

# 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.



A4146 SAWYER

2

1 AN ACT concerning the establishment of education savings  
2 accounts and supplementing Title 18A of the New Jersey  
3 Statutes.

4

5 **BE IT ENACTED** by the Senate and General Assembly of the State  
6 of New Jersey:

7

8 1. As used in this act:

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

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

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

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

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

23

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

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

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

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

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

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

47 b. An agreement between a parent or guardian and the State  
48 Treasurer entered into pursuant to subsection a. of this section shall

1 be valid for one school year. The agreement may be renewed for  
2 any subsequent school year in which the child is eligible to attend a  
3 public school pursuant to N.J.S.18A:38-1 if the school district of  
4 residence of the child requires face mask to be worn in schools or  
5 does not provide at least 180 days of in person instruction. Virtual  
6 or remote instruction provided to students due to inclement weather  
7 or hazardous transportation conditions shall not disqualify a school  
8 district from being considering an eligible entity.

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

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

19  
20 3. Upon entering into an agreement with a parent or guardian  
21 pursuant to section 2 of this act, the State Treasurer shall establish  
22 an education savings account on behalf of the parent or guardian's  
23 child. For each school year in which an agreement is in effect, the  
24 State Treasurer shall deposit an amount equal to the weighted base  
25 per pupil amount attributable to the child and the school district in  
26 which the child resides, as calculated pursuant to section 7 of  
27 P.L.2007, c.260 (C.18A:7F-49). The State Treasurer shall deposit  
28 the amount in equal quarterly installments.

29  
30 4. a. The State Treasurer shall qualify at least one private  
31 financial management firm to manage the education savings  
32 accounts, and shall establish reasonable fees based on current  
33 market rates for the management of the accounts.

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

42  
43 5. a. Money deposited into an education savings account shall  
44 be used exclusively to pay for the following for the child for whom  
45 the account has been established:

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

48 (2) required textbooks;

A4146 SAWYER

- 1 (3) tutoring or other teaching services that are provided by a  
2 tutor or tutoring agency that is a participating entity;
- 3 (4) fees for any national norm-referenced achievement  
4 examination, advanced placement, or similar examination or  
5 standardized examination required for admission to an institution of  
6 higher education;
- 7 (5) in the case of a child who received special education  
8 programs and services pursuant to chapter 46 of Title 18A of the  
9 New Jersey Statutes in the school year prior to the establishment of  
10 the education savings account, fees for any special instruction or  
11 services provided to the child;
- 12 (6) transportation required for the child to travel to and from a  
13 participating entity, not to exceed \$750 per school year; and
- 14 (7) curriculum and supplemental materials required to  
15 administer the curriculum.
- 16 b. Any money remaining in an education savings account at the  
17 end of a school year shall remain in the account for use in the  
18 subsequent year if the parent or guardian renews the agreement with  
19 the State Treasurer. If the agreement is not renewed, any money  
20 remaining in an education savings account at the end of the school  
21 year shall revert to the State Treasury.
- 22
- 23 6. a. An eligible entity may apply to the State Treasurer to  
24 become a participating entity in a manner determined by, and on a  
25 form provided by, the State Treasurer. The State Treasurer shall  
26 annually publish a list of all participating entities.
- 27 b. At any time, the State Treasurer may rescind the approval  
28 given to a participating entity if the State Treasurer determines that  
29 the entity has failed to comply with the provisions of this act.
- 30
- 31 7. This act shall take effect immediately.
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34 STATEMENT

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

47 Under the bill, parent or guardians interested in an education  
48 savings account will enter into an agreement with the State

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

- 15 (1) tuition and fees charged by a participating entity at which  
16 the child is enrolled;
- 17 (2) required textbooks;
- 18 (3) tutoring or other teaching services that are provided by a  
19 tutor or tutoring agency that is a participating entity;
- 20 (4) fees for any national norm-referenced achievement  
21 examination, advanced placement, or similar examination or  
22 standardized examination required for admission to an institution of  
23 higher education;
- 24 (5) in the case of a child who received special education  
25 programs and services pursuant to chapter 46 of Title 18A of the  
26 New Jersey Statutes in the school year prior to the establishment of  
27 the education savings account, fees for any special instruction or  
28 services provided to the child;
- 29 (6) transportation required for the child to travel to and from a  
30 participating entity, not to exceed \$750 per school year; and
- 31 (7) curriculum and supplemental materials required to  
32 administer the curriculum.

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