

ASSEMBLY, No. 5700

STATE OF NEW JERSEY 222nd LEGISLATURE

INTRODUCED OCTOBER 19, 2026

Sponsored by:

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District 8 (Atlantic and Burlington)

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SYNOPSIS

Establishes Youth Well-Being and Digital Accountability Act and Fund; creates independent authority to administer funds from social media settlements once threshold is met.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing the Youth Well-Being and Digital
2 Accountability Act and Fund, and supplementing Title 26 of the
3 Revised Statutes.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. This act shall be known and may be cited as the “Youth Well-
9 Being and Digital Accountability Act.”

10
11 2. The Legislature finds and declares:

12 a. Addressing youth mental health is an urgent public health
13 priority.

14 b. Growing evidence links certain digital technologies,
15 including social media platforms, online gaming platforms, and
16 algorithmically amplified content to adverse mental health outcomes
17 among children, youth, and young adults.

18 c. Over 40 states have pursued litigation against technology
19 companies seeking compensation for harms associated with social
20 media platforms.

21 d. Experience has shown that large-scale litigation settlements
22 proceeds, absent a dedicated governance structure and binding
23 transparency requirements, are vulnerable to being diverted from
24 their intended purpose. Following the 1998 tobacco Master
25 Settlement Agreement, many states directed the large majority of
26 settlement proceeds to general government purposes rather than
27 tobacco prevention and cessation. Likewise, opioid settlement funds
28 have also been diverted for purposes unrelated to opioid remediation.
29 This history underscores the need for a dedicated, independent, and
30 transparent structure to govern the use of settlement proceeds under
31 this act.

32 e. Positive youth development opportunities, including before-
33 and after-school, summer, outdoors, sports, arts, mentoring, life
34 skills, leadership, service, and other community-based programs are
35 associated with improved mental health, stronger social connection,
36 increased resilience, and other protective factors for children and
37 youth.

38 f. Access to positive youth development programs that offer
39 alternatives to digital media consumption is limited for many youth.
40 National surveys indicate that only approximately one in four
41 children participate in an afterschool program, while millions more
42 would participate if a program were available and affordable, and that
43 youth 13 to 18 years of age spend an average of more than eight hours
44 per day engaged with screen media outside of school. Expanding
45 access to in-person youth development opportunities, structured
46 programming, safe third spaces, and community-based alternatives
47 to digital media consumption is therefore a necessary component of
48 a comprehensive response to the harms addressed by this act.

1 g. Any proceeds received through judgments, settlements, civil
2 penalties, or related recoveries should be invested transparently and
3 strategically to improve youth mental health and well-being and
4 prevent future harms.

5 h. Because these resources are intended to benefit the youth of
6 today and of the future, these resources should be administered
7 through an independent public authority with subject matter
8 expertise, transparency, and long-term stewardship.

9
10 3. As used in this act:

11 “Activation threshold” means the amount of cumulative
12 committed settlement proceeds specified in subsection a. of section
13 4 of this act at which the authority and board commence full
14 operation.

15 “Authority” means the entity established under section 5 of this
16 act.

17 “Board” means the governing board of the Authority.

18 “Cumulative committed settlement proceeds” means the total
19 amount of settlement proceeds the State has received, together with
20 the total amount the State is contractually entitled to receive under
21 executed settlement agreements, whether or not yet disbursed.

22 “Fund” means the Youth Well-Being and Digital Accountability
23 Fund.

24 “Interim administrator” means the current, existing State
25 department which administers the fund prior to the activation
26 threshold being met as provided in subsection a. of section 5 of this
27 act.

28 “Settlement agreement” means any judgement, consent decree,
29 settlement agreement, memorandum of understanding, or other
30 binding resolution referenced in section 4 of this act, together with
31 any exhibits, remediation schedules, permissible-use provisions, or
32 reporting requirements incorporated therein.

33 “Settlement proceeds” means all monies received by the State
34 through judgements, settlements, consent decrees, civil penalties, or
35 similar legal actions involving social media companies, digital
36 technology companies, online platforms, providers of artificial
37 intelligence products or services such as artificial intelligence
38 chatbots and companion applications, or related entities arising from
39 claims concerning harms to youth mental health or well-being.

40 “Trust” means the Youth Well-Being and Digital Accountability
41 Trust, into which the fund converts upon certification of the
42 activation threshold, as provided in subsection a. of section 5 of this
43 act.

44
45 4. a. There is established an independent public body to be known
46 as the Youth Well-Being and Digital Accountability Authority.

47 b. The authority is established as an independent instrumentality
48 of the State, constituting a body corporate and politic exercising

1 essential public and governmental functions. The authority shall not
2 be subject to the administrative direction or control of any executive
3 department. This subsection shall be construed and applied
4 consistently with applicable State laws and constitutional
5 amendments concerning separation of powers, delegation of
6 authority between the branches of government, and appropriation of
7 State funds.

8 c. There is established in, but not of, the Department of the
9 Treasury a fund to be known as the Youth Well-Being and Digital
10 Accountability Fund which shall be kept distinct and separate from
11 all other funds. The State Treasurer shall serve as custodian of the
12 fund and shall invest fund monies in accordance with applicable State
13 laws regarding appropriation and investment of State funds.
14 Earnings on fund monies shall be added to and become part of the
15 fund. The authority shall direct the expenditures of the fund
16 consistent with the provisions of this act.

17 d. The fund shall consist of:

- 18 (1) settlement proceeds;
- 19 (2) legislative appropriations;
- 20 (3) applicable taxes;
- 21 (4) gifts, grants, and donations; and
- 22 (5) interest and investment earnings.

23 e. The authority shall be supported by the State's information
24 technology and grant management infrastructure. Money in the fund
25 shall not revert at the end of any fiscal year, shall be non-lapsing, and
26 is continuously appropriated to the authority for the purposes of this
27 act without need for further legislative appropriation, and shall
28 remain available until expended.

29 f. Money in the fund shall not be transferred, loaned, or
30 appropriated to the State's General Fund or to any other fund or
31 account unless authorized by this act. Any purported transfer in
32 violation of this subsection is void and of no effect.

33 g. For administrative purposes only, including payroll,
34 procurement, and information technology services, the authority may
35 be supported by the Department of the Treasury. Such attachment
36 shall not affect the authority's independent management of fund
37 expenditures, grantmaking, or the strategic investment plan.

38 h. Notwithstanding any other provision of this act, expenditures
39 of settlement proceeds shall be consistent with the terms of the
40 applicable settlement agreement. Where a conflict exists between
41 this act and the terms of a settlement agreement as to the use of
42 proceeds received under that agreement, the terms of the settlement
43 agreement shall control. The authority shall coordinate with the
44 Office of the Attorney General to satisfy the requirements of any
45 applicable settlement agreement, and shall not revert to the State's
46 General Fund.

1 5. a. Prior to the activation threshold being met under subsection
2 c. of this section, the fund shall be administered by the interim
3 administrator, subject in full to subsections f., h., and i. of this
4 section, and section 11 of this act.

5 b. The interim administrator shall establish an advisory
6 committee of not fewer than seven members, appointed as follows:
7 three by the Governor, two by the President of the Senate, and two
8 by the Speaker of the House, collectively reflecting the expertise
9 categories described in subsection b. of section 7 of this act. The
10 advisory committee shall review the use of the fund and make
11 recommendations to the interim administrator during the interim
12 period.

13 c. The authority and board established under sections 5 through
14 9 of this act shall commence full operation upon written certification
15 by the Governor that cumulative committed settlement proceeds
16 equal or exceed \$100 million.

17 d. Upon certification under subsection c. of this section, the
18 interim administrator shall, within 90 days, transfer administration of
19 the fund, all fund balances, and all records to the authority. The
20 advisory committee established under subsection b. of this section
21 shall dissolve upon completion of the transfer, and its members shall
22 be eligible for appointment to the board under section 7 of this act.

23 e. Nothing in this section limits the applicability of subsections
24 f., h., or i. of this section, or of section 10 of this act to the fund during
25 the interim period described in subsection a. of this section.

26 f. Upon certification under subsection c. of this section, the fund
27 shall be reconstituted as the Youth Well-Being and Digital
28 Accountability Trust, held by the State Treasurer as trustee for the
29 benefit of the youth of the State, and administered by the authority in
30 accordance with the State's "Uniform Trust Code," P.L.2015, c.276
31 (C.3B:31-1 et seq.), and this act. The authority shall administer the
32 trust with the care, skill, and diligence that a prudent fiduciary acting
33 in a like capacity would exercise under the circumstances then
34 prevailing. All amounts held in the fund immediately before
35 conversion, and all amounts received thereafter, shall be subject to
36 this subsection without distinction. From and after conversion, all
37 references to the fund elsewhere in this act shall be construed as
38 references to the trust.

39
40 6. a. The authority may award fund monies to entities listed in
41 subsection c. of this section through competitive grant programs,
42 targeted investments, cooperative agreements, contracts, or other
43 funding mechanisms.

44 b. The authority may solicit applications from eligible applicants
45 listed in subsection c. of this section or make strategic investments in
46 eligible applicants where it determines that doing so will advance the
47 purposes of this act.

48 c. Eligible applicants may include:

- 1 (1) local governments;
- 2 (2) tribal governments and organizations;
- 3 (3) nonprofit organizations;
- 4 (4) nonprofit health care providers, provided that a for-profit
- 5 health care provider may be eligible where no nonprofit provider with
- 6 comparable capacity is reasonably available to serve the applicable
- 7 service area;
- 8 (5) schools;
- 9 (6) community-based organizations; and
- 10 (7) other public or nonprofit entities serving children, youth,
- 11 young adults, and families.

12 d. Grant awards and other funding decisions shall be made
13 pursuant to publicly adopted criteria in accordance with the
14 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
15 seq).

16
17 7. a. The authority shall be governed by a board consisting of 15
18 voting members and one ex officio, nonvoting member as provided
19 in subsection b. of this section.

20 b. Members shall be appointed as follows:

21 (1) four appointed by the Governor consisting of one member
22 with expertise in behavioral health; one member with expertise in
23 public health; one member with expertise in pediatric medicine; and
24 one member with expertise in behavioral health financing or research
25 and evaluation;

26 (2) three appointed by the President of the Senate consisting of
27 one member with expertise in schools; one member with expertise in
28 community-based organizations serving youth; and one youth or
29 young adult with lived experience of behavioral health conditions or
30 receiving services therefrom;

31 (3) three appointed by the Speaker of the House consisting of one
32 member with expertise in youth development; one member who is a
33 parent or caregiver of a youth or young adult; and one youth or young
34 adult with lived experience of behavioral health conditions or
35 receiving services therefrom, who shall be under the age of 25 years
36 at the time of appointment;

37 (4) five ex officio members appointed by the secretary or
38 commissioner representing the Departments of Health; Human
39 Services; Education; Children and Families; and Labor and
40 Workforce Development; and

41 (5) one ex officio, nonvoting member appointed by the Attorney
42 General.

43 c. (1) At the time of appointment, each appointing official under
44 subsection b. of this section shall provide the board a brief written
45 statement identifying the qualifying expertise or lived experience
46 supporting each appointment.

47 (2) If a category of expertise or lived experience required under
48 subsection b. of this section is or becomes unfilled, the board shall

- 1 notify the relevant appointing official in writing, and that appointing
2 official shall address the vacancy at its next opportunity to fill a seat
3 under this section.
- 4 d. The Governor shall designate the chair of the board.
- 5 e. Members shall serve staggered three-year terms and may be
6 reappointed once.
- 7 f. Members shall comply with applicable State ethics and
8 conflict of interest laws.
- 9 g. Ex officio members under subsection b. of this section shall
10 be the head of the respective department, or a designee holding senior
11 decision-making authority equivalent to a deputy secretary, deputy
12 commissioner, or division director. No ex officio member may
13 delegate participation in board business to staff who lack such
14 authority.
- 15 h. A member who has, or whose immediate family member, as
16 defined by the State, has a financial or governance interest in an
17 entity applying for or receiving funds from this act shall disclose the
18 interest to the board and recuse from any discussion, deliberation, or
19 vote relating to that entity's application or award.
20
- 21 8. a. The authority shall have all powers necessary to carry out the
22 purposes of this act, including the power to:
- 23 (1) administer and manage the Youth Well-Being and Digital
24 Accountability Fund established pursuant to this act;
- 25 (2) conduct or commission Statewide needs assessments, fiscal
26 mapping, environmental scans, and other analyses necessary to
27 identify gaps in programs and services that reduce the harms of social
28 media, including (a) positive youth development programs that foster
29 social connection, build trusted adult and peer relationships, reduce
30 screen time, and promote mental health; (b) safe digital engagement
31 tools and programs that prepare youth and adult caregivers to
32 navigate online experiences safely; and (c) mental health screenings
33 to assess needs for early intervention, targeted interventions to
34 strengthen mental health and social connection, and crisis response
35 to address acute needs;
- 36 (3) develop, adopt, and periodically update the strategic
37 investment plan required pursuant to section 9 of this act, using the
38 plan as the primary framework to guide all expenditures from the
39 fund;
- 40 (4) establish Statewide funding priorities and investment
41 strategies that are evidence-informed, data-driven, and responsive to
42 changing Statewide needs;
- 43 (5) establish grantmaking policies, application procedures,
44 funding criteria, and award processes consistent with the strategic
45 investment plan pursuant to section 9 of this act;
- 46 (6) solicit, review, approve, and monitor grants and contracts
47 funded pursuant to this act;

- 1 (7) establish priorities that promote a balanced continuum of
2 investments delivered in community and clinical settings across the
3 behavioral health continuum including universal access to youth
4 program and third spaces, targeted mental health interventions, and
5 support for children with intensive behavioral health needs along
6 with investments in reasonable intermediary, operational, workforce,
7 training, evaluation, cross-system coordination, data sharing, and
8 related costs that are necessary for effective, equitable, and
9 sustainable service delivery;
- 10 (8) coordinate funding strategies with State agencies, local
11 governments, tribal governments where applicable, schools, health
12 systems, community organizations, and other youth-serving entities
13 to maximize impact and avoid duplication of effort;
- 14 (9) enter into contracts, memoranda of understanding,
15 cooperative agreements, and other agreements necessary to carry out
16 the purposes of this act;
- 17 (10) through the board, hire, evaluate, set the compensation of,
18 and remove an Executive Director, who shall serve at the pleasure of
19 the board and may be removed by a vote of the majority of the board's
20 voting members; and employ such additional staff as necessary;
- 21 (11) establish advisory committees or technical advisory groups
22 to provide subject matter expertise on positive youth development,
23 youth mental health, digital well-being, finance, evaluation, or other
24 matters relevant to the authority's work;
- 25 (12) develop performance measures and outcome indicators to
26 evaluate the effectiveness of investments made from the fund;
- 27 (13) collect, analyze, and publish data regarding fund
28 expenditures, program performance, and Statewide outcomes;
- 29 (14) prepare and publish the annual report required pursuant to
30 this act;
- 31 (15) adopt bylaws, policies, and procedures governing the
32 operations of the authority, including conflict of interest policies,
33 procurement standards, grant administration procedures, and
34 financial controls; and
- 35 (16) exercise any other powers necessary to fulfill the purposes
36 of this act consistent with applicable State and federal law.
- 37 b. In carrying out its duties under this section, the authority shall
38 assign qualified allocation targets, expressed as dollar amounts or
39 percentage of projected available funds, to each category identified
40 in subsection c. of section 9 of this act. The targets shall be informed
41 by the needs assessment and gap analysis required pursuant to
42 subsection c. of section 9 of this act.
- 43
- 44 9. a. Within one year of the effective date of this act, and at least
45 once every five years thereafter, the authority shall adopt a Statewide
46 multi-year strategic investment plan to guide the expenditure of
47 monies from the fund.

- 1 b. The strategic investment plan shall establish a long-term
2 framework for investing settlement proceeds to support the mental
3 health, safety, well-being, and positive development of school-age
4 children, youth, and young adults.
- 5 c. The strategic investment plan shall be informed by Statewide
6 data and stakeholder engagement and shall include, at a minimum:
- 7 (1) a Statewide needs assessment identifying unmet behavioral
8 health and development needs of children, youth, and young adults;
9 (2) a fiscal mapping analysis identifying existing federal and
10 State funding streams supporting youth mental health and well-being;
11 (3) an assessment of geographic, demographic, and population-
12 specific data on access to prevention, early intervention, treatment,
13 recovery supports, and other services;
14 (4) measurable Statewide goals and priorities for investment over
15 the planning period;
16 (5) funding strategies that balance investments across the
17 following areas:
- 18 (a) In Real Life Alternatives
- 19 (i) positive youth development programs such as before- and
20 after-school, and summer learning and enrichment programs; outdoor
21 learning, environmental education, and nature-based programs;
22 youth sports and recreation; play-based programs; arts, music, and
23 creative expression programs; culturally specific programs; faith-
24 based programs; community schools and clubs; libraries; museum-
25 based programs; and safe third spaces designed for young people;
26 (ii) career, workforce, post-secondary readiness, life skills, youth
27 employment, and mentoring programs;
28 (iii) youth service, youth leadership, youth organizing, civic
29 engagement, and other youth-led initiatives; and
30 (iv) caregiver and family programs to support health and trusting
31 family adult-child relationships;
- 32 (b) Safe Digital Engagement
- 33 (i) digital citizenship education delivered in-person and digitally
34 for youth, caregivers, and youth-serving staff including youth-guided
35 curricula, programs, tools, and peer-to-peer supports; and
36 (ii) youth-led and youth-serving initiatives that advocate for safe
37 platform design and policies and elevate youth voices through
38 listening tours, youth town halls, community conversations, and
39 public awareness campaigns;
- 40 (c) Mental Health Services and Supports
- 41 (i) youth-serving professionals and educators trained on early
42 detection, screening, and referrals to care for emerging mental health
43 needs;
44 (ii) peer and near-peer delivery models to expand clinical and
45 nonclinical mental health workforce capacity;
46 (iii) community, school, and pediatric clinical and nonclinical
47 supports, including pediatric collaborative care, dyadic care, and
48 other evidence-based interventions; and

1 (iv) crisis response and community-based treatment models for
2 youth with acute needs, such as investments into the local 988
3 Suicide and Crisis Lifeline, Mobile Response and Stabilization
4 Supports, and pediatric behavioral health urgent care infrastructure;
5 and

6 (d) System-level Investments in Harm Reduction and Abatement

7 (i) investment and evaluation of intermediary, operational, and
8 workforce training systems to ensure effective equitable and
9 effective service delivery; and

10 (ii) establishment and evaluation of cross-system coordination
11 and data sharing across systems;

12 (6) strategies to ensure that fund expenditures supplement rather
13 than supplant existing public investments;

14 (7) performance measures and outcomes indicators to evaluate
15 the effectiveness of funded initiatives;

16 (8) recommendations for improving coordination among State
17 agencies, schools, health care providers, community organizations,
18 families, and other youth-serving systems; and

19 (9) any additional priorities the authority determines are necessary
20 to fulfill the purposes of this act.

21 d. In developing or updating the strategic investment plan, the
22 authority shall consult with youth, parents and caregivers, educators,
23 behavioral health providers, researchers, tribal governments where
24 applicable, community-based organizations, and other stakeholders
25 with expertise in positive youth development, youth mental health,
26 prevention, and digital well-being.

27 e. Prior to adopting the strategic plan, the authority shall publish
28 a draft strategic investment plan for public comment and conduct at
29 least one public meeting to receive input.

30 f. The authority shall annually review progress toward
31 implementation of the strategic investment plan and may adopt
32 amendments as necessary to respond to emerging evidence, changing
33 Statewide needs, or new settlement revenues.

34 g. Grant awards and other expenditures from the fund shall, to
35 the maximum extent practicable, be consistent with the priorities and
36 objectives established in the strategic investment plan.

37
38 10. a. Money distributed under this act shall supplement and not
39 supplant existing federal, State, local, or private funding, and shall
40 not be used for litigation, lobbying, or to fund the general
41 administrative operations of any State agency other than the
42 authority.

43 b. The authority shall not expend fund monies to pay for, or
44 reimburse the cost of, any behavioral health service that is required
45 to be covered and reimbursed by any medical assistance program or
46 a commercial health benefit plan under applicable federal or State
47 law, including mental health parity requirements. Nothing in this act
48 shall be construed to limit, diminish, or substitute for any obligation

1 of a health benefit plan to provide coverage or reimbursement for
2 behavioral health services under applicable law.

3 c. The Department of Insurance and Banking shall coordinate
4 with the authority to ensure appropriate coverage and reimbursement
5 of behavioral health services by any health benefits plans operating
6 in the State, including by:

7 (1) identifying services funded or proposed for funding under this
8 act that are subject to a coverage or reimbursement obligation under
9 applicable law;

10 (2) referring instances of noncompliant claims denial, delay, or
11 reduction to the appropriate enforcement process; and

12 (3) advising the authority on the design of grant criteria and
13 funding priorities to avoid displacement of commercial coverage
14 obligations.

15 d. The authority shall not expend fund monies to replace, reduce,
16 or supplant federal, State, or local funding otherwise available to, or
17 required to be provided by, a local education agency, public school,
18 public charter school, or other educational entity.

19 e. Nothing in this section shall be construed to limit the
20 authority's ability to fund evidence-informed positive youth
21 development, family support, or other youth-serving community-
22 based services that promote mental health and well-being but are not
23 reimbursable behavioral health services.

24
25 11. a. The authority shall submit an annual report to the Governor
26 and the Legislature by July 1 of each year, which report must include:

27 (1) revenues received;

28 (2) expenditures;

29 (3) grant awards;

30 (4) geographic distribution of funding;

31 (5) funded outcomes and performance measures;

32 (6) evaluation findings;

33 (7) administrative expenditures; and

34 (8) recommendations for future investments.

35 b. The authority shall publish the report, with the underlying
36 expenditure and grant award data in a searchable and downloadable
37 format, on a publicly accessible page of the authority's website no
38 later than July 1 of each year, and shall retain each year's report and
39 data on that page for at least 10 years.

40
41 12. a. The authority may expend not more than 10 percent of
42 annual expenditures for administration, staffing, evaluation,
43 technical assistance, and operational support.

44 b. The accounts of the authority shall be independently audited
45 annually by the State Department of the Treasury.

46 c. The authority shall adopt bylaws and policies governing
47 meetings, procurement, grantmaking, conflicts of interest, and
48 financial management.

- 1 performance measures, evaluation findings, administrative expenses,
- 2 and recommendation for future investments. The report would be
- 3 required to be publicly published on the authority's Internet webpage
- 4 and must remain published and public for at least 10 years.