ASSEMBLY, No. 4146



STATE OF NEW JERSEY

220th LEGISLATURE



INTRODUCED JUNE 2, 2022

Sponsored by:

Assemblywoman BETH SAWYER

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Establishes education savings accounts for students whose school districts require face masks or do not offer in person instruction.

CURRENT VERSION OF TEXT

As introduced.



An Act concerning the establishment of education savings accounts and supplementing Title 18A of the New Jersey Statutes.

Be It Enacted by the Senate and General Assembly of the State of New Jersey:

1. As used in this act:

“Education savings account” means an account established on behalf of a child pursuant to section 3 of this act.

“Eligible entity” means any nonpublic elementary or secondary school within the State offering education for grades kindergarten through 12, or any combination thereof, where a child may legally fulfill compulsory school attendance requirements, and that, after March 7, 2022:

(1) does not impose a school mask mandate; and

(2) offered full-time, in person instruction.

“Participating entity” means any eligible entity that has been approved by the State Treasurer pursuant to section 6 of this act to provide educational services that are paid for with money on deposit in an education savings account established pursuant to this act.

2. a. The parent or guardian of a child who is eligible to attend a public school pursuant to N.J.S.18A:38-1 may enter into an agreement with the State Treasurer for the establishment of an education savings account if the child has been enrolled in a public school located in the State for at least 100 consecutive school days prior to the parent or guardian entering into the agreement. The State Treasurer shall determine the process by which a parent or guardian may enter into an agreement. The agreement shall provide that:

(1) the child shall receive instruction from a participating entity in the State for the school year for which the agreement is applicable;

(2) the parent or guardian shall receive a grant on behalf of the child in the form of funds deposited into the education savings account in an amount determined pursuant to section 3 of this act;

(3) the money deposited into the education savings account shall only be used as authorized pursuant to section 5 of this act;

(4) the State Treasurer shall not allow the withdrawal of money from the education savings account during any break in the school year or between school years; and

(5) the education savings account established pursuant to this act shall be maintained by a financial management firm qualified by the State Treasurer.

b. An agreement between a parent or guardian and the State Treasurer entered into pursuant to subsection a. of this section shall be valid for one school year. The agreement may be renewed for any subsequent school year in which the child is eligible to attend a public school pursuant to N.J.S.18A:38-1 if the school district of residence of the child requires face mask to be worn in schools or does not provide at least 180 days of in person instruction. Virtual or remote instruction provided to students due to inclement weather or hazardous transportation conditions shall not disqualify a school district from being considering an eligible entity.

c. The failure of a parent or guardian to enter into or renew an agreement with the State Treasurer in a school year in which the child is eligible to attend public school pursuant to N.J.S.18A:38-1 shall not prohibit the parent or guardian from entering into an agreement in a subsequent school year.

d. Upon entering into or renewing an agreement with a parent or guardian, the State Treasurer shall provide a written explanation to the parent or guardian of the authorized uses of any money in the education savings account, and the responsibilities of the parent or guardian and the State Treasurer under the agreement.

3. Upon entering into an agreement with a parent or guardian pursuant to section 2 of this act, the State Treasurer shall establish an education savings account on behalf of the parent or guardian’s child. For each school year in which an agreement is in effect, the State Treasurer shall deposit an amount equal to the weighted base per pupil amount attributable to the child and the school district in which the child resides, as calculated pursuant to section 7 of P.L.2007, c.260 (C.18A:7F-49). The State Treasurer shall deposit the amount in equal quarterly installments.

4. a. The State Treasurer shall qualify at least one private financial management firm to manage the education savings accounts, and shall establish reasonable fees based on current market rates for the management of the accounts.

b. The State Treasurer shall provide for the auditing of a random sample of education savings accounts annually, and may require an audit of any specific education savings account for which misuse of money deposited into the account is suspected. In the event that an audit identifies substantial misuse of money in an education savings account, the State Treasurer shall immediately freeze the account and forward the audit findings to the Office of the Attorney General.

5. a. Money deposited into an education savings account shall be used exclusively to pay for the following for the child for whom the account has been established:

(1) tuition and fees charged by a participating entity at which the child is enrolled;

(2) required textbooks;

(3) tutoring or other teaching services that are provided by a tutor or tutoring agency that is a participating entity;

(4) fees for any national norm-referenced achievement examination, advanced placement, or similar examination or standardized examination required for admission to an institution of higher education;

(5) in the case of a child who received special education programs and services pursuant to chapter 46 of Title 18A of the New Jersey Statutes in the school year prior to the establishment of the education savings account, fees for any special instruction or services provided to the child;

(6) transportation required for the child to travel to and from a participating entity, not to exceed $750 per school year; and

(7) curriculum and supplemental materials required to administer the curriculum.

b. Any money remaining in an education savings account at the end of a school year shall remain in the account for use in the subsequent year if the parent or guardian renews the agreement with the State Treasurer. If the agreement is not renewed, any money remaining in an education savings account at the end of the school year shall revert to the State Treasury.

6. a. An eligible entity may apply to the State Treasurer to become a participating entity in a manner determined by, and on a form provided by, the State Treasurer. The State Treasurer shall annually publish a list of all participating entities.

b. At any time, the State Treasurer may rescind the approval given to a participating entity if the State Treasurer determines that the entity has failed to comply with the provisions of this act.

7. This act shall take effect immediately.

STATEMENT

This bill provides for the establishment of education savings accounts on behalf of children residing in the State whose school districts in which they reside, after March 7, 2022, required face masks to be worn in school or did not offer in person learning. Under the bill, the funds within the education savings account will be used to enroll a child in an eligible entity, a school district that, after March 7, 2022, did not require face masks to be worn in school, and offered in person instruction. Virtual or remote instruction due to inclement weather or hazardous transportation conditions will not disqualify a school district from being considering an eligible entity.

Under the bill, parent or guardians interested in an education savings account will enter into an agreement with the State Treasurer for the establishment of the account. After entering into the agreement, the State Treasurer will award a grant on behalf of the student that will be deposited into the education savings account. The funds deposited into the account will be an amount equal to the weighted base per pupil amount attributable to the child and the school district in which the child resides, as calculated pursuant to the “School Funding Reform Act of 2008.” The agreement between a parent or guardian and the State Treasurer will be for one school year, and may be renewed in any subsequent school year in which the child is eligible to enroll in a public school, provided the child’s school district in which they reside continues to require face masks to be worn, or fails to offer in person instruction. Money deposited into the education savings account may only be used for the following:

(1) tuition and fees charged by a participating entity at which the child is enrolled;

(2) required textbooks;

(3) tutoring or other teaching services that are provided by a tutor or tutoring agency that is a participating entity;

(4) fees for any national norm-referenced achievement examination, advanced placement, or similar examination or standardized examination required for admission to an institution of higher education;

(5) in the case of a child who received special education programs and services pursuant to chapter 46 of Title 18A of the New Jersey Statutes in the school year prior to the establishment of the education savings account, fees for any special instruction or services provided to the child;

(6) transportation required for the child to travel to and from a participating entity, not to exceed $750 per school year; and

(7) curriculum and supplemental materials required to administer the curriculum.

The State Treasurer will qualify at least one private financial management firm to manage the education savings accounts, and will establish reasonable fees based on current market rates for the management of the accounts. The State Treasurer will also provide for the auditing of a random sample of education savings accounts annually, and may require an audit of any specific education savings account for which misuse of money deposited into the account is suspected. In the event that an audit identifies substantial misuse of money in an education savings account, the State Treasurer will immediately freeze the account and forward the audit findings to the Office of the Attorney General.