

SENATE, No. 2746

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED JUNE 2, 2022

Sponsored by:

Senator MICHAEL L. TESTA, JR.

District 1 (Atlantic, Cape May and Cumberland)

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.



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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 a
25 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 act
45 shall be maintained by a financial management firm qualified by the
46 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 or
15 guardian, the State Treasurer shall provide a written explanation to
16 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 be
44 used exclusively to pay for the following for the child for whom the
45 account has been established:

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

48 (2) required textbooks;

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- 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 administer
15 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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- 33

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 the
16 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 administer
32 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.