
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2169 Session of
2021

INTRODUCED BY OWLETT, WHITE, ROTHMAN, PICKETT, HAMM, TOPPER,
ROWE, MERCURI, RYAN, GLEIM, ROAE, KAIL, KAUFFMAN, BERNSTINE,
M. MACKENZIE, SCHEMEL, SILVIS, ECKER, GROVE, RAPP, HERSHEY,
KNOWLES, BURGOS, ZIMMERMAN, TWARDZIK, STAATS, A. BROWN,
GREINER AND LEWIS DELROSSO, DECEMBER 14, 2021

SENATOR MARTIN, EDUCATION, IN SENATE, AS AMENDED, JUNE 21, 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," establishing the Lifeline Scholarship
6 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 LIFELINE SCHOLARSHIP PROGRAM

14 Section 2001-L. Scope of article.

15 This article relates to the Lifeline Scholarship Program.

16 Section 2002-L. Definitions.

17 The following words and phrases when used in this article

1 shall have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

3 "Applicant." A parent who applies for a lifeline scholarship
4 account under section 2003-L(b) on behalf of an eligible
5 student.

6 "Attendance boundary." A geographic area of residence used
7 by a school district to assign a student to a public school.

8 "Average daily membership." As defined in section 2501.

9 "Department." The Treasury Department of the Commonwealth.

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

12 "Distance education." Instruction offered by any means where
13 a student and faculty member are in separate physical locations
14 so that in-person communication is absent and communication is
15 accomplished instead by one or more technological media. The
16 term includes real-time or delayed interaction using voice,
17 video, data or text, including instruction provided online, via
18 correspondence or via interactive video. The term does not
19 include independent study or instruction that is not instructor
20 led.

21 "Eligible postsecondary institution." The term includes all
22 of the following:

23 (1) A community college operating under Article XIX-A.

24 (2) A college established under Article XIX-G.

25 (3) A university within the State System of Higher
26 Education established under Article XX-A.

27 (4) A State-related institution.

28 (5) Thaddeus Stevens College of Technology.

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

30 (1) Has not yet received a high school diploma.

1 (2) Currently resides within the attendance boundary of
2 a low-achieving school.

3 (3) Satisfies one of the following:

4 (i) Attended a public school in this Commonwealth in
5 the preceding school year.

6 (ii) Received funds from the program in the
7 preceding school year.

8 (iii) Will attend first grade for the first time in
9 the next school year.

10 (iv) Is currently a child in foster care as defined
11 in section 2 of the act of November 23, 2010 (P.L.1264,
12 No.119), known as the Children in Foster Care Act.

13 (v) Is a child whose adoption decree was entered not
14 more than one year prior to submission of the application
15 under section 2003-L(b).

16 (vi) Is a child whose parent is on full-time active-
17 duty status in the armed forces of the United States,
18 including a member of the National Guard and reserve on
19 active duty orders under 10 U.S.C. §§ 12301 et seq.
20 (relating to reserve components generally) and 12401 et
21 seq. (relating to Army and Air National Guard of the
22 United States: status).

23 "Institution of higher education." The term includes the
24 following:

25 (1) An eligible postsecondary institution.

26 (2) An institution of higher education located in and
27 incorporated or chartered by the Commonwealth and entitled to
28 confer degrees as specified in 24 Pa.C.S. § 6505 (relating to
29 power to confer degrees) and as provided for by the standards
30 and qualifications prescribed by the State Board of Education

1 under 24 Pa.C.S. Ch. 65 (relating to private colleges,
2 universities and seminaries).

3 (3) A private school licensed under the act of December
4 15, 1986 (P.L.1585, No.174), known as the Private Licensed
5 Schools Act.

6 "Lifeline scholarship account." A spending account
7 established and administered by the department and controlled by
8 a parent for an eligible student with money that may only be
9 spent on a qualified education expense as provided for under
10 section 2005-L.

11 "Low-achieving school." A public school that ranked in the
12 lowest 15% of the school's designation as an elementary school
13 or a secondary school based on combined mathematics and reading
14 scores from the annual assessment administered in the previous
15 school year and for which the ~~department~~ DEPARTMENT OF EDUCATION <--
16 has posted results on the ~~department's~~ DEPARTMENT OF EDUCATION'S <--
17 publicly accessible Internet website.

18 "Nonpublic school." A nonprofit school, other than a public
19 school, located in this Commonwealth where a resident of this
20 Commonwealth may legally fulfill the compulsory attendance
21 requirements of this act that complies with section 1521 and
22 meets the applicable requirements of Title VI of the Civil
23 Rights Act of 1964 (Public Law 88-352, 78 Stat. 241).

24 "Parent." An individual who:

25 (1) is a current resident of this Commonwealth; and

26 (2) either:

27 (i) has legal custody or guardianship of an eligible
28 student; or

29 (ii) keeps in the individual's home an eligible
30 student and supports the student gratis as if the student

1 were a lineal descendant of the individual.

2 "Participating entity."

3 (1) Any of the following where an eligible student
4 receives instruction or support:

5 (i) A nonpublic school for grade one through grade
6 twelve, or a combination of grades.

7 (ii) An institution of higher education.

8 (iii) A distance learning program.

9 (iv) A tutor who is a teacher certified in a state,
10 has tutored or taught at an eligible postsecondary
11 institution or an eligible nonpublic school or is a
12 subject matter expert or a tutor or tutoring agency
13 otherwise approved by the Department of Education.

14 (v) A school counselor who is certified by the
15 Commonwealth to work with school-aged children.

16 (vi) A provider of curriculum that adheres to
17 education laws of the Commonwealth.

18 (2) The term does not include a parent to the extent
19 that the parent provides educational services directly to the
20 parent's child.

21 "Program." The Lifeline Scholarship Program established
22 under section 2003-L(a).

23 "Public school." A school district, charter school, cyber
24 charter school, regional charter school, intermediate unit or
25 area career and technical school.

26 "Resident school district." The school district in which an
27 eligible student currently resides.

28 "School-age child." An individual six to 21 years of age who
29 currently resides in this Commonwealth.

30 "State-related institution." The Pennsylvania State

1 University, including the Pennsylvania College of Technology,
2 the University of Pittsburgh, Temple University and Lincoln
3 University, and any other institution designated as State-
4 related by the Commonwealth.

5 "Student with special needs." A child who:

6 (1) is subject to an individualized education program
7 under the Individuals with Disabilities Education Act (Public
8 Law 91-230, 20 U.S.C. § 1400 et seq.) and 22 Pa. Code Ch. 14
9 (relating to special education services and programs);

10 (2) is subject to a section 504 service agreement under
11 section 504 of the Rehabilitation Act of 1973 (Public Law 93-
12 112, 29 U.S.C. § 701 et seq.) and 22 Pa. Code Ch. 15
13 (relating to protected handicapped students);

14 (3) is subject to a gifted individualized education plan
15 under 22 Pa. Code Ch. 16 (relating to special education for
16 gifted students); or

17 (4) meets the definition of "child with a disability"
18 under the Individuals with Disabilities Education Act or
19 meets the definition of a "handicapped person" under section
20 504 of the Rehabilitation Act of 1973 and its implementing
21 regulations at 34 CFR § 104.3(j) (relating to definitions).

22 This paragraph includes a student for whom an evaluation is
23 pending under either the Individuals with Disabilities
24 Education Act or the Rehabilitation Act of 1973.

25 Section 2003-L. Establishment, application and agreement.

26 (a) Establishment.--Beginning with the ~~2022-2023~~ 2023-2024 <--
27 school year, the Lifeline Scholarship Program is established as
28 a program of the department.

29 (b) Application form.--By ~~July 15, 2022~~ APRIL 1, 2023, the <--
30 department shall develop an application form that can be

1 accessed from and submitted electronically on the department's
2 publicly accessible Internet website. The form may not exceed
3 one page that measures 8.5 inches by 11 inches.

4 (c) Review, approval and appeal.--

5 (1) An application must be submitted by the applicant to
6 the department for review. An eligible student shall be
7 accepted into the program if the student meets the
8 requirements of this article.

9 (2) Within 30 days of receipt of an application, the
10 department shall notify the resident school district and the
11 parent of a student's acceptance or nonacceptance into the
12 program.

13 (3) A parent may appeal the department's decision to
14 deny acceptance into the program within 30 days of issuance
15 of the decision. The appeal shall be governed by 2 Pa.C.S.
16 Chs. 1 (relating to general provisions), 5 (relating to
17 practice and procedure) and 7 (relating to judicial review).

18 (d) Agreement.--

19 (1) If the department approves an application, the
20 department shall enter into an agreement with the applicant.
21 The agreement shall provide the following:

22 (i) The eligible student shall withdraw from public
23 school and receive instruction in this Commonwealth from
24 a participating entity for the school year for which the
25 agreement applies.

26 (ii) The eligible student may not accept a
27 scholarship in the educational improvement tax credit
28 program under Article XX-B or the opportunity scholarship
29 tax credit program under Article XX-B.

30 (iii) A grant, in the form of money, will be

1 deposited into the lifeline scholarship account under
2 section 2004-L on behalf of the eligible student.

3 (iv) The money in the lifeline scholarship account
4 may be expended only as authorized under this article.

5 (2) Failure of a parent to enter into an agreement on
6 behalf of the eligible student for a school year shall not
7 preclude the parent from entering into an agreement with the
8 department for a subsequent school year if the student is an
9 eligible student.

10 (e) Term of agreement.--Except as otherwise provided under
11 this article, an agreement entered into under subsection (d)
12 shall be valid for one school year.

13 (f) Termination.--

14 (1) An agreement entered into under subsection (d) may
15 be terminated early by the parent for any reason.

16 (2) An agreement entered into under subsection (d) shall
17 be terminated by the department if the parent is found to
18 have engaged in fraudulent misuse of a lifeline scholarship
19 account. In such case, the eligible student shall be
20 ineligible for future participation in the program. The
21 parent may appeal the department's decision regarding
22 termination and student eligibility within 30 days of
23 issuance of the decision. The appeal shall be governed by 2
24 Pa.C.S. Chs. 1 (relating to general provisions), 5 (relating
25 to practice and procedure) and 7 (relating to judicial
26 review).

27 (3) If an agreement is terminated early under this
28 subsection, all available money in the lifeline scholarship
29 account shall be repaid to the resident school district
30 within 15 business days after termination.

1 (g) Automatic termination.--

2 (1) An agreement entered into under subsection (d) shall
3 terminate automatically if the student no longer resides in
4 this Commonwealth.

5 (2) The parent shall notify the department if the
6 student no longer resides in this Commonwealth within 15 days
7 of the change of residence.

8 (3) After the student's parent notifies the department
9 under paragraph (2), money remaining in the lifeline
10 scholarship account shall be repaid to the resident school
11 district within 15 business days after notification.

12 (h) Renewal.--

13 (1) Subject to subsection (k), an agreement entered into
14 under subsection (d) may be renewed for each school year for
15 the same student.

16 (2) Failure of a parent to renew an agreement for a
17 school year shall not preclude a parent from renewing the
18 agreement for a subsequent school year if the student remains
19 an eligible student.

20 (i) Multiple agreements.--A parent may enter into separate
21 agreements under subsection (d) for each eligible student of the
22 parent. Not more than one lifeline scholarship account may be
23 established for an eligible student.

24 (j) Explanation.--Upon entering into an agreement under
25 subsection (d) or renewing an agreement under subsection (h),
26 the department shall provide the parent with a written
27 explanation of the authorized uses of the money in the lifeline
28 scholarship account and the responsibilities of the parent and
29 the department under the agreement and this article.

30 (k) Application and renewal period.--

1 (1) For the ~~2022-2023~~ 2023-2024 school year, a parent <--
2 may apply between ~~July 15, 2022, and August 15, 2022~~ MAY 1, <--
3 2023, AND AUGUST 1, 2023, for acceptance to the program.

4 (2) For each school year thereafter, a parent may apply
5 or seek renewal between March 1 and April 1 for the following
6 school year.

7 (3) The department shall notify parents and school
8 districts of approved applications within 30 days of receipt
9 of an application.

10 Section 2004-L. Lifeline scholarship account.

11 (a) Establishment.--If an agreement is entered into under
12 section 2003-L(d), the department shall establish a lifeline
13 scholarship account for the eligible student. The account shall
14 be administered by the department in accordance with this
15 article.

16 (b) Deposit of grant.--

17 (1) Upon establishment of a lifeline scholarship
18 account, the State Treasurer shall deposit a grant for that
19 school year in the scholarship account for the eligible
20 student in accordance with subsection (c). The amount of the
21 grant shall be as follows:

22 (i) For a student who is not a student with special
23 needs, the grant amount shall be equal to the total State
24 revenue received by all school districts minus total
25 State transportation subsidies received by all school
26 districts divided by the average daily membership of all
27 school districts based on the most recent annual
28 financial report published by the Department of
29 Education.

30 (ii) For an eligible student who is a student with

1 special needs for which expenditures have been reported
2 under section 1372(8), the grant amount shall be
3 calculated by multiplying the amount in subparagraph (i)
4 by the category weight multiplier assigned to the student
5 to determine the weighted special education student
6 headcount under section 2509.5(bbb).

7 (iii) For a student with special needs for which
8 expenditures are not reported under section 1372(8), the
9 grant amount shall be calculated using the Category 1
10 multiplier under section 2509.5(bbb).

11 (2) For an eligible student receiving a grant, the
12 amount of State subsidies paid by the Department of Education
13 to the resident school district shall be reduced by the grant
14 amount calculated for the eligible student.

15 (3) A student receiving a grant under this section shall
16 be included in the average daily membership of the student's
17 resident school district for the purpose of providing State
18 subsidies under Article XXV.

19 (4) Nothing in this section shall be construed to reduce
20 a school district's revenue originating from Federal or local
21 sources or sources other than State revenue.

22 (c) Installments.--The department shall deposit the money
23 for each grant on a schedule determined by the department in
24 consultation with the Department of Education.

25 (d) Disposition.--The following shall apply to money
26 remaining in a lifeline scholarship account:

27 (1) For money remaining in a lifeline scholarship
28 account at the end of a school year, the money may be carried
29 forward to an ensuing school year for the eligible student if
30 the agreement entered into under section 2003-L(d) is

1 renewed.

2 (2) Subject to paragraph (3), money remaining in a
3 lifeline scholarship account when an agreement entered into
4 under section 2003-L(d) is not renewed or is terminated shall
5 be repaid to the resident school district within 15 business
6 days of nonrenewal or termination.

7 (3) Money remaining in a lifeline scholarship account
8 after the eligible student graduates from high school may
9 only be used for qualified education expenses at an eligible
10 post-secondary institution for a two-year period after
11 graduation subject to the following:

12 (i) The parent or eligible student shall notify the
13 department of the student's intent to utilize money
14 remaining in the account for qualified education expenses
15 at an eligible post-secondary institution within 30 days
16 of graduation from high school.

17 (ii) If notification is not received within the 30-
18 day time period, the lifeline scholarship account shall
19 be terminated and the money remaining in the scholarship
20 account shall be repaid to the resident school district
21 within 15 days from the end of the notification period.

22 (iii) Upon the expiration of the two-year time
23 period under this paragraph, the lifeline scholarship
24 account shall be terminated and the money remaining in
25 the scholarship account shall be repaid to the resident
26 school district within 15 days from the expiration date.

27 Section 2005-L. Qualified education expenses.--

28 (a) General rule.--Money deposited in a lifeline scholarship
29 account may be used to pay for any of the following qualified
30 expenses incurred by or associated with the eligible student:

1 (1) Tuition, fees and uniforms required by a
2 participating entity.

3 (2) Fees for tutoring or other teaching services
4 provided by a participating entity.

5 (3) Fees for a nationally norm-referenced test, advanced
6 placement or similar examination or standardized examination
7 required for admission to an institution of higher education
8 and career and technical education examination fees.

9 (4) Curriculum, textbooks or other instructional
10 materials.

11 (5) ~~Hardware,~~ COMPUTER HARDWARE AND software and <--
12 Internet connectivity associated with instruction or a
13 qualifying expense described in this subsection. COMPUTER <--
14 HARDWARE ASSOCIATED WITH THE ELIGIBLE STUDENT SHALL COMPLY
15 WITH SUBSECTION (B).

16 (6) If the eligible student is a student with a
17 disability, fees for special instruction or special services
18 provided to the eligible student, including occupational,
19 physical, speech and behavioral therapies.

20 (7) Costs associated with evaluation and identification
21 of special needs.

22 (8) Other qualified educational expenses approved by the
23 department.

24 (B) COMPUTER HARDWARE SPECIFICATIONS.-- <--

25 (1) COMPUTER HARDWARE PURCHASED UNDER SUBSECTION (A) (5)
26 MUST CONTAIN FILTERS INSTALLED BY A PUBLIC SCHOOL OR
27 NONPUBLIC SCHOOL IN ACCORDANCE WITH PARAGRAPHS (2) AND (3).

28 (2) THE DEPARTMENT OF EDUCATION SHALL ESTABLISH
29 GUIDELINES FOR FILTERS TO PREVENT COMPUTER HARDWARE PURCHASED
30 UNDER SUBSECTION (A) (5) FROM BEING USED TO ACCESS

1 PORNOGRAPHY, GAMBLING SITES AND SOCIAL MEDIA ON THE INTERNET.

2 (3) COMPUTER HARDWARE PURCHASED UNDER SUBSECTION (A) (5)
3 MUST BE PURCHASED FROM A PUBLIC SCHOOL OR NONPUBLIC SCHOOL
4 WITH FILTERS THAT COMPLY WITH PARAGRAPH (2) AND THAT ARE IN
5 COMPLIANCE WITH THE INTERNET SAFETY POLICY ADOPTED AND
6 IMPLEMENTED UNDER SECTION 254(H) (5) OF THE CHILDREN'S
7 INTERNET PROTECTION ACT (PUBLIC LAW 106-554, 47 U.S.C. §
8 254(H) (5)) AND ACCEPTABLE-USE POLICY UNDER SECTION 4 OF THE
9 ACT OF NOVEMBER 30, 2004 (P.L.1556, NO.197), KNOWN AS THE
10 CHILD INTERNET PROTECTION ACT, OR ANY OTHER SOFTWARE OR
11 TECHNOLOGY PROTECTION MEASURES THAT BLOCK OR FILTER ACCESS TO
12 INAPPROPRIATE MATTER BY MINORS ON THE RESIDENT SCHOOL
13 DISTRICT'S COMPUTERS. THE RESIDENT SCHOOL DISTRICT MAY IMPOSE
14 AND COLLECT FROM THE PARENT OR ELIGIBLE STUDENT A FEE FOR THE
15 COST OF INSTALLING THE FILTERS.

16 (4) PRIOR TO USE OF THE COMPUTER HARDWARE PURCHASED
17 UNDER SUBSECTION (A) (5), THE PARENT AND ELIGIBLE STUDENT
18 SHALL SIGN AND PROVIDE THE PUBLIC SCHOOL OR NONPUBLIC SCHOOL
19 WITH A NOTARIZED AFFIDAVIT STATING THAT THEY WILL NOT REMOVE
20 OR ATTEMPT TO REMOVE THE FILTERS FROM THE COMPUTER HARDWARE
21 AND UNDERSTAND THAT THE REMOVING OR ATTEMPTING TO REMOVE THE
22 FILTERS SHALL CONSTITUTE FRAUDULENT MISUSE OF THE LIFELINE
23 SCHOLARSHIP ACCOUNT AND RESULT IN TERMINATION OF THE
24 AGREEMENT BY THE DEPARTMENT UNDER SECTION 2003-L(F) (2) AND
25 THE PENALTIES IMPOSED UNDER THE AGREEMENT AND THIS ACT.

26 ~~(b)~~ (C) Prohibitions.--A participating entity that receives <--
27 a payment for qualified education expenses authorized under
28 subsection (a) may not refund, rebate or otherwise directly
29 share any portion of the payment with the parent who made the
30 payment.

1 ~~(e)~~ (D) Refund.--A participating entity shall deposit into <--
2 the lifeline scholarship account a refund for an item that is
3 being returned or an item or service that has not been provided
4 directly to the lifeline scholarship account of the eligible
5 student from which payment for the item or service was made.

6 ~~(d)~~ (E) Payment system.--The department shall develop a <--
7 system that enables a parent to pay for services provided by
8 participating entities under the program by electronic money
9 transfer.

10 ~~(e)~~ (F) Source of payment.-- <--

11 (1) An individual may not deposit personal money into or
12 otherwise make gifts or contributions of private money to a
13 lifeline scholarship account.

14 (2) Nothing in this section shall be construed to
15 prohibit a parent or eligible student from paying for
16 qualified education expenses from a source other than the
17 lifeline scholarship account.

18 ~~(f)~~ (G) Tax consequences and status of awards.-- <--

19 (1) The money in a lifeline scholarship account is not
20 taxable income to the parent or eligible student.

21 (2) An award made to or funds expended from a lifeline
22 scholarship account may not be construed to be an
23 appropriation or financial assistance to the eligible
24 student's chosen school.

25 Section 2006-L. Duties of the department.

26 (a) General rule.--The department shall:

27 (1) Develop guidelines, in consultation with the
28 Department of Education, as necessary for the administration
29 of this article within ~~60~~ 180 days of the effective date of <--
30 this section.

1 (2) Determine whether to solicit requests for proposals
2 from private financial management firms to manage some or all
3 parts of the program.

4 (3) In the department's discretion, deduct an amount
5 from the grants to lifeline scholarship accounts necessary to
6 pay the costs of overseeing the accounts and administering
7 the program up to a limit of 3% of the grants.

8 (4) Establish reasonable fees for private financial
9 management firms that manage the accounts based upon market
10 rates.

11 (5) Make payments to the accounts on a schedule to be
12 determined by the department, in consultation with the
13 Department of Education, each year of participation in the
14 program.

15 (6) Develop a system to allow parents to pay for
16 services by electronic funds transfer, including debit cards,
17 electronic payment systems or other means of electronic
18 payment that the department determines to be commercially
19 viable, cost effective and easily understandable and usable
20 by parents. The department shall not adopt a system that
21 exclusively requires parents to be reimbursed for out-of-
22 pocket expenses. IF THE DEPARTMENT ALLOWS A PARENT TO PAY FOR <--
23 SERVICES BY A DEBIT CARD AUTHORIZED UNDER THIS PARAGRAPH, THE
24 DEPARTMENT SHALL REQUIRE THAT A PHOTOGRAPH OF THE APPLICANT
25 BE ON THE DEBIT CARD.

26 (7) Develop a process by which participating schools may
27 inform the department of their interest in participating in
28 the program and demonstrate their compliance with the
29 requirements of this article.

30 (8) Ensure that eligible students and their parents are

1 informed annually of the participating schools in the program
2 by posting a list of participating schools on the
3 department's publicly accessible Internet website by July 15, <--
4 2022, and by March 1 SEPTEMBER 15, 2023, AND MAY 15 of each <--
5 year thereafter.

6 (b) Third party administration.--The department may contract
7 with a third party to administer the program.

8 Section 2007-L. Duties of the Auditor General.

9 The Auditor General shall:

10 (1) ~~Conduct random audits of lifeline scholarship~~ <--
11 ~~accounts on an annual basis.~~ CONDUCT AN AUDIT OF EACH <--
12 LIFELINE SCHOLARSHIP ACCOUNT AT LEAST ONCE DURING A TWO-YEAR
13 PERIOD.

14 (2) Refer cases of suspected fraudulent misuse of
15 lifeline scholarship accounts to ~~law enforcement agencies~~ THE <--
16 INSPECTOR GENERAL for investigation AND PROSECUTION. <--

17 (3) Notify the department of cases of suspected
18 fraudulent misuse that are referred to ~~law enforcement~~ THE <--
19 INSPECTOR GENERAL.

20 Section 2008-L. Accountability standards for a participating
21 entity.

22 (a) Duties of participating entities.--A participating
23 entity shall:

24 (1) Hold a valid occupancy permit if required by the
25 municipality in which the participating entity is located.

26 (2) Comply with the nondiscrimination policies specified
27 in 42 U.S.C. § 1981 (relating to equal rights under the law)
28 and with section 1521.

29 (3) Comply with the provisions of sections 111 and
30 111.1.

1 (b) Financial accountability standards.--

2 (1) A participating entity shall provide parents with a
3 receipt for all qualifying expenses incurred by the
4 participating entity.

5 (2) The department may require a participating entity
6 that expects to receive at least \$10,000 in payments from
7 lifeline scholarship accounts during the school year to file
8 financial viability documentation. The financial viability
9 documentation may include:

10 (i) a surety bond payable to the Commonwealth in an
11 amount equal to the aggregate amount of money from the
12 lifeline scholarship accounts expected to be paid during
13 the school year on behalf of eligible students admitted
14 at the participating entity; or

15 (ii) financial information that demonstrates that
16 the participating entity has the ability to pay an
17 aggregate amount equal to the amount of money from the
18 lifeline scholarship accounts expected to be paid during
19 the school year on behalf of eligible students admitted
20 to the participating entity.

21 (c) Academic accountability standards.--

22 (1) A parent of an eligible student shall ensure that
23 the department is informed of the eligible student's
24 graduation from high school.

25 (2) The department shall:

26 (i) Ensure compliance with all student privacy laws,
27 including the Family Educational Rights and Privacy Act
28 of 1974 (Public Law 90-247, 20 U.S.C. § 1232g).

29 (ii) Administer an annual parental satisfaction
30 survey that shall ask parents of eligible students

1 participating in the program to express:

2 (A) The parent's satisfaction with the program.

3 (B) The number of years the eligible student has
4 participated in the program.

5 (C) The parent's opinions on other topics, items
6 or issues that the department determines would elicit
7 information about the effectiveness of the program.

8 (d) Participating entity autonomy.--

9 (1) For purposes of this article, a participating entity
10 shall be autonomous and is not an agent of the department or
11 the Commonwealth.

12 (2) Neither the department nor other State agency may
13 regulate the educational program of a participating entity
14 that accepts money from a lifeline scholarship account.

15 (3) The establishment of the program may not be
16 construed to expand the regulatory authority of the State,
17 the officers of the State or a school district to impose
18 additional regulations of a participating entity beyond those
19 necessary to enforce the requirements of the program.

20 Section 2009-L. Bar of certain participating entities.

21 (a) General rule.--The department may bar a participating
22 entity from participation in the program if the department
23 establishes that the participating entity has:

24 (1) routinely failed to comply with the accountability
25 standards established in section 2008-L; or

26 (2) failed to provide an eligible student with the
27 educational services funded by the eligible student's
28 lifeline scholarship account.

29 (b) Notice.--If the department bars a participating entity
30 from participation in the program, the department shall post the

1 decision on the department's publicly accessible Internet
2 website.

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

9 Section 2010-L. Duties of resident school districts.

10 (a) School records.--A resident school district shall
11 provide a participating entity that has admitted an eligible
12 student participating in the program with a complete copy of the
13 student's school records immediately upon the student's
14 enrollment or when services in the participating entity begin,
15 subject to the Family Educational Rights and Privacy Act of 1974
16 (Public Law 90-247, 20 U.S.C. § 1232g).

17 (b) Transportation.--A resident school district shall
18 provide transportation for an eligible student to and from the
19 participating entity under the same conditions as the resident
20 school district provides transportation of other resident
21 students to nonpublic schools under section 1361. The resident
22 school district shall qualify for State transportation
23 reimbursement for each eligible student transported.

24 Section 2011-L. Legal proceedings.

25 (a) Liability.--No liability shall arise on the part of the
26 agency, the Commonwealth or a public school or school district
27 based on the award or use of a lifeline scholarship account
28 under this article.

29 (b) Challenges.--If any part of this article is challenged
30 in a State court as violating either the Constitution of the

1 United States or the Constitution of Pennsylvania, parents of
2 eligible students and students who previously had a lifeline
3 scholarship account shall be permitted to intervene as of right
4 in the lawsuit for the purposes of defending the program's
5 constitutionality. For the purposes of judicial administration,
6 a court may require that all parents file a joint brief but may
7 not require all parents to join a brief filed on behalf of a
8 named State defendant.

9 (c) Severability.--If any provision of this article or the
10 application thereof to any person or circumstance is held
11 invalid, the invalidity shall not affect other provisions or
12 applications of this article which can be given effect without
13 the invalid provision or application and to this end the
14 provisions of this article are declared to be severable.

15 SECTION 2012-L. LEGISLATIVE BUDGET AND FINANCE COMMITTEE
16 REPORT.

<--

17 THE LEGISLATIVE BUDGET AND FINANCE COMMITTEE SHALL PREPARE
18 AND SUBMIT TO THE GENERAL ASSEMBLY A REPORT ON THE PROGRESS OF
19 THE PROGRAM. THE REPORT SHALL INCLUDE THE NUMBER OF APPLICATIONS
20 RECEIVED FOR THE PROGRAM, THE NUMBER OF APPLICATIONS APPROVED
21 FOR THE PROGRAM, THE NUMBER OF LIFELINE SCHOLARSHIP ACCOUNTS
22 TERMINATED EARLY, THE NUMBER OF LIFELINE SCHOLARSHIP ACCOUNTS
23 INVESTIGATED FOR FRAUD, THE NUMBER OF PROSECUTIONS FROM THE
24 INVESTIGATIONS AND OTHER PERTINENT INFORMATION THE LEGISLATIVE
25 BUDGET AND FINANCE COMMITTEE DEEMS HELPFUL FOR THE GENERAL
26 ASSEMBLY AND THE DEPARTMENT. THE REPORT SHALL BE SUBMITTED TWO
27 YEARS AFTER THE FIRST LIFELINE SCHOLARSHIP ACCOUNT IS
28 ESTABLISHED.

29 Section 2. This act shall take effect immediately.