

ASSEMBLY, No. 2443

STATE OF NEW JERSEY

INTRODUCED OCTOBER 21, 1996

By Assemblyman GARRETT

1 AN ACT establishing a tuition voucher pilot program and making an  
2 appropriation.

3

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

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7 1. The Legislature finds and declares that:

8 a. School tuition vouchers may serve as a vehicle for education  
9 reform by providing all parents with the ability to select the school and  
10 education program which best suits their children's individual needs.  
11 Increasing parental involvement and satisfaction with their children's  
12 educational program and environment will have a positive effect on the  
13 education of those children. In addition, school choice will provide an  
14 incentive to all schools, both public and private, to improve their  
15 educational programs and services and become more efficient and  
16 innovative; and

17 b. In order to responsibly assess the merits of tuition vouchers, a  
18 limited pilot program should be established which incorporates  
19 adequate controls and is subject to meaningful evaluation.

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21 2. For the purposes of this act, unless the context clearly requires  
22 a different meaning:

23 "Eligible school district" means any school district which has been  
24 approved by the Commissioner of Education to participate in the pilot  
25 program.

26 "Parental Information Center" means an office in each eligible  
27 school district which disseminates and receives tuition vouchers and  
28 provides interested parents with information describing educational  
29 options available for their children under this act.

30 "Participating nonpublic school" means a nonpublic elementary or  
31 secondary school which:

32 a. elects to receive voucher pupils;

33 b. charges tuition or fees for its services;

34 c. was established before September 1995;

35 d. is located within the same county as the eligible school district;

36 e. has staff and students who are currently designated by the  
37 Department of Education as eligible to receive publicly funded

1 services;

2 f. complies with all State and federal standards applicable to  
3 nonpublic schools; and

4 g. complies with all other requirements imposed by this act.

5 "Participating public school" means any public school within the  
6 same county as an eligible school district, which elects to receive  
7 voucher pupils pursuant to N.J.S. 18A:38-3. "Participating public  
8 school" also means any public school within the eligible school district  
9 which has been designated by the eligible school district to participate  
10 in the pilot program pursuant to procedures established by the eligible  
11 school district.

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13 3. The Commissioner of Education shall establish a tuition voucher  
14 pilot program in each eligible school district beginning in the first full  
15 school year following the effective date of this act. The pilot program  
16 shall allow children residing in an eligible school district to attend a  
17 participating nonpublic school or a participating public school and  
18 have the tuition paid, in full or in part, with a school tuition voucher.  
19 The tuition voucher redemption shall be based solely on the parent's  
20 or guardian's decision to enroll the child in a nonpublic or public  
21 participating school.

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23 4. a. The municipal governing body in a Type I school district, the  
24 local board of education in a Type II school district, or the State  
25 district superintendent in a State-operated school district shall file an  
26 application with the Department of Education in order to participate  
27 in the pilot program. The commissioner shall require each application  
28 to include eligibility criteria for tuition voucher redemption which  
29 shall take into account the financial ability of the pupil's family to meet  
30 the cost of tuition at the nonpublic or public participating school.

31 b. There shall be a maximum of one eligible school district per  
32 county. The commissioner shall appoint an eligibility review panel to  
33 consider applications and make recommendations to him for the final  
34 decision. The panel shall base its recommendations on, but not be  
35 limited to, the following criteria:

36 (1) merit as a pilot site;

37 (2) net cost to the district or State;

38 (3) establishment of a representative sample of districts; and

39 (4) practical capacity of the participating schools.

40 Prior to making a final recommendation to the commissioner on  
41 an application, the panel may suggest that the district modify the  
42 application.

43 c. During the pilot program, the commissioner may terminate the  
44 pilot program in an eligible school district at the end of any school  
45 year, at the request of the entity that applied to participate in the pilot  
46 program pursuant to this section and upon recommendation of the

1 eligibility review panel.

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3 5. a. In each year of the pilot program, parents and guardians of  
4 children residing in an eligible school district, in the grade levels and  
5 schools determined by the commissioner pursuant to the district's  
6 application and the eligibility panel's review, shall be provided tuition  
7 vouchers by the district's Parental Information Center.

8 b. The amount of the tuition voucher in each eligible school  
9 district shall be no more than \$2,500 for pupils in grades kindergarten  
10 through 8 and \$3,500 for pupils in grades 9 through 12. However, the  
11 tuition voucher given to the parent or guardian of a pupil pursuant to  
12 this section shall not exceed the tuition rate established by the  
13 participating school for the year of attendance.

14 c. The parent or guardian shall submit, by June 1 of the preceding  
15 school year or such other date as the commissioner deems appropriate,  
16 the tuition voucher along with evidence that the pupil is enrolled in a  
17 participating school to the Parental Information Center in the eligible  
18 school district, which shall forward it to the Department of Education.  
19 Except as provided in subsection d. of this section, the tuition voucher  
20 shall be redeemed through checks from the department made payable  
21 to the parent or guardian. The department shall issue an initial check  
22 in an amount equal to one-fifth of the voucher amount on September  
23 1. An additional check equal to one-fifth of the tuition voucher  
24 amount shall be forwarded to the parent or guardian on the fifteenth  
25 day of October, December, February and April upon proof of tuition  
26 payment and continued attendance. If a voucher pupil ceases to attend  
27 the participating school, the parent or guardian shall immediately  
28 notify the Parental Information Center and all further installment  
29 payments shall be withheld. The parent or guardian shall be  
30 responsible for full payment of tuition. For economically  
31 disadvantaged voucher pupils attending the participating school, the  
32 participating school may waive the amount of tuition which exceeds  
33 the tuition voucher.

34 d. If a tuition voucher is redeemed in order to attend a public  
35 school within the eligible school district, the department shall not issue  
36 a check to the parent or guardian and no further tuition shall be  
37 required for attendance. If a tuition voucher is redeemed in order to  
38 attend a participating public school outside of the district, the  
39 department shall not issue a check to the parent or guardian but shall  
40 credit the tuition voucher amount to the participating school on behalf  
41 of the pupil, and the parent or guardian shall be responsible for the  
42 difference in tuition.

43 e. If a parent or guardian fails to choose a school pursuant to this  
44 section, the child shall be enrolled in the public school of the district  
45 of residence.

46 f. Pupils using a tuition voucher to attend a nonpublic school or

1 public school outside of a eligible school district shall not be included  
2 in the resident enrollment of the eligible school district for the school  
3 year of transfer and each school year thereafter during which the pupil  
4 is attending the nonpublic school or the public school outside of the  
5 eligible school district. The commissioner shall make the necessary  
6 adjustments to the resident enrollment and State aid entitlement of the  
7 eligible school district in order to account for voucher pupils attending  
8 a participating school under this act.

9 g. The parent or guardian shall provide the commissioner with the  
10 information necessary to conduct the evaluation and reporting required  
11 pursuant to the provisions of this act, including requesting and making  
12 available the voucher pupil's records such as those concerning  
13 attendance and academic achievement. If the parent or guardian  
14 refuses to provide the information, the department is authorized to  
15 prohibit further participation in the pilot program by the parent or  
16 guardian.

17 h. Each Parental Information Center shall make reasonable efforts  
18 to notify the public of all requirements necessary for participation in  
19 the pilot program established pursuant to this act.

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21 6. Funds provided to a parent or guardian pursuant to this act shall  
22 not be considered income to the recipient for State income tax  
23 purposes.

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25 7. The commissioner is authorized to take such steps as may be  
26 necessary to recapture from the parent or guardian of a voucher pupil  
27 any funds provided under this act which are not used to pay tuition at  
28 the participating school, plus a penalty equal to two times the amount  
29 of the misapplied funds. The commissioner is authorized to institute  
30 proceedings under "the penalty enforcement law," N.J.S. 2A:58-1 et  
31 seq., in order to recapture the funds not expended in accordance with  
32 this act plus the amount of any penalty.

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34 8. During the pilot program the commissioner shall not impose any  
35 additional requirements beyond those contained in this act upon  
36 participating nonpublic schools unless those requirements also are  
37 imposed upon nonparticipating nonpublic schools under State or  
38 federal law.

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40 9. Transportation shall be provided to voucher pupils attending a  
41 participating nonpublic school or a public school outside of the eligible  
42 school district pursuant to the provisions of N.J.S. 18A:39-1  
43 applicable to nonpublic school transportation.

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45 10. a. An evaluation shall be conducted to determine the  
46 effectiveness of the pilot program. The evaluation shall focus upon

1 attendance rates, dropout and graduation rates, parental and student  
2 satisfaction, parental involvement, and student academic achievement.  
3 Statistics on the socioeconomic status of voucher recipients shall also  
4 be kept for academic purposes. The evaluation, and accumulation of  
5 data, shall be performed by the commissioner, with the assistance of  
6 an evaluation and research advisory committee appointed by the  
7 commissioner.

8 b. On or before January 1st of each year, the commissioner shall  
9 make a status report to the Governor and the Legislature on the  
10 evaluation of the pilot program.

11 c. The commissioner shall recommend to the Governor and the  
12 Legislature by January 1 of the last school year of the pilot program,  
13 whether the tuition voucher pilot program should be continued,  
14 expanded, modified or terminated.

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16 11. There is appropriated from the General Fund the sum of  
17 \$5,500,000 to the Department of Education to effectuate the purposes  
18 of this act. This amount shall be in addition to any State aid to which  
19 a school district may be entitled pursuant to P.L.1990, c.52  
20 (C.18A:7D-1 et al.) or any other law. The Department of Education  
21 shall seek other sources of public funding and may accept private  
22 contributions. The applicant district or municipality is authorized to  
23 contribute local funds to supplement the pilot program in the district.

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25 12. This act shall take effect immediately and shall expire on June  
26 30th of the fifth full school year following enactment.

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#### STATEMENT

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31 This bill establishes a five-year tuition voucher pilot program that  
32 will allow children residing in an eligible school district to attend a  
33 participating nonpublic school or a participating public school and  
34 have the tuition paid, in full or in part, with a school tuition voucher.

35 Pursuant to the bill, the municipal governing body in a Type I  
36 school district, the local board of education in a Type II school  
37 district, or the State district superintendent in a State-operated school  
38 district will file applications with the Department of Education in  
39 order to participate in the pilot program as an eligible school district.  
40 There will be a maximum of one eligible school district per county.  
41 An eligibility review panel, appointed by the Commissioner of  
42 Education, will consider applications and make recommendations to  
43 the commissioner for final decision.

44 The bill provides that a pupil who is in a grade level and school  
45 within an eligible school district that has been determined by the  
46 commissioner as eligible to participate in the pilot program, will be

1 able to choose to attend either a participating nonpublic school or a  
2 participating public school. A participating nonpublic school will be  
3 located in the same county as the eligible school district. A  
4 participating public school is defined as a public school that elects to  
5 receive vouchers and is located in the same county as the eligible  
6 school district or a public school within the eligible school district  
7 which has been designated by the eligible school district to participate  
8 pursuant to procedures established by the eligible school district. The  
9 vouchers will be provided to the parents or guardians of the pupils by  
10 the eligible school district's Parental Information Center, one of which  
11 will be located in each eligible school district. The amount of the  
12 tuition voucher will be no more than \$2,500 for pupils in grades  
13 kindergarten through 8 and \$3,500 for pupils in grades 9 through 12,  
14 however, in no case will the voucher exceed the tuition rate  
15 established by the participating school.

16 The parent or guardian will submit the voucher along with  
17 evidence that the pupil is enrolled in a participating school to the  
18 Parental Information Center in the eligible school district, which will  
19 forward it to the department. In the case of a pupil attending a  
20 participating nonpublic school, the voucher will be redeemed through  
21 checks from the department to the parent or guardian. The  
22 department will issue five checks, each equal to one-fifth of the  
23 voucher amount, in September, October, December, February and  
24 April of the school year, upon proof of tuition payment and continued  
25 attendance.

26 If a voucher is redeemed in order to attend a public school within  
27 the eligible school district, the department will not issue a check to the  
28 parent or guardian and no further tuition will be required for  
29 attendance. If a voucher is redeemed in order to attend a participating  
30 public school outside of the district, the department will not issue a  
31 check to the parent or guardian but will credit the voucher amount to  
32 the participating school on behalf of the pupil, and the parent or  
33 guardian will be responsible for the difference in tuition.

34 Pupils using a tuition voucher to attend a nonpublic school or  
35 public school outside of a eligible school district will not be included  
36 in the resident enrollment of the eligible school district for the school  
37 year of transfer and each school year thereafter during which the pupil  
38 is attending the nonpublic school or the public school outside of the  
39 eligible school district. The commissioner will adjust the resident  
40 enrollment and State aid entitlement of the eligible school district in  
41 order to account for pupils attending a participating school.

42 The bill provides for an evaluation of the pilot program to  
43 determine its effectiveness, performed by the commissioner with the  
44 assistance of an evaluation and research advisory committee appointed  
45 by him. The evaluation will focus on attendance rates, dropout and  
46 graduation rates, parental and student satisfaction, parental

1 involvement, and student academic achievement. On or before January  
2 1st of each year, the commissioner will make a status report to the  
3 Governor and the Legislature on the evaluation. The commissioner  
4 will also recommend to the Governor and the Legislature by January  
5 1 of the last school year of the pilot program, whether the tuition  
6 voucher pilot program should be continued, expanded, modified or  
7 terminated.

8 The bill provides a \$5.5 million appropriation to the Department of  
9 Education to effectuate the purposes of the bill. The department is  
10 also required to seek other sources of public funding and is permitted  
11 to accept private contributions.

12 The bill would become effective immediately and expire on June  
13 30th of the fifth full school year following enactment.

14 This bill is the product of the Governor's Advisory Panel on School  
15 Vouchers, which submitted its proposed legislation to implement a  
16 tuition school voucher pilot program in January, 1996.

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21 Establishes a five-year tuition voucher pilot program and appropriates  
22 \$5.5 million.