?

- Lifeline (PASS) Scholarship Accounts are EOAs, which are restricted-use spending accounts funded with state tax dollars. The funds must be for “qualified education expenses,” which include tuition, school-related fees, and special education services fees associated with attendance at a non-public school.
- Parents would apply for a Lifeline (PASS) Scholarship through the Pennsylvania State Treasury between March 1 and April 1, starting in 2024.
- Scholarship awards would be on a first-come, first-served basis.
- Upon notification by the State Treasury of a scholarship award, parents would complete an application for their child to attend a non-public school of their choice and submit the application directly to the school.

- The Treasury Department would deposit a sum of money into a Lifeline (PASS) Scholarship account on behalf of the scholarship recipient. Parents could only use this money to pay tuition and fees for the 2024–25 school year at the non-public school to which their child received acceptance.
- **Who would qualify?** Eligible students must reside within the attendance area of a low-achieving school, and meet one or more 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.
 - Lives in a household with an income below 250 percent of the [federal poverty guidelines](#), which is currently \$75,000 for a family of four.
- **What is a low-achieving school?** A low-achieving school is a public school that ranked in the lowest 15 percent of the school’s designation as an elementary school or secondary school based on combined math and reading scores from the state achievement tests administered in the previous year. The ranking does not include charter schools, cyber charter schools, or area career and technical schools.
- **Who attends low-achieving schools?** Minority, low-income students are overrepresented in underperforming schools. Of students that attend the bottom 15 percent of underperforming schools in Pennsylvania, about 80 percent are economically disadvantaged, and 83 percent are students of color.²
 - Approximately 250,000 students attend a public school and live within the attendance area of a bottom 15 percent public school, making them eligible for a Lifeline (PASS) Scholarship.
- **How much would each Lifeline (PASS) Scholarship Account be worth?**
 - For the 2024–25 school year, each participating child would receive:
 - \$5,000 for K–8th grades (\$2,500 for half-day kindergarten).
 - \$10,000 for 9–12th grades.
 - \$15,000 per special education student, regardless of grade level.
 - Students who receive an EOA could qualify for transportation by their resident school district.

LIFELINE (PASS) SCHOLARSHIPS WOULD EDUCATE KIDS FOR LESS MONEY

- Lifeline (PASS) Scholarships are **significantly less expensive than the average 2021–22 per-pupil spending at public schools, which is over \$21,200.**³
- Because EOAs would use a new \$100 million line item in the state budget, the legislature will need to appropriate additional funding. The treasury can use a percent of the EOA amount to pay the costs of overseeing and administering the program.
- School districts would not lose a penny of funding even if students leave the school district with Lifeline (PASS) Scholarships.

- Studies show that competition from school choice alternatives helps kids who attend public schools. [EdChoice](#) found that **26 out of 29 empirical studies concluded that school choice programs improve the academic outcomes of public school students**.⁴ A recent study by the [University of Arkansas](#) found that, by exerting competitive pressure on public schools, school choice programs improve NAEP test scores across the board.⁵

ACCOUNTABILITY

- The state treasurer would administer the EOA, much like the existing 529 program, with funding coming from the state education budget. The state treasurer, in collaboration with the Office of the Auditor General, would, at minimum, conduct annual, random audits of the student accounts.
- Fraudulent misuse of funds would make students ineligible for future participation in the program. The Auditor General would refer cases to law enforcement agencies for further investigation.
- The Treasury or any other state agency **could not** regulate the educational programs of participating schools.

OTHER STATES

- EOAs, also referred to as Education Savings Accounts (ESAs), are currently or will be available to students in thirteen states: Arizona, Arkansas, Florida, Indiana, Iowa, Mississippi, Montana, New Hampshire, North Carolina, South Carolina, Tennessee, Utah, and West Virginia. In 2023 so far, 15 states have established new or expanded existing school choice programs.⁶ This wave of new school choice legislation underscores the growing demand from parents for customizable, high-quality education options for their children.

¹ Commonwealth Foundation, Common Ground in the Commonwealth Poll (March 2023), April 6, 2023, <https://www.commonwealthfoundation.org/research/common-ground-commonwealth-poll/>.

² Pennsylvania Department of Education, Future Ready PA Index, Data Files, School Year (SY) 2021–2022, accessed July 31, 2023, <https://futurereadypa.org/Home/DataFiles#>.

³ Pennsylvania Department of Education, Annual Financial Reports (AFR) Data: Summary-Level, Revenue Data for School Districts 2021–22, <https://www.education.pa.gov/Teachers%20-%20Administrators/School%20Finances/Finances/AFR%20Data%20Summary/Pages/AFR-Data-Summary-Level.aspx>.

⁴ Ed Choice, “The 123’s of School Choice: What the Research Says about Private School Choice Programs in America,” 2023 Edition, 38, <https://www.edchoice.org/wp-content/uploads/2023/07/123s-of-School-Choice-WEB-07-10-23.pdf>.

⁵ Patrick Wolf et al., “Education Freedom and Student Achievement: Is More School Choice Associated with Higher State-Level Performance on the NAEP?” March 2021, University of Arkansas, <https://cpb-us-e1.wpmucdn.com/wordpressua.uark.edu/dist/9/544/files/2018/10/education-freedom-and-naep-scores.pdf>.

⁶ Marc LeBlond and Ed Tarnowski, “Educational Freedom and Choice Hits Escape Velocity,” Ed Choice, July 19, 2023, <https://www.edchoice.org/engage/educational-freedom-and-choice-hits-escape-velocity-end-of-session-wrap/>.