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- )  
LEONOR ALCANTARA, individually and as )  
Guardian ad Litem for E.A.; LESLIE )  
JOHNSON, individually and as Guardian )  
ad Litem for D.J.; JUANA PEREZ, )  
individually and as Guardian ad Litem ) On remand to the  
for Y.P.; TATIANA ESCOBAR ) Agency, Appellate  
individually; and IRA SCHULMAN, ) Docket No. A-3693-20  
individually and as Guardian ad Litem )  
for A.S. )  
Petitioners ) OAL DOCKET No:  
, v. ) EDU 11069-2014S  
Angelica Allen-McMillan, Acting )  
Commissioner; The New Jersey State ) Agency Ref. No.:  
Board Of Education; And The New ) 156-6/14  
Jersey Department Of Education )  
Respondents. ) CERTIFICATION OF  
----- ) ARTHUR H. LANG, ESQ.  
- ) IN SUPPORT OF THE  
 ) MOTION IN AID OF  
 ) LITIGANTS' RIGHTS

I, ARTHUR H. LANG, of full age, hereby certify the following:

1) I am a licensed attorney at law in the State of New Jersey and a teacher of mathematics at Lakewood High School from August 2003 until March 2024.

2) This Court ordered the Commissioner to address the root problem of what I set out to prove in my filing in 2014, that the funding formula was not compatible with Lakewood.

3) The Court ordered the State to address the "substantive arguments pertaining to the SFRA in light of our Supreme Court's directive in Abbott ex rel. Abbott v. Burke (Abbott XX), 199 N.J. 140, 146 (2009): the State has a continuing obligation to 'keep SFRA operating at its optimal level . . .'"

4) The only answer by the State to the mismatch between the formula and the reality in Lakewood has been ten years of advanced state aid loans harming future generations of public school students due to the enormous debt the district has accrued just to keep its doors open because of the arbitrary application of a formula that has no rational relevance to Lakewood. You cannot fund a school district serving 50,000 children on a budget designed for 5,000.

5) The administrative law judge's characterization of the annual loans just to cover operating expenses and to pay back previous loans as a "Ponzi scheme" and "unsustainable" is manifest in the current budgetary crisis that threatens shuttering the doors of the public schools on February 22, 2025 when federal and state funds earmarked for mostly nonpublic students and diverted to operating expenses will be exhausted.

6) The Board of Education filed for, and was denied, emergency relief in the Office of Administrative Law, ostensibly to give the state until said date to find a source of funding. Teachers are seeking jobs in other districts and it is doubtful that the federal and state special reserve funds will be restored to their earmarked uses.

7) My co-counsel and I reluctantly determined that it would be in the interest of our clients to forego oral argument to speed up the resolution of this litigation putting an end to the unconstitutional and unreliable funding mechanism of the last ten years, the uncertainty facing students and teachers, and the diversion of funds by way of loans from future generations of public school students just to keep the public schools open for this generation of students.

8) The annexed papers are true copies of what they purport to be. I highlighted in yellow some important points and added descriptive comments in red.

9) The first page is an excerpt from the User Friendly Budget showing a \$104 million loan built into the budget (a1). This is followed by an excerpt from the presentation of the BOE business manager when the budget was approved in May 2024 and ratified by the state monitor and county superintendent. Afterwards is a copy of minutes of the BOE meeting seeking the \$104 million loan (a2 to a7).

- 11) The loan still had not been tendered by January of the same school year so the state monitor advised the district to use money from the special reserve fund to keep the schools open until exhaustion of those earmarked funds.
- 12) On January 8, 2025, the BOE passed Resolution #18 prohibiting the use of the federal and state earmarked funds for operating expenses unless directed by the DOE in writing (a6 to a7).
- 13) The state monitor exercised her statutory power to veto Resolution #18.
- 14) The January 22, 2025 BOE agenda authorized an appeal of the state monitor's veto of Resolution #18 forcing the district to divert and exhaust earmarked funds for operating expenses (a8 to a11).
- 15) A copy of the said papers filed by the BOE in the OAL can be found at a12 to a30.
- 16) The State response is at a31 to a52.
- 17) The certification of the former business manager, Robert Finger, who also served as a state monitor, is at a53 to a54.
- 18) The reply of the BOE is at a56 to a60.
- 19) A letter from the BOE auditor can be found at a61.
- 20) Excerpts from oral argument before the ALJ is at a62 to a69.
- 21) The OAL decision is at a70 to a83.

22) The Court may take judicial notice of an Asbury Park Press article dated January 17, 2025, stating, "that if more funds were not received the board would be unable to pay \$3.3 million in salaries for 958 employees and health benefit premiums of \$1.7 million on Jan. 15 and again on Jan. 30 (a83 to a85)." This apparently has been temporarily mitigated by the use of the earmarked funds.

23) The Court may also take judicial notice of an Asbury Park Press article dated January 23, 2025, stating that, "The district will be unable to pay teachers, other staff and meet its billing obligations as of Feb. 22 if state aid is not provided in the form of grants or a long-awaited state loan. . . . [T]he Special Revenue Fund has \$25 million left and once that is used up for the January payroll and other bills, as well as those due in the first half of February, there would be no other option for the remainder of the year without a state loan or grant (a87 to a90)."

24) Again, the Court may take judicial notice of an Asbury Park Press article dated February 6, 2025, stating, "The district's budget uncertainty that could mean a school shutdown in a matter of weeks is creating fears of layoffs and pushing some teachers to seek jobs elsewhere, teachers' union

leaders claimed (a91 to 93).”

I certify that the foregoing statements made by me are true. I am aware that if any statement made by me is willingly false, I am subject to punishment.

Dated: February 11, 2025

s/ Arthur H Lang

Co-Counsel for  
Petitioners/Appellants

The 2024-24 budget approved by the DOE had a \$104 million loan built into it.

Ocean

Advertised Revenues

Lakewood Twp

Budget Category	Description	Account	2022-23 Actual	2023-24 Revised	2024-25 Proposed
General Fund Revenues from Local Sources	Local Tax Levy	10-1210	109,483,316	110,435,673	113,378,248
	Total Tuition	10-1300	42,540	0	0
	Rents and Royalties	10-1910	2,523	0	0
	Unrestricted Miscellaneous Revenues	10-1XXX	2,602,451	3,350,000	2,550,000
	Interest Earned on Capital Reserve Funds	10-1XXX	0	5,000	5,000
	Total Revenues from Local Sources		112,130,830	113,790,673	115,933,248
General Fund Revenues from State Sources	Categorical Transportation Aid	10-3121	3,052,174	3,505,873	4,471,500
	Extraordinary Aid	10-3131	14,866,253	17,000,000	14,500,000
	Categorical Special Education Aid	10-3132	4,470,003	5,347,332	5,347,332
	Family Crisis Transportation Aid	10-3133	3,719,759	0	0
	Equalization Aid	10-3176	14,958,781	14,958,782	14,958,782
	Categorical Security Aid	10-3177	2,186,868	2,763,710	2,763,710
	Department of Education Loan Against State Aid	10-3199	27,704,046	93,489,390	104,119,316
	Other State Aids	10-3XXX	0	2,500,000	3,250,000
	State Reimbursement for Lead Testing of Drinking Water	10-3300	8,260	0	0
Total Revenues from State Sources		70,966,144	139,565,087	149,410,640	
General Fund Revenues from Federal Sources	Medicaid Reimbursement	10-4200	1,781,705	1,062,766	994,370
	Total Revenues from Federal Sources		1,781,705	1,062,766	994,370
General Fund Revenues from Other Sources	Budgeted Fund Balance-Operating Budget	10-303	0	10,000,000	40,118,946
	Withdrawal from Capital Reserve for Excess Cost and Other Capital Projects	10-309	0	0	2,615,985
	Withdrawal from Unemployment Fund Balance	10-320	0	175,000	0
	Transfers from Other Funds	10-5200	518,093	0	0
	Actual Revenues (Over)/Under Expenditures		-60,356	0	0
General Fund Revenues	Total Operating Budget		185,336,416	264,593,526	309,073,189
Special Revenue Fund Revenues from Local Sources	Student Activity Fund Revenue	20-1760	218,764	75,000	75,000
	Scholarship Fund Revenue	20-1770	7,866	100,000	100,000
	Other Revenue from Local Sources	20-1XXX	5,454,319	0	0
	Total Revenues from Local Sources	20-1XXX	5,680,949	175,000	175,000



***2024-2025  
BUDGET PRESENTATION  
AND  
PUBLIC HEARING***

***MAY 7, 2024***



## STATE AID LOANS

YEAR	LOAN	PAID 2015-22	PAID 2022-23	PAID 2023-24	BUDGET 2024-25	BUDGET 2025-26	BALANCE
2014-15	\$ 4,500,000	\$ 2,610,000	\$ 630,000	\$ 630,000	\$ 630,000		\$ -
2016-17	\$ 5,640,183	\$ 2,632,086	\$ 752,025	\$ 752,025	\$ 752,025	\$ 752,022	\$ -
2017-18	\$ 8,522,678	\$ 2,769,870	\$ 958,801	\$ 958,801	\$ 958,801	\$ 958,801	\$ 1,917,604
2018-19	\$ 28,182,090	\$ 6,262,686	\$ 3,131,343	\$ 3,131,343	\$ 3,131,343	\$ 3,131,343	\$ 9,394,032
2019-20	\$ 36,033,862	\$ 7,206,772	\$ 3,603,386	\$ 3,603,386	\$ 3,603,386	\$ 3,603,386	\$ 14,413,546
2020-21	\$ 54,541,711	\$ 5,454,171	\$ 5,454,171	\$ 5,454,171	\$ 5,454,171	\$ 5,454,171	\$ 27,270,856
2021-22	\$ -						\$ -
2022-23	\$ 27,704,046			\$ 2,770,405	\$ 2,770,405	\$ 2,770,405	\$ 19,392,831
2023-24	\$ 93,489,390				\$ 9,348,939	\$ 9,348,939	\$ 74,791,512
2024-25	\$104,119,316				\$ -	\$ 10,411,932	\$ 93,707,384
<b>Totals</b>	<b>\$362,733,276</b>	<b>\$ 26,935,585</b>	<b>\$ 14,529,726</b>	<b>\$ 17,300,131</b>	<b>\$ 26,649,070</b>	<b>\$ 36,430,999</b>	<b>\$240,887,765</b>

Notes: 2021-22 State Aid Loan replaced with ESSER II and American Rescue Plan funds  
 2022-23 State Aid Loan offset with American Rescue Plan funds

# Lakewood BOE minutes May 7, 2024 resolving to request a loan of \$104 million for this school year.

5/7/24, 8:59 PM

BoardDocs® Pro

## **2024-2025 Budget Meeting and Regular Board Meeting (Tuesday, May 7, 2024)**

*Generated by Omaid Segui on Tuesday, May 7, 2024*

### **Members present**

Moshe Bender (Zoom), Chanina Nakdimen, Heriberto Rodriguez, Shlomo Stern, , Eliyahu Greenwald (Zoom)

### **Members absent**

Ada Gonzalez, Moshe Raitzik, Meir Grunhut, Isaac Zlatkin

### **Meeting called to order at 7:21 PM**

## **A. MEETING OPENING**

### **1. CALL TO ORDER**

### **2. ROLL CALL**

### **BOARD MEMBERSHIP**

Mr. Moshe Bender

Mrs. Ada Gonzalez

Mr. Eliyahu Greenwald

Mr. Meir Grunhut

Mr. Chanina Nakdimen

Mr. Moshe Raitzik

Mr. Heriberto Rodriguez

Mr. Shlomie Stern

Mr. Isaac Zlatkin

### **SUPPORT PERSONNEL**

Mrs. Laura A. Winters, Ed. D., Superintendent

Mr. Kevin Campbell, Assistant Business Administrator/Board Secretary

Ms. Agnese Brattoli, Accounting Manager/Assistant Board Secretary

Mr. Robert Finger, State Monitor

Mr. Michael I. Inzelbuch, Esq., General Counsel

Mr. Bryan Powell, Network and Systems Supervisor

Mr. James Trischitta, Director of Technology, Non Public Technology & Non Public Security Grant

Ms. Ana Faone, Translator

Mrs. Omaid Segui, Executive Administrative Professional

Mrs. Deborah Zarro, Executive Administrative Professional

### **3. PLEDGE OF ALLEGIANCE**

### **4. STATEMENT BY BOARD SECRETARY**

### **5. MOTION TO GO INTO EXECUTIVE SESSION**

Motion by Heriberto Rodriguez, second by Chanina Nakdimen.

Final Resolution: Motion Carries

Aye: Moshe Bender (Zoom), Chanina Nakdimen, Heriberto Rodriguez, Shlomo Stern, Eliyahu Greenwald (Zoom)

Not Present at Vote: Ada Gonzalez, Moshe Raitzik, Meir Grunhut, Isaac Zlatkin

## **B. EXECUTIVE SESSION**

### **1. RESOLUTION**

**Total** **\$416,974,047** **\$115,081,975**

BE IT FURTHER RESOLVED, that the Lakewood Board of Education approves the maximum General Fund budgeted travel and related expense reimbursements in the amount of \$15,000, that the maximum amount approved in the pre-budget year was \$12,475.00 and that as of January 31, 2024 the total amount expended and encumbered on travel is \$4,539.88 and;

BE IT FURTHER RESOLVED, that the Lakewood Board of Education approves the School-Based Budgets (Fund 15) in the amount of \$42,879,596 and;

BE IT FURTHER RESOLVED, that the Lakewood Board of Education approves the maximum amounts for contracted professional services as follows:

Legal Services	\$600,000
Audit Services	\$125,000
Architectural Services	\$127,000

**BE IT FURTHER RESOLVED, that this budget includes a request for a DOE Loan Against State Aid in the amount of \$104,119,316 in order to provide a Thorough and Efficient education and;**

BE IT FURTHER RESOLVED, that this budget includes the use of the Adjustment for Health Care Costs in the amount of \$733,862 and;

BE IT FURTHER RESOLVED, that this budget includes an appropriation of surplus in the amount of \$40,118,946 and;

BE IT FURTHER RESOLVED, that this budget includes an appropriation of surplus to the Capital Reserve in the amount of \$579,990 and;

BE IT FURTHER RESOLVED, that this budget includes a Withdrawal from Capital Reserve for Other Capital Projects in the amount of \$2,615,985 and;

BE IT FURTHER RESOLVED that this budget has proposed programs and services in addition to the New Jersey Student Learning Standards adopted by the New Jersey State Board of Education.

- J. Approve All Risk, Inc. 801 E. Clements Bridge road, Runnemede, NJ 08708, an approved Educational Services Commission Cooperative vendor for Disaster Recovery Bid #22/23-23. This service is needed for an emergent situation at the Lakewood Middle School basement for the demolition of walls and flooring, clean work areas and the application of anti-microbial sealant due to flooding in this area. The estimated cost for this project is \$40,151.64 which may be adjusted after the project is completed. (11-000-261-420-15-0722)
- K. Approve Hutchins HVAC Inc. 601 Union Ave, Union Beach NJ 07735, a MOESC approved COOP vendor Bid # MOESC 24-57, to furnish the materials and perform the labor necessary for Boiler Maintenance. 17 Aerco Boiler Preventative Maintenance Services will be performed as per manufacturer's specifications for the district at a cost of \$43,840.00 (11-000-261-420-15-0722).
- L. Approve Bob McCloskey Insurance for the renewal of Base Student Accident Insurance effective 8/1/2024 thru 8/1/2025 at a cost of \$82,600 and renewal of Catastrophic Student Accident Insurance at a cost of \$6,300 for a total of \$88,900.00 (11-000-262-520-00-0000).

**M. AWARD OF CONTRACT - EXTRAORDINARY, UNSPECIFIABLE SERVICES INSURANCE PROVIDER**

**WHEREAS**, the Lakewood School District has determined that there exists a need for contract with a dental health insurance provider; and

**WHEREAS**, such contracts are exempt from public bidding pursuant to N.J.S.A. 18A:18A-5(a)(10); and



# Lakewood Board of Education

200 Ramsey Avenue, Lakewood, NJ 08701

Main Office: (732) 364-2400 Fax: (732) 905-3687

Laura A. Winters, Ed.D, Superintendent of Schools

Kevin Campbell, Business Administrator /  
Board Secretary

## RESOLUTION

18. **WHEREAS**, the Lakewood Board of Education acknowledges its responsibility to ensure the appropriate and lawful use of all district funds, including General Funds and Special Revenue restricted accounts; and

**WHEREAS**, the State Monitor and the New Jersey Department of Education (NJDOE), pursuant to the authority granted under applicable laws and administrative codes, have directed the utilization of Special Revenue Funds to meet the educational and operational needs of the district's General Fund; and

**WHEREAS**, the Business Administrator plays a critical role in overseeing the financial operations of the district, ensuring compliance with State mandates, and maintaining fiscal accountability; and

**WHEREAS**, Special Revenue accounts, including State Grants, must be managed in accordance with the terms and conditions set forth by the grantor and applicable state and federal regulations;

**NOW, THEREFORE, BE IT RESOLVED**, that the Lakewood Board of Education shall only continue to utilize Special Revenue funds if so directed, in writing, by the New Jersey Department of Education (NJDOE).

**BE IT FURTHER RESOLVED**, that the Business Administrator shall provide regular updates to the Board regarding the use of these funds to ensure transparency and accountability in all financial matters.

**MOTION TO APPROVE TO ACCEPT THE ADDITIONS TO THE AGENDA, BUSINESS & SUPERINTENDENT AGENDA AS AMENDED (passed)**

Motion: Mr. Bender

Second: Mr. Rodriguez

8 Ayes: Mr. Bender, Ms. Gonzalez, Mr. Greenwald, Mr. Grunhut, Mr. Raitzik,  
Mr. Rodriguez, Mr. Stern, Mr. Zlatkin

0 Nays:

0 Abstained:

0 Absent:



# Lakewood Board of Education

200 Ramsey Avenue, Lakewood, NJ 08701

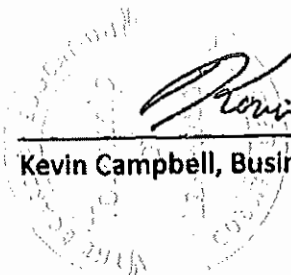
Main Office: (732) 364-2400 Fax: (732) 905-3687

Laura A. Winters, Ed.D, Superintendent of Schools

Kevin Campbell, Business Administrator /  
Board Secretary

## CERTIFICATION

I, Kevin Campbell, Business Administrator/ Board Secretary to the Board of Education of the Township of Lakewood, hereby certify the foregoing is a true copy of the Resolution adopted by the Board of Education of the Township of Lakewood, County of Ocean, at the public meeting held on the 8th day of January 2025.



A handwritten signature in black ink that reads 'Kevin Campbell'. The signature is written in a cursive style and is positioned above a horizontal line.

Kevin Campbell, Business Administrator/ Board Secretary

January 22, 2025 BOE agenda appealing the state monitor's veto of Resolution #18 forcing the district to exhaust earmarked funds for operating expenses.



**Wednesday, January 22, 2025  
Regular Board Meeting**

**LAKWOOD BOARD OF EDUCATION  
LAKWOOD PUBLIC SCHOOLS  
LAKWOOD, NEW JERSEY**

**IN-PERSON PUBLIC MEETING – 7:30 P.M. WEDNESDAY, JANUARY 22, 2025  
REGULAR MEETING – LIVE-STREAMED THROUGH DISTRICT WEBSITE  
PUBLIC QUESTION– 7:30 P.M.  
DOORS OPEN – 7:00 P.M. (VALID PICTURE ID REQUIRED TO ENTER)**

**A. MEETING OPENING**

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<b>Subject</b>	<b>1. CALL TO ORDER</b>
Meeting	Jan 22, 2025 - Regular Board Meeting
Type	Procedural

operational needs; and

**WHEREAS**, Mr. Finger's services are required to provide critical assistance in the preparation of the 2025-26 Budget, the State Aid Loan request, and other matters directly related to ensuring a Thorough and Efficient (T&E) education for the district's students; and

**WHEREAS**, the Board has determined that Mr. Finger's compensation shall be allocated through the legal services account and paid as part of the statement of services submitted by General Counsel Michael I. Inzelbuch, Esquire, ensuring compliance with "fiscal constraints"; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Lakewood Board of Education hereby approves the hiring of Robert Finger as Financial Consultant, to provide specialized financial expertise to the district, with compensation not to exceed \$20,000.00, to be paid through General Counsel Michael I. Inzelbuch, Esquire's statement of services at Mr. Finger's hourly rate of \$110.00; and

**BE IT FURTHER RESOLVED**, that the Superintendent, Business Administrator, and General Counsel are authorized to take all necessary actions to implement this resolution effectively.

**BE IT FURTHER RESOLVED**, should this resolution be overridden or denied by the State Monitor and/or the New Jersey Department of Education, that any and all legal action is taken and should experts be needed, same shall be utilized.

57. **Resolution of the Lakewood Board of Education Appealing the State Monitor and New Jersey Department of Education's Denial of January 8, 2025 Resolution #18 received on January 17, 2025.**

**WHEREAS**, the Lakewood Board of Education acknowledges its responsibility to ensure the appropriate and lawful use of all district funds, including General Funds and Special Revenue restricted accounts; and

**WHEREAS**, the Board has consistently worked to meet its financial obligations while adhering to applicable state and federal laws governing the use of restricted funds, including Special Revenue accounts; and

**WHEREAS**, the State Monitor and the New Jersey Department of Education (NJDOE), pursuant to the authority granted under applicable laws and administrative codes, have directed the utilization of Special Revenue funds to address the district's General Fund expenditures, without providing written confirmation or guidance on compliance with grant requirements; and

**WHEREAS**, Resolution #18, approved by the Lakewood Board of Education on January 8, 2025, states that the district will only utilize Special Revenue funds if explicitly directed in writing by the NJDOE to ensure compliance with all applicable regulations; and

**WHEREAS**, the denial of Resolution #18 by the State Monitor and the NJDOE creates significant operational and financial uncertainty for the district, jeopardizes the district's ability to meet its educational and fiscal responsibilities, and exposes

the district to potential non-compliance with state and federal grant requirements and has the potential to adversely affect nonpublic students from receiving mandated services; and

**WHEREAS**, the Board seeks to protect the fiscal integrity of the district and ensure that all financial decisions are made transparently and in accordance with applicable laws and regulations;

**NOW, THEREFORE, BE IT RESOLVED**, that the Lakewood Board of Education formally appeals the State Monitor and NJDOE's denial of January 8, 2025, Resolution #18 and respectfully requests that the NJDOE provide written authorization and guidance regarding the use of Special Revenue funds for General Fund expenditures, especially as no assurances have been provided to the District as to much needed monies during the current 2024-2025 school year (State Aid Advance Loan); and

**BE IT FURTHER RESOLVED**, that the Board calls upon the NJDOE and the State Monitor to provide the district with the necessary state aid advance or other funding to address the district's cash flow deficit and ensure the continued provision of a Thorough and Efficient education for all students and the provision of mandated services for nonpublic students; and

**BE IT FURTHER RESOLVED**, that the Lakewood Board of Education directs the Superintendent, Business Administrator, and Legal Counsel to take all necessary actions, including but not limited to pursuing administrative remedies and legal relief, to safeguard the district's financial stability, ensure compliance with applicable laws, hire experts as needed, and secure assurances for critical funding; and

**BE IT FINALLY RESOLVED**, that copies of this resolution be forwarded to the New Jersey Commissioner of Education, the State Monitor, and other relevant state officials for their immediate consideration and response.

58. **Resolution Requiring Certification of Legality and Financial Viability for the Use of Restricted Funds Allocated for Nonpublic School Services**

**WHEREAS**, the Lakewood Board of Education acknowledges its fiduciary responsibility to ensure that all financial decisions, including the use of restricted funds allocated for nonpublic school services, are made in compliance with applicable state and federal laws; and

**WHEREAS**, the Board is committed to maintaining the integrity and proper use of restricted funds to fulfill their intended purpose and to safeguard the financial stability of the district; and

**WHEREAS**, recent directives have necessitated the temporary allocation of restricted funds to address cash flow deficits in the district's General Fund; and

**WHEREAS**, it is imperative that the Board have documented assurances from the district's leadership and financial advisors that such actions are both legal and financially sustainable;



**NOW, THEREFORE, BE IT RESOLVED**, that the Lakewood Board of Education requires the Superintendent of Schools, Business Administrator, and Independent Auditor to jointly certify, in writing:

- a. **Legality:** That the use of restricted funds primarily allocated for nonpublic school services complies with all applicable state and federal laws, grant requirements, and any other governing regulations.
- b. **Repayment Feasibility:** That, to a reasonable degree of probability, the district will be able to repay all borrowed restricted funds within the timelines and conditions specified by law, ensuring no adverse impact on nonpublic school services.

**BE IT FURTHER RESOLVED**, should this resolution be overridden or denied by the State Monitor and/or the New Jersey Department of Education, that any and all legal action is taken and should experts be needed, same shall be utilized.

**BE IT FURTHER RESOLVED**, that these certifications shall be provided to the Board prior to any further allocation or use of restricted funds, and copies shall be submitted to the New Jersey Department of Education and the State Monitor for review.

59. Approve YAP Inc., to provide Mental Health Support to Ella G. Clarke School students, on an as need basis, for the duration of the 2024-2025 school year, at no cost to the district.
60. Be it Hereby Resolved that in the student matter captioned **S.J. o/b/o S.J. v the Lakewood Board of Education, Docket No.: EDS-15896-24; Agency Ref No.: 2025-38190;** *subject to Review of Non Public Program, OAL Approval, Final Review, CST Supervisor Approval and then Recommend to the Superintendent for Approval.* The Board of Education agrees to a settlement for September 2024-July 2026; in accordance with the written terms provided to the Board which is on file in the office of the Business Administrator. Total yearly cost \$38,060.00 (Student ID 920699) Account No.: 11-000-100-569-01-SETT & 11-000-216-320-00-SETT (\* **Correction from January 8, 2025 agenda**)
61. **Be it Hereby Resolved** that in the student matter captioned **R.G o/b/o C.G. v Lakewood Board of Education, Docket No.: EDS -1479-2025 ; Agency Reference No.: 2025-38436;** *subject to Review of Non Public Program, OAL Approval, Final Review, CST Supervisor Approval and then Recommend to the Superintendent for Approval.* The Board of Education agrees to a settlement for January 2025 through July 30, 2025; in accordance with the written terms provided to the Board which is on file in the office of the Business Administrator. Total yearly cost \$29,120.00 (**Student ID 922382**) Account No.: 11-000-100-569-00-SETT & 11-000-216-320-00-SETT
62. **Denied by State Monitor Louise Davis on January 17, 2025 (Originally on the 1/8/2025 agenda- Superintendent Item #14)**

**WHEREAS**, the Lakewood Board of Education acknowledges the importance of the ongoing matter of Alcantara v. New Jersey Department of Education (NJDOE), Superior Court Appellate Division, Docket # A- 3693-20; an

Michael I. Inzelbuch Esq. - ID #042141993

**Michael I. Inzelbuch Esq.**

1340 West County Line Road,  
Lakewood, NJ 08701

Tel: (732) 905-0325

Fax: (732) 905-5872

michael@inzelbuchlaw.com

Attorney for Lakewood Board of Education

LAKWOOD BOARD OF EDUCATION

Petitioner

V.

NEW JERSEY DEPARTMENT OF  
EDUCATION, KEVIN DEHMER,  
ACTING COMMISSIONER OF  
EDUCATION,

Respondent.

BEFORE THE COMMISSIONER OF EDUCATION  
OF NEW JERSEY:

DOCKET NO.:

**PETITION FOR EMERGENT RELIEF**

Petitioner, Lakewood Board of Education, located at 200 Ramsey Avenue, Lakewood N.J., 08071, whose telephone number is 732-364-2400 and email address is michael@inzelbuchlaw.com, hereby requests the Commissioner of Education to consider a controversy that has arisen between petitioner and respondent(s) New Jersey Department Of Education, Kevin Dehmer, Acting Commissioner of Education whose address is Judge Robert L. Carter Building 100 River View Plaza P.O. Box 500 Trenton, NJ 08625-0500, pursuant to the authority of the Commissioner to hear and determine

controversies under the school law (N.J.S.A. 18A:6-9), by reason of the following facts:

1. The Lakewood Board of Education ("Board") is facing a \$4,373,812.49 cash deficit and is faced with an emergent financial crisis on Wednesday January 15, 2025.

2. The Lakewood Public School District ("LPSD") is comprised of approximately 4500 students, and approximately 50,000 non-public students whom the district is responsible for transporting. The LPSD is primarily composed of two (2) large population segments.

1: Hispanic students and;

2: Caucasian students of the Orthodox Jewish faith.

Most, if not all students who attend the public schools in Lakewood are of Hispanic descent. Students of the Orthodox Jewish Faith attend private religious schools. This unique demographic makeup leads to a yearly budget shortfall.

3. The State's funding formula only recognizes the public school district as an approximately 4,500 student district. (**See Certification of Laura A.**

**Winters, Superintendent, ¶9; See Certification of Kevin Campbell, Lakewood Board of Education Business Administrator, ¶8)**

4. Despite the Board also having approximately 50,000 non-public students, the State does not recognize Lakewood's unique demographics when it comes to the State's funding formula. The State also refuses to acknowledge the additional costs incurred by the district based on those approximately 50,000 nonpublic students. **(See Certification of Laura A. Winters, Superintendent, ¶¶ 8,9)**
  
5. The Board's Budget has been supplemented by loans from the New Jersey Department of Education . **(See Certification of Kevin Campbell, Lakewood Board of Education Business Administrator, ¶9; Certification of Laura A. Winters, Superintendent, ¶ 10)**
  
6. Over the past decade the State has maintained a flat or minimal increase in State funding for the District. As a result, the LPSD cannot provide the constitutionally required "Thorough and Efficient" ("T&E") education, and other State mandated services without additional state assistance over and above the regular state aid allocation. **(See Certification**

of Laura A. Winters, Superintendent ¶9, and see Certification of Kevin Campbell, Business Administrator, ¶8)

7. Presently the Board is facing a budgetary crisis for bills coming due on January 15, 2025, and January 30, 2025. (See Certification of Lakewood Board of Education Business Administrator, Kevin Campbell, ¶¶3 and 15(a)(b).
8. On January 8, 2025, the Board issued a resolution that the Board would only utilize Special Reserve Funds if so directed, in writing, by the New Jersey Department of Education. (Exhibit A, Jan. 8, 2025, Resolution)
9. On Jan. 10, 2025, The Board was instructed by State Monitor, Louise Davis, to pay the approved bills for payroll. (See ¶5 of Laura A. Winters Certification and ¶5 of Kevin Campbell Certification)
10. State Monitor Davis did not and to date has not provided guidance as to where to pay the payroll from whether from the general fund or Special Reserve Funds. (See ¶17 of Laura A. Winters Certification and ¶14 of Kevin Campbell Certification)
11. Neither the NJDOE nor the State Monitor has yet to issue any guidance in writing.

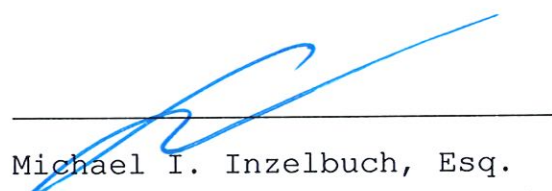
12. Previously the Board received State Aid in the form of loans. To date the Board is unaware of the loan amount it will receive for the current school year.
13. While the Board has been told to use Special Revenue/Restricted Funds, the board is hesitant to do so without some idea as to the future loans due. Similarly, the Board is hesitant to do so without the usage of such funds being approved in writing by the NJDOE.
14. Further, the board may also find itself in a difficult position if it uses Special Revenue/Restricted Funds because this will affect the Board's ability to pay for the services that these funds are specifically earmarked for. **(See Certification of Lakewood Board of Education Business Administrator, Kevin Campbell).**
15. Special and Restricted funds are generally used for 192/193 services and other non-public school services. The Special Revenue/Restricted Funds as of January 10, 2025, is \$34,791,677.34. **(See Certification of Lakewood Board of Education Business Administrator, Kevin Campbell, ¶14, see also Exhibit B).**

16. Currently the Board must pay payroll in the amount of \$3,360,628.83 for 958 employees. **(See Certification of Lakewood Board of Education Business Administrator, Kevin Campbell).**
17. The Board must also pay \$1,690,317.20 for health benefits. **(See Certification of Lakewood Board of Education Business Administrator, Kevin Campbell).**
18. On January 8, 2025, the board voted to pay bills in the amount of \$9,207,279.57. Those bills consisted of Special Revenue/Restricted Funds of \$4,458,028.55 and general fund of \$4,749,251.02. The general pays for prescription coverage, electricity, cable, copier lease, building lease for Piner elementary, expenses for Piner Elementary, and transportation vendors. **(See Exhibit C, Lakewood Bills List)**
19. The Board has, in prior years, received loans along with a letter to inform the board as to the amount of the same. To date the Board has yet to be informed of the amount of the loan it is to receive, nor has there been any kind of indication from the NJDOE as to when the Board will learn of the loan it

will be issued. **(Certification of Lakewood Board of Education Business Administrator, Kevin Campbell, ¶3).**

20. The foregoing results in the district's inability to meet its financial obligations. Because of this, not only the district's financial stability but the ability to provide a T&E for its students. **(See Certification of Lakewood Board of Education Business Administrator, Kevin Campbell).**

**WHEREFORE,** Petitioner requests that the New Jersey Department of Education ("NJDOE") or State Monitor Davis set forth in writing that the Board may use Special Revenue/Restricted Funds to pay existing bills. Further the Petitioner requests that the New Jersey Department of Education ("NJDOE") set forth in writing the amount it intends to loan to the Board.



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Michael I. Inzelbuch, Esq.  
Attorney For Lakewood Board  
of Education

DATED: January 14, 2025



## **CERTIFICATION**

**I, LAURA A. WINTERS, Ed.D., of full age, hereby certifies and states:**

1. I am currently employed as the Superintendent of Schools for the Lakewood Board of Education (“LBOE”). I am fully familiar with the facts contained herein and submit this certification based on my personal knowledge.

2. I assumed the role of interim Superintendent on or about July 1, 2012. My interim status was removed on or around October 2012, when I was formally approved by the LBOE.

3. As Superintendent, I am the highest ranking Administrator within the District and function essentially as the Chief Executive Officer of the Lakewood School District.

4. I report directly to the Lakewood Board of Education.

5. Prior to assuming the role of Superintendent of Schools in 2012, I held the following positions in the Lakewood School District beginning in 2001: Elementary General Education Teacher, Assistant Principal (K-6 Elementary School), Supervisor of Science, Technology, Engineering and Mathematics (STEM, K-12), Principal (K-6 Elementary School), and Curriculum Assistant to the Superintendent.

6. I currently hold the following New Jersey Department of Education certifications: Teaching Certificate (PK-8), Supervisor Certificate, Principal Certificate and School Administrator Certificate.

7. I received my Doctor of Education with a specialty in Curriculum, Instruction and Assessment in 2022.

8. The Lakewood School District is primarily composed of two (2) large population segments – Hispanics and Caucasians of the Orthodox Jewish faith. The majority population of the Lakewood Public Schools consists almost entirely of the

Hispanic population while the majority of Orthodox Jewish general education students attend private religious schools.

9. The State's funding formula recognizes the public school district as an approximate 4,500 student district and has never recognized the anomalies of Lakewood and the additional costs incurred by the district associated with approximately 50,000 nonpublic students. That coupled with flat or minimally increasing State funding the past decade, has created a situation where the Lakewood Public School District simply cannot provide the constitutionally required "Thorough and Efficient" ("T&E") education and its other State mandated services without additional state assistance over and above the regular state aid allocation.
10. The Lakewood School District was assured of a New Jersey Department of Education state aid loan each year in order to offer the students a "Thorough and Efficient" ("T&E") education. However, despite good faith efforts and numerous requests as of today there is no written documentation as to the Lakewood School District receiving any monies.

11. Background and Resolution

On Wednesday, January 8, 2025, the Lakewood Board of Education passed a resolution stating that, unless the New Jersey Department of Education (NJDOE) and/or the State Monitor assigned to the Lakewood School District provides written authorization to utilize special revenue (restricted funds) for general fund expenditures, such funds would not be used for this purpose.

12. Current Financial Status

Although the Lakewood School District has approximately \$25 million in restricted special revenue funds, these funds are earmarked for specific nonpublic programs such as Chapters 192, 193, 226, Security, Textbooks, and Technology. These programs are typically front-loaded with funds at the beginning of the school year. Conversely, the District's general fund is currently in a cash deficit of approximately \$4.5 million.

13. Payroll and Financial Obligations

The Lakewood School District must meet critical financial obligations, including:

- a. Payroll on January 15, 2025, and January 30, 2025, each in the amount of \$3,360,628.83 million (Approximately 958 staff members).
- b. Health insurance premium is due January 15, 2025, in the amount of \$1,690,720.32 million.
- c. A bills list approved by the Board on January 8, 2025, totaling \$9,207,279.57 That was made of special revenue funds in the amount of \$4,749,215.02 for general fund expenditures, including but not limited to payments to transportation vendors, prescription costs, electricity, cable, copier lease, Piner lease, etc.

14. Restricted Funds and Nonpublic Services

The restricted funds primarily support nonpublic school services. The District is hesitant to utilize these funds for general fund expenditures, as the New Jersey Department of Education (NJDOE) and the New Jersey Department of the Treasury have not committed

to providing a state aid advance, as they have done annually for the past ten years. If the restricted funds are exhausted without assurances of a state aid advance, nonpublic services may cease, and payments to third-party providers may not be made. As of January 10, 2025 the district has \$34,791,677.34 in special revenue funds.

#### 15. Lack of Guidance from State Authorities

Despite repeated requests for guidance, neither the State Monitor nor the New Jersey Department of Education (NJDOE) has provided written approval to use restricted funds for general fund expenditures. On Friday, January 10, 2025, the State Monitor instructed the District's Business Administrator to proceed with payroll for January 15, 2025, but failed to identify the funding source to cover this obligation. Similarly, no guidance was provided on how to address the \$4.5 million in bills approved for payment.

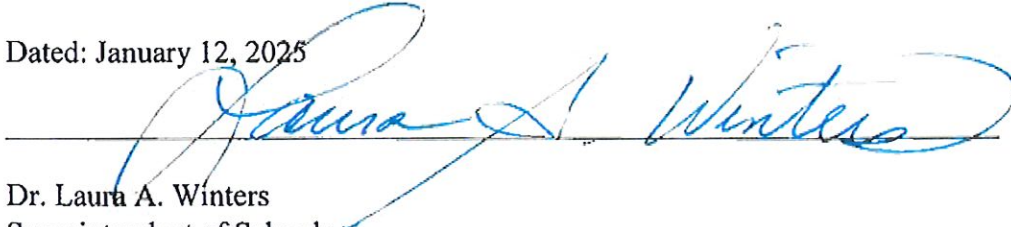
#### 16. Emergent Nature of the Situation

This situation is emergent, as the District's inability to meet its financial obligations will result in:

- a. Nonpayment to vendors, many of whom are small businesses that rely on timely payments to continue operations.
- b. Potential disruption of essential services for students.
- c. Immediate and significant harm to the District's financial stability and ability to provide a thorough and efficient education.

I certify that the foregoing statements made by me are true to the best of my knowledge, information, and belief. I understand that if any of the foregoing statements are willfully false, I am subject to punishment.

Dated: January 12, 2025



Dr. Laura A. Winters  
Superintendent of Schools  
Lakewood School District

**CERTIFICATION of Business Administrator Kevin Campbell**

I, Kevin Campbell, hereby certify the following:

1. I am the Business Administrator of the Lakewood Township Board of Education (hereinafter referred to as "Board" or "District").
2. I have reviewed the Petition and certify that the statements contained in the Petition are true and accurate to the best of my knowledge.
3. I have been employed by the Lakewood Board of Education since approximately December 2012 in various capacities, which include Grants Office CPA, Assistant Business Administrator and Business Administrator.
4. I earned my undergraduate degree at Rutgers's.
5. Lakewood is the first and only school district that I have worked for.
6. I earned my Business Administrator's Certificate ten (10) years ago, in 2015.
7. The Lakewood School District is primarily composed of two (2) large population segments – Hispanics and Caucasians of the Orthodox Jewish faith. The majority population of the Lakewood Public Schools consists almost entirely of the Hispanic population while the majority of Orthodox Jewish general education students attend private religious schools.

8. The State's funding formula recognizes the public school district as an approximate 4,500 student district and has never recognized the anomalies of Lakewood and the additional costs incurred by the district associated with approximately 50,000 nonpublic students. That coupled with flat or minimally increasing State funding the past decade, has created a situation where the Lakewood Public School District simply cannot provide the constitutionally required "Thorough and Efficient" ("T&E") education and its other State mandated services without additional state assistance over and above the regular state aid allocation.

9. The Lakewood School District was assured of a New Jersey Department of Education state aid loan each year in order to offer the students a "Thorough and Efficient" ("T&E") education. However, despite good faith efforts and numerous requests as of today there is no written documentation as to the Lakewood School District receiving any monies.

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On Wednesday, January 8, 2025, the Lakewood Board of Education passed a resolution stating that, unless the New Jersey Department of Education (NJDOE) and/or the State Monitor assigned to the Lakewood School District provides written authorization to utilize special revenue (restricted funds) for general fund expenditures, such funds would not be used for this purpose.

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## 14. Restricted Funds and Nonpublic Services

The restricted funds primarily support nonpublic school services. The District is hesitant to utilize these funds for general fund expenditures, as the New Jersey Department of Education (NJDOE) and the New Jersey Department of the Treasury have not committed to providing a state aid advance, as they have done annually for the past ten years. If the restricted funds are exhausted without assurances of a state aid advance, nonpublic



services may cease, and payments to third-party providers may not be made. As of January 10, 2025 the district has \$34,791,677.34 in special revenue funds.

**15. Lack of Guidance from State Authorities**

Despite repeated requests for guidance, neither the State Monitor nor the New Jersey Department of Education (NJDOE) has provided written approval to use restricted funds for general fund expenditures. On Friday, January 10, 2025, the State Monitor instructed the District's Business Administrator to proceed with payroll for January 15, 2025, but failed to identify the funding source to cover this obligation. Similarly, no guidance was provided on how to address the \$4.5 million in bills approved for payment.

**16. Emergent Nature of the Situation**

This situation is emergent, as the District's inability to meet its financial obligations will result in:

- a. Nonpayment to vendors, many of whom are small businesses that rely on timely payments to continue operations.
- b. Potential disruption of essential services for students.
- c. Immediate and significant harm to the District's financial stability and ability to provide a thorough and efficient education.

I certify that the foregoing statements made by me are true to the best of my knowledge, information, and belief. I understand that if any of the foregoing statements are willfully false, I am subject to punishment.

Dated: January 12, 2025



---

Kevin Campbell

Business Administrator/Board Secretary

Lakewood School District

**SUPPLEMENTAL CERTIFICATION of Business Administrator Kevin Campbell**  
**(Initial Certification: January 12, 2025) (EXHIBIT "A")**

I, Kevin Campbell, hereby certify the following:

1. I am the Business Administrator of the Lakewood Township Board of Education (hereinafter referred to as "Board" or "District").
2. I have reviewed the Petition and certify that the statements contained in the Petition are true and accurate to the best of my knowledge.

3. Lack of Guidance from State Authorities

Despite repeated requests for guidance, neither the State Monitor nor the New Jersey Department of Education (NJDOE) has provided written approval to use restricted funds for general fund expenditures. On Friday, January 10, 2025, the State Monitor instructed the District's Business Administrator to proceed with payroll for January 15, 2025, but failed to identify the funding source to cover this obligation. Similarly, no guidance was provided on how to address the \$4.5 million in bills approved for payment. Emails requesting such information was sent to State Monitor Louise Davis on the following days and times:

- a. January 9, 2025
- b. January 10, 2025
- c. January 13, 2025
- d. January 15, 2025

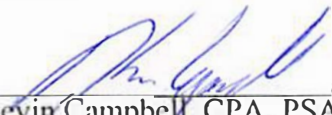
No meaningful response from the State Monitor was received to date. (EXHIBIT "B")

4. Emergent Nature of the Situation

This situation is emergent, as the District's inability to meet its financial obligations will result in part:

- a. Nonpayment to vendors, many of whom are small businesses that rely on timely payments to continue operations.
- b. Disruption of essential services for students, including, but not limited to, transportation as all District transportation is outsourced to vendors who are owed monies.
- c. Immediate and significant harm to the District's financial stability and ability to provide a thorough and efficient education.
- d. Delay and interruption in payments to staff and the continuance of health benefits.

I certify that the foregoing statements made by me are true to the best of my knowledge, information, and belief. I understand that if any of the foregoing statements are willfully false, I am subject to punishment.

  
\_\_\_\_\_  
Kevin Campbell, CPA, PSA, SBA, QPA  
Business Administrator/Board Secretary  
Lakewood School District

Dated: January 16, 2025



*State of New Jersey*

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*Governor*

TAHESHA L. WAY  
*Lt. Governor*

MICHAEL C. WALTERS  
*Acting Director*

January 17, 2025

**Via Email**

Hon. Tricia Caliguire, ALJ  
Office of Administrative Law  
9 Quakerbridge Plaza  
Trenton, NJ 08619

Re: Lakewood Board of Education v. New Jersey  
Department of Education, Kevin Dehmer, Acting  
Commissioner of Education  

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Agency Dkt. No. 14-1/25

Dear Judge Caliguire:

Please accept this letter brief in lieu of a more formal brief on behalf of respondent, New Jersey Department of Education ("Department"), in opposition to the motion for emergent relief filed by Petitioner Lakewood Board of Education ("Board").

**STATEMENT OF FACTS OF FACTS AND PROCEDURAL HISTORY**

The Commissioner of Education has appointed a State Monitor, Louise B. Davis, to the Board to provide direct oversight of its business operations and personnel matters, consistent with statutory authority that allows appointment of such a monitor to aid districts struggling with deficits and/or budgetary issues. See Certification of Stephanie Kuntz, at \*5, 6. The State

Monitor oversees the fiscal management and expenditures of school district funds, including, but not limited to, budget reallocations and reductions, approvals of purchase orders, budget transfers, and payment of bills and claims. Id. at 6. The State Monitor has authority to override a vote by the board of education on any of those matters. Ibid.

School district budgets operate on a cash flow basis during the school year. Id. at 10. Although separate funds may be designated in the budget, any available funds may be used to meet obligations as revenue is received by the district throughout the year. Id. With respect to Lakewood, the Board budgeted for general use funds and special revenue funds, but the available cash is organized in one bank account which is accessible by the Business Administrator and may be used to meet financial obligations as they arise. Id. at 11.

On January 8, 2025, the Board approved Resolution #18, which purported to restrict the district's Business Administrator from utilizing available cash to meet spending obligations without prior written approval from the Department. Petition at ¶8.

On January 9, 2025, the Board's business administrator, Kevin Campbell, sent emails to the State Monitor asking for guidance on whether he could use special revenue funds to pay payroll and health benefits for employees. Supplemental Certification of

Kevin Campbell, Exhibit B. On January 10, 2025, Davis replied, giving Campbell the authority to process and pay the January 15, 2025, payroll. Ibid.

Campbell replied asking where the money should be taken from, whether Davis was overriding the Board's direction not to use special revenue money, and what to do given the lack of money in the general fund. Ibid. Campbell then followed up, indicating that he made an inter-fund transfer from food service to pay his employees because he "could not use special revenue funds." Ibid. He also indicated that health benefits needed to be paid on January 15, 2025.

On January 14, 2025, the Board filed the instant petition for emergent relief. The Board alleged an "emergent financial crisis" regarding bills due on January 15, 2025, and January 30, 2025, based on its belief that the bills cannot be paid without written approval from the State Monitor assigned to Lakewood due to Resolution #18, which it had passed one week prior. Petition at ¶¶ 1, 10. The Board also alleges that it is "hesitant" to use "special revenue funds" without indication from the Department as to the loan amount that will be issued in the future. Petition at ¶ 13. It requests the Department or the State Monitor set forth in writing whether the Board may use special revenue funds to pay

its existing bills, and also requests that the Department set forth the amount it intends to loan the Board. Petition at ¶ 7.

On January 17, 2024, the State Monitor issued a letter to Dr. Laura Winters, the Superintendent of Schools at the Lakewood Public Schools District, informing her of the decision to, among other things, deny Resolution #18. See Certification of Stephanie Kuntz, at \*8, Ex. A. In part, the letter explained that Resolution #18, which purported to limit the Business Administrator's ability to meet obligations using available funds, was denied. Id. As a result, Resolution #18 has been overridden and is no longer in effect.

The same day, the Board filed a brief, two days after its initial petition.

#### **ARGUMENT**

**THE REQUEST FOR EMERGENT RELIEF SHOULD BE DENIED BECAUSE PETITIONER HAS FAILED TO SATISFY THE FACTORS SET FORTH IN N.J.A.C. 6A:3-1.6(b).**

The Board's application for emergent relief should be denied because it has not clearly and convincingly demonstrated that it is entitled to any relief. Even a liberal reading of the petition for emergent relief and subsequent memorandum fails to satisfy the factors codified at N.J.A.C. 6A:3-1.6(b) for two important reasons. First, it is well-settled that there is no law requiring districts or their business administrators to receive



authorization from a State monitor prior to paying bills due, such as payroll and health benefits. And second, beyond the fact that any purported exigency in this matter is self-created, any such harm or exigent circumstances no longer exist because the Board resolution that created the "emergency" has been overridden by the State Monitor.

The decision whether to grant temporary restraints or preliminary injunctive relief is guided by N.J.A.C. 6A:3-1.6, and the well-settled standard promulgated in Crowe v. De Gioia, 90 N.J. 126, 132-34 (1982). A party seeking preliminary injunctive relief must demonstrate: (1) irreparable harm if the relief is not granted; (2) the matter rests on settled law and there is a likelihood of success on the merits; and (3) a balance of the hardships to the parties weighs in favor of granting injunctive relief. N.J.A.C. 6A:3-1.6(b); Crowe, 90 N.J. at 132-34; Waste Mgmt. of N.J., Inc. v. Union Cnty. Utils., 399 N.J. Super. 508, 519-20 (App. Div. 2008); see also Garden State Equal. v. Dow, 216 N.J. 314, 320 (2013) (applying the Crowe factors to stay of court order). When the issue presented concerns a matter of significant public importance, as it does here, the public interest must be given considerable weight. Waste Mgmt. of N.J., 399 N.J. Super. at 520-21; Garden State Equal., 216 N.J. at 321. Each of the four factors must be clearly and convincingly demonstrated. Ibid.;

Garden State Equal., 216 N.J. at 320. Here, the Board fails to meet any of the factors, and it is not entitled to emergent relief.

First, the Board has failed to establish that a stay is required in order to prevent irreparable harm. N.J.A.C. 6A:3-1.6(b)(1); Crowe, 90 N.J. at 132-33; Garden State Equal., 216 N.J. at 320. It is axiomatic that preliminary injunctive relief "should not be entered except when necessary to prevent substantial, immediate and irreparable harm." Subcarrier Commc'ns, Inc. v. Day, 299 N.J. Super. 634, 638 (App. Div. 1997). In other words, by definition irreparable harm must inherently be imminent, concrete, non-speculative, and must occur in the near and not distant future. Ibid.; Waste Mgmt. of N.J., 399 N.J. Super. at 519-20, 535; see also In re Resolution of State Comm'n of Investigation, 108 N.J. 35, 46 (1987) (holding in context of request for injunctive and declaratory relief that "where governmental action is involved, courts should not intervene unless the need for equitable relief is clear, not remote or speculative." (quoting Eccles v. Peoples Bank, 33 U.S. 426, 431 (1948))).

No such harm exists here. For one thing, by the Board's own admission, it was able to pay its payroll as of January 15, 2025. Supplemental Certification of Kevin Campbell, Exhibit B. The Board's argument that there was a "budgetary crisis" as of January

15, 2025, that could not be resolved with the Department's intervention, thus lacks merit and is otherwise moot.

For another, any exigency alleged by the Board is self-created and unsupported by the law. The Board has not cited any law supporting the proposition that the Department or the State Monitor must provide written authorization to pay its bills using funds from the special revenue fund. Rather, through its January 8, 2025, resolution, the Board placed an arbitrary limit on its business administrator by requiring that he receive written authorization from the Department before paying its bills.<sup>1</sup> This restriction has been obviated by the Monitor's letter denying the resolution. See Certification of Stephanie Kuntz, at \*8, Ex. A. Moreover, parties whose delay creates an emergency cannot avail themselves of emergent or injunctive relief. McKenzie v. Corzine, 396 N.J. Super. 405, 414-15 (App. Div. 2007); see also J.H. Renarde, Inc. v. Sims, 312 N.J. Super. 195, 205 (Chancery Div. 1998) ("self-inflicted hardship should not be considered or, at best, should be given very little weight in determining whether the injunction should issue.").

Second, the Board has failed to demonstrate that its legal

<sup>1</sup>And as discussed supra, as of January 17, 2025, the Monitor, through her veto power pursuant to N.J.S.A. 18A:7A-55(b)(5), vetoed the Board's resolution. The business administrator is thus free to pay the outstanding bills as he normally would.

right is well-settled and that it is likely to succeed on the merits. N.J.A.C. 6A:3-1.6(b)(2) and (3); Crowe, 90 N.J. at 133; Garden State Equal., 216 N.J. at 320. This is achieved by proving that "the material facts are not in dispute, . . . and the legal claim upon which the application is based is settled or free from doubt[.]" Sherman v. Sherman, 330 N.J. Super. 638, 644 (Ch. Div. 1999) (internal citations omitted).

The Board merely relies on N.J.S.A. 18A:7A-55(b)(1), which lists the duties of the State Monitor but, again, no statute or regulation prevents a business administrator from exercising his or her authority without explicit approval from the Department. Moreover, the mere past practices of State monitors, for which the Board cites no authority and provides no certification, does not create a legal right to Department pre-authorization.

Petitioner points to no authority, other than its own now-vetoed resolution, for the proposition that the Department must approve the decision of the business administrator. A business administrator is empowered to "perform duties at the school district level in the areas of financial budget planning and administration, financial accounting and reporting, insurance/risk administration and purchasing" and also to "engage in facilities planning, personnel administration, administration of transportation and food services, and central data-processing

management." N.J.A.C. 6A:9B-12.3(d). Among their many duties, business administrators also prepare budget and expense reports, N.J.A.C. 6A:23A-16.10(c)(1); supervise funds, N.J.A.C. 6A:23A-16.12; certify availability of funds, N.J.A.C. 6A:23A-21.1(d)(4); and manage purchase orders changes, N.J.A.C. 6A:23A-22.15.

While a State monitor may oversee a board of education's business operations and personnel matters, nothing in the enabling statute requires a business administrator to receive authorization from the State monitor prior to paying payroll. The monitor is certainly empowered to oversee fiscal management and expenditures of school district funds and oversee the operation and fiscal management of school district facilities. N.J.S.A. 18A:7A-55(b)(1) and (2). The State monitor also develops and implements a plan to address the circumstances requiring implementation of a monitor, including budget deficits and audit outcomes, N.J.S.A. 18A:7A-55(a) and (b)(3), and may even override the chief school administrator's action or a vote by the board of education on certain matters, N.J.S.A. 18A:7A-55(b)(5). But nothing in the statute requires that the monitor or the Department authorize a business administrator's payroll decisions.

There is equally no authority entitling the Board to an immediate notice of any potential loan amount. The Department issues state aid loan advances to school districts as necessary

for them to continue to operate and deliver a thorough and efficient education; Lakewood currently has cash available to meet its expenses. See Certification of Stephanie Kuntz, at \*12. Any state aid will depend upon the timing of when available cash runs out, and the amount will be calculated to ensure it is sufficient to sustain the district through the current school year. Id. at 13. Thus, the amount of any state loan advance has not yet been determined, and Lakewood has thus not been notified. The Department, through the state monitor, closely monitors the financial situation at Lakewood and will take action if and when necessary. Id. at 14.

Lastly, the Board has failed to demonstrate by clear and convincing evidence that the balance of the equities or the public interest tilt in its favor. See N.J.A.C. 6A:3-1.6(b)(4); Crowe, 90 N.J. at 132-33; Garden State Equal., 216 N.J. at 320. Here, the balance of equities favors the Department. The Board's alleged harm from self-imposed budgeting restrictions has no basis in law, and the resolution codifying that restriction has since been vetoed. The public interest is not served by granting relief to the Board and compelling the Department to take action based on this manufactured harm.

Against all of this, the Board seeks to portray their application as a simple request for authorization to carry out a

basic transactional function. But their request has no support in the law at all, and the exigent circumstances alleged in their petition are not only moot, but they were self-created if they existed at all. In sum and substance, the Board has failed to clearly and convincingly establish that any exigency exists to warrant emergent relief, and their application should be denied.

**CONCLUSION**

For these reasons, the petition for emergent relief should be denied.

Respectfully submitted,

MATTHEW J. PLATKIN  
ATTORNEY GENERAL OF NEW JERSEY

By:           /s/ Kevin F. Milton            
Kevin F. Milton  
Deputy Attorney General

cc: All parties of record (via email)

MATTHEW J. PLATKIN  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Defendants  
R.J. Hughes Justice Complex  
25 Market Street, P.O. Box 112  
Trenton, New Jersey 08625-0112

By: Kevin Milton  
Deputy Attorney General  
(609) 376-3100  
Kevin.Milton@law.njoag.gov

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	:	STATE OF NEW JERSEY
BOARD OF EDUCATION OF THE	:	OFFICE OF ADMINISTRATIVE LAW
TOWNSHIP OF LAKEWOOD,	:	
	:	
PETITIONER,	:	DOCKET NO. EDU-01046-25
	:	AGENCY REF. 14-1/25
v.	:	
	:	
NEW JERSEY DEPARTMENT OF	:	
EDUCATION, ET ALS.	:	CERTIFICATION OF
	:	Stephanie Kuntz
RESPONDENTS.	:	
	:	

Stephanie Kuntz, of full age, hereby certifies and says:

1. I am employed by the New Jersey Department of Education ("NJDOE"), as Director of State Monitors.

2. I make this Certification in support of NJDOE's opposition to the motion for emergent relief in the above-captioned matter. I have personal knowledge of the facts stated herein.

3. I have served as Director of State Monitors since 2023. In this capacity, I oversee and manage the monitoring, assessment, and compliance of districts that require a State Monitor.



4. Prior to my current position, I served as a Business Administrator for twenty-six years. In that capacity, I required a broad range of skills, including budgeting, leadership, and a deep understanding of school operations, all while working closely with educational leaders and the community to support student success. In the position I gained knowledge in preparing and managing the district's budget, financial reporting, accounting, and cash flow. Based on my current title and experience, I have personal knowledge of the duties and powers of State Monitors and Business Administrators, as well as the regulations concerning school district budgeting and fiscal operations. I also have access to financial information concerning the Lakewood Public School District. I also have personal knowledge concerning the process for NJDOE to issue state aid loan advances to districts such as Lakewood.

5. The NJDOE has appointed Louise B. Davis as State Monitor to the Lakewood Public School District pursuant to N.J.S.A. 18A:7A-55. Ms. Davis continues to serve in that role.

6. The State Monitor oversees the fiscal management and expenditures of school district funds, including, but not limited to, budget reallocations and reductions, approvals of purchase orders, budget transfers, and payment of bills and claims. N.J.S.A.

18A:7A-55(b) (1). The State Monitor has authority to override a vote by the board of education on any of those matters. N.J.S.A. 18A:7A-55(b) (5).

7. On January 8, 2025, the Lakewood Board of Education voted to pass Resolution #18, which purported to limit the ability of the Lakewood Board of Education to utilize funds without prior written permission from NJDOE.

8. On January 17, 2025, Ms. Davis issued a letter to Dr. Laura Winters, the Superintendent of Schools at the Lakewood Public Schools District, informing her of the decision to, among other things, deny Resolution #18. A true and accurate copy of the January 17, 2025, letter from Ms. Davis to Dr. Winters is attached hereto as **Exhibit A**.

9. Resolution #18 has thus been overridden by the State Monitor and has no legal effect on the Business Administrator's ability to utilize available funds to meet expenses, pursuant to N.J.S.A. 18A:7A-55(b) (5).

10. School district budgets operate on a cash flow basis during the school year. Although separate funds may be designated in the budget, any available funds may be used to meet obligations as revenue is received by the district throughout the year. There is no requirement for a district and/or its Business Administrator

to obtain permission from NJDOE prior to utilizing available cash to pay expenses.

11. Lakewood budgeted for general use funds and special revenue funds, but the available cash is organized in one bank account which is accessible by the Business Administrator and may be used to meet financial obligations as they arise. The funds in the district's "special revenue fund" are thus available for Lakewood to meet its obligations, including any payroll and health benefits obligations.

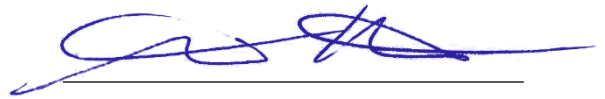
12. NJDOE is in receipt of Lakewood's request concerning the amount of a future state aid loan. NJDOE issues state aid loan advances to a school district when necessary for the district to continue to operate and deliver a thorough and efficient education to its students. As noted, Lakewood currently has available cash to meet expenses.

13. The amount of the state aid loan will depend upon the timing of when the available cash runs out, as the amount will be calculated in a manner to ensure that it is sufficient to sustain the district through the current school year. As a result, the amount of any state loan advance that Lakewood will receive has not yet been determined.

14. Unlike most other districts, the State Monitor assigned

to Lakewood reports to NJDOE concerning the financial condition of the district. NJDOE is thus closely monitoring the financial situation at Lakewood and will take action if and when necessary.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



[Stephanie Kuntz]

Date: January 17, 2025

# **EXHIBIT A**



State of New Jersey

DEPARTMENT OF EDUCATION

PO Box 500

TRENTON, NJ 08625-0500

PHILIP D. MURPHY  
Governor

TAHESHA L. WAY  
Lt. Governor

KEVIN DEHMER  
Acting Commissioner

January 17, 2025

Dr. Laura Winters, Superintendent of Schools  
Lakewood Public Schools  
200 Ramsey Ave.  
Lakewood, New Jersey 08701

Sent via email: [lwinters@lakewoodpiners.org](mailto:lwinters@lakewoodpiners.org)  
RE: Denial of 1/8/25 BOE Resolution # 14 and Resolution # 18

Dear Dr. Winters:

Please be advised that the above action for Resolution # 14 which was "under advisement for further review per the State Monitor" has been taken: Requisition/PO # 2504765 was rejected on SY3000 today. The Department of Education completed the review and due to the District's fiscal constraints, it has been determined that it is denied.

Further, the Board of Education passed Resolution # 18, which upon review by the Department of Education, is also denied.

Thank you for your attention to these matters.

Respectfully,

A handwritten signature in blue ink that reads "Louise B. Davis".

Louise B. Davis  
NJDOE State Monitor

Encl:

Cc: Kevin Campbell, SBA  
Michael I. Inzelbuch, Esq.  
Dave Corso, Assistant Commissioner  
Stephanie Kuntz, Director State Monitors  
Tina Trueba, OECBO

MATTHEW J. PLATKIN  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Defendants  
R.J. Hughes Justice Complex  
25 Market Street, P.O. Box 112  
Trenton, New Jersey 08625-0112

By: Kevin Milton  
Deputy Attorney General  
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	:	STATE OF NEW JERSEY
BOARD OF EDUCATION OF THE	:	OFFICE OF ADMINISTRATIVE LAW
TOWNSHIP OF LAKEWOOD,	:	
	:	
PETITIONER,	:	DOCKET NO. EDU-01046-25
	:	AGENCY REF. 14-1/25
v.	:	
	:	
NEW JERSEY DEPARTMENT OF	:	
EDUCATION, ET ALS.	:	SUPPLEMENTAL
	:	CERTIFICATION OF
RESPONDENTS.	:	STEPHANIE KUNTZ
	:	

Stephanie Kuntz, of full age, hereby certifies and says:

1. I am employed by the New Jersey Department of Education ("NJDOE"), as Director of State Monitors.

2. I make this Supplemental Certification in support of NJDOE's opposition to the motion for emergent relief in the above-captioned matter. I incorporate herein the statements from the prior Certification I submitted in this matter, dated January 17, 2025. I have personal knowledge of the facts stated herein.

3. I have reviewed a letter from Matthew Holman, partner at

Holman, Frenia, Allison P.C., to the Lakewood Board of Education, dated January 21, 2025, which I understand has been submitted to the court in the above-captioned matter.

4. As explained in my prior certification, NJDOE may issue a state aid advance to a school district when necessary for the district to continue to operate and deliver a thorough and efficient education to its students.

5. If a loaned amount expires prior to the end of the school year, the Department may issue another state aid advance loan to allow a district to continue to meet its obligations.

6. The amount of any loan or loans received by Lakewood in the current school year will be sufficient to sustain the district through the current school year and ensure that all obligatory expenses are satisfied.

7. The turnaround time for the Department to issue a state aid advance loan upon determining such a loan is necessary is three to five days.

8. Further, as explained in my prior certification, the Department is apprised of Lakewood's financial situation through the appointed State Monitor in Lakewood.

9. Although focused exclusively on the issue of grant funds, Mr. Holman's letter contains no information concerning how much of



Lakewood's available cash balance constitutes unspent state or federal grant funds.

10. As supervisor of the State Monitor program, I learned from the State Monitor assigned to Lakewood that prior to the January 20, 2025, letter, Lakewood did not raise the issue of unspent state or federal grant money constituting a large portion of the available cash on hand.

11. For the Department to obtain information pertaining to the exact amount of Lakewood's available money that is restricted by state or federal grant requirements, the Monitor would have to make a formal request to the district, which would take additional time. The State Monitor is in the process of acquiring this information.

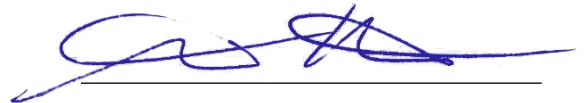
12. As explained in my prior certification, Lakewood operates on a cash flow basis during the school year and organizes all its revenue from state and federal aid into one bank account, from which it pays all expenses. Lakewood does not separate grant funds from other funds in its state and federal aid bank account.

13. To the extent that the Monitor confirms the amount of unspent, restricted state or federal grant money currently in Lakewood's bank account, that information will be considered by the Department as it formulates the timing and amount of a potential

state aid advance loan.

14. It is my understanding that the "emergency" cited in Lakewood's petition is now either January 30, 2025, or and/or February 22, 2025. With Lakewood's anticipated cooperation, there is more than enough time between today and either of those dates for the Monitor to ascertain the amount of restricted unspent state or federal grant money, calculate the impact of that amount on the timing and amount of a state aid loan advance, and communicate that information to the Department so that a potential state aid loan advance may issue.

I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



Stephanie Kuntz

Date: January 22, 2025

## **CERTIFICATION OF ROBERT S. FINGER**

I, Robert S. Finger, hereby certify the following:

1. I earned my New Jersey Business Administrator certification in July 2001.
2. I served in the following roles for the Lakewood Township Board of Education:
  - a. As the Business Administrator for the Lakewood Township Board of Education from February 2008 through November 2010.
  - b. As the Interim Assistant Business Administrator for the Lakewood Township Board of Education from October 2017 through June 2018.
  - c. As the Interim Business Administrator for the Lakewood Township Board of Education from July 2018 through September 2019.
  - d. As the Coordinator of Fiscal Services for the Lakewood Township Board of Education from September 2019 through March 2023.
  - e. I have historical knowledge of the Lakewood Township Board of Education financial problems, the continuing need for DOE Loans Against State Aid and their budgets.
3. I was appointed by the DOE and served as the State Monitor for the Lakewood Township Board of Education from December 2023 through September 2024.
  - a. In my role as State Monitor, I advised the DOE beginning in July 2024 until September 30, 2024 through the Director of State Monitors when submitting the weekly cash flow report and the Assistant Commissioner for Finance when submitting the weekly update report of the need for monthly loan payments to be made to the district beginning as soon as possible to prevent a cash deficit in the General Fund. The only response I received was that they would review the cash flow report and decide when funds were needed.
4. I have served as the Interim Business Administrator for the Watchung, Lyndhurst, and Neptune City Boards of Education at various times from 2017 through 2018.
5. I have served as Business Administrator for the Teaneck Board of Education from November 2010 through January 2015, from which I retired.
6. I have served as Business Administrator for the Keansburg Board of Education from January 2002 through April 2007.
7. I served as the Hudson County School Business Administrator from March 2000 through December 2001.
8. I am currently self-employed as an Education Financial Consultant and providing services to the Lakewood Township Board of Education. In my capacity as Education Financial Consultant to the Lakewood Township Board of Education, I have reviewed their financial operations and determined the following:
  - a. The district has been using cash from the Special Revenue Fund to cover the cash deficit in the General Fund. While Interfund Loans are permitted, considering the number of nonpublic students in Lakewood, in excess of 50,000, using Special Revenue Fund cash to cover the General Fund will result in bills not being paid timely to vendors that service the nonpublic student population and present the risk of not providing mandated programs to the nonpublic student population.
  - b. According to the district's cash flow report dated January 17, 2025, the district will be in an overall Cash deficit as of February 22, 2025, in both the General Fund and the Special Revenue Fund. With no certainty of a loan forthcoming, if funds are not received by that date the district could potentially have to cease operations.
  - c. Based upon my prior experience in the district, the process of obtaining a loan requires the DOE Commissioner to send a letter to the State Treasurer with a loan

**CERTIFICATION OF ROBERT S. FINGER**

amount certifying that it is required to provide T&E. The State Treasurer, if approved, sends a letter to the district and DOE with the loan amount. After that, the Treasury processes a payment or payments to the district. In my experience this process takes a minimum of 5 to 7 business days to complete.

- d. If the district is forced to wait to file for Emergent Relief until all cash is depleted the district will be unable to pay payroll, vendors, utilities, tuition, transportation, or any other bills for at least 5 to 7 business days. Are employees supposed to go without being paid? Vendors will not tolerate that and could file with the court to demand payment, further incurring legal fees for the district.
- e. In previous years, the district never reached this level of need for cash as loans were approved and cash was made available to the district based on the cash flow reports filed weekly with the DOE by the State Monitor.
- f. The district's inability to meet its financial obligations after February 22, 2025 is in fact an emergent situation and will result in the following:
  - Inability to pay staff, medical benefits, out-of-district tuition, transportation contractors and utilities to name a few.
  - Inability to pay vendors, many of whom are small businesses that rely on timely payment for services provided to continue operations.
  - Potential disruption of essential services for students.
  - Immediate and significant harm to the district's financial stability and ability to provide a Thorough and Efficient education.
  - Potential violation of the Prompt Payment Law will result in the district having to pay vendors interest on the overdue payments as well as probable legal action against the district resulting in additional legal fees.

I certify that the foregoing statements made by me are true to the best of my knowledge, information, and belief. I understand that if any of the foregoing statements are willfully false, I am subject to punishment.

Dated: January 19, 2025



Robert S. Finger, CFE, CGFM, SBA, QPA  
Education Financial Consultant

**MICHAEL I. INZELBUCH**

**Attorney-at-Law**

**1340 West County Line Road**

**Lakewood, New Jersey 08701**

**Member NJ and NY Bars**

**Phone: 732-905-0325**

**Fax: 732-905-5872**

**E-Mail: [Michael@inzelbuchlaw.com](mailto:Michael@inzelbuchlaw.com) / [michael@pinersprideisback.com](mailto:michael@pinersprideisback.com)**

**Staff E-Mail: [Sandra@inzelbuchlaw.com](mailto:Sandra@inzelbuchlaw.com) / [Taylor@inzelbuchlaw.com](mailto:Taylor@inzelbuchlaw.com)**

**Bookkeeping: [Bookkeeping@inzelbuchlaw.com](mailto:Bookkeeping@inzelbuchlaw.com)**

**VIA E-MAIL**

January 22, 2025

**E-MAILED**  
**1/22/25**

The Honorable Tricia M. Caliguire, ALJ  
Office of Administrative Law  
9 Quakerbridge Plaza  
Trenton, New Jersey 08619

Re: **BOE of the Township of Lakewood v. NJ Dept. of Education, et als**  
**Docket No.: EDU-01046-25 / Agency Ref.: 14-1/25**

**Lakewood's Reply Brief to NJDOE's 2<sup>nd</sup> Opposition Submission /  
Supplemental Certification of Superintendent Dr. Laura A. Winters and  
Business Administrator Kevin Campbell**

Dear Judge Caliguire:

Please accept this correspondence in lieu of a more formal brief as a Reply to the New Jersey Department of Education's ("NJDOE") second (2<sup>nd</sup>) opposition brief in this matter.

In furtherance of yesterday's Oral Argument, and, in response to the New Jersey Department of Education's submission of opposition received moments ago, attached below please find the Supplemental Certification of Dr. Laura A. Winters and Business Administrator Kevin Campbell.

**SUPPLEMENTAL CERTIFICATION**

**SUPERINTENDENT, DR. LAURA A. WINTERS**

**BUSINESS ADMINISTRATOR, KEVIN CAMPBELL**

1. The current 2024-2025 Budget for the Lakewood School District is \$309,073,189.00 of which \$136,659,372.00 is Federal, State and Local Grants
2. As stated yesterday, Lakewood (as all Districts) has one (1) account for all funding as the State of New Jersey considers the Lakewood Board of Education (“Board”) one (1) vendor for any and all payments. However, when monies are received are “coded” in the District’s accounting system to account for the funds based upon the funds directed use. Attached hereto for Your review is a December 2024 “General Fund Report” (**EXHIBIT “A”**) as well as a December 2024 “Special Revenue Report” (**EXHIBIT “B”**). Said Reports have their own “cash accounts” within those “Fund Reports” that holds the funds and are reduced once expenditures are paid from the account. For example, I have attached a copy of the Chapter 226 Non-Public Nursing “Expenditure Report” demonstrating same (**EXHIBIT “C”**).
3. The New Jersey Department of Education (“NJDOE”) has received weekly “cash flow” reports for at least a period of one (1) year that demonstrates a cash deficit as of December 2024 and an overall deficit by February 2025, yet, no plan has been forthcoming as to how same

would/will be addressed. In addition, same includes the amount of monies available pursuant to Federal and State Grants. Lastly, **the assigned State Monitor receives the very same reports and has agreed with the District as to the immediate need of at least \$110 million dollars**

4. With regard to what was stated at yesterday's proceeding before Your Honor, as to the District receiving notification as to Loan monies to be received and/or receipt of the actual funds, please, respectfully, note that, for example, last year (2023-2024) the District received correspondence from the New Jersey Department of Education ("NJDOE") on November 17, 2023 advising that the District would receive \$50,000,000.00 (fifty million dollars) much in advance of any showing that the District was then experiencing a cash deficit **(EXHIBIT "D")**
5. With regard to Lakewood's "available cash" all of said monies are restricted by Grants as is known by the Department and State Monitor and is reflected in the numerous "Cash Flow Reports" sent weekly to them by the District's Business Office
6. All of the "available cash" are restricted funds with no assurance that if same were used for General Fund purposes that same would be replenished. To date, there has been no assurance unlike any of the prior years (since 2015) when the District will receive a Loan(s). In fact, even

today's submission of the Department *fails* to assure the District that a Loan(s) will be received

7. The State Monitor, Louise Davis, has been previously made aware of this situation in December 2024, especially at the Board meeting of December 11, 2024 wherein the Board was advised of the situation to which Ms. Davis responded that she would "seek guidance" from the New Jersey Department of Education ("NJDOE") that as of yesterday has not been provided
8. As previously explained to the Board and the State Monitor at the January 8, 2025 Board Meeting, checks to numerous vendors have not been released because of the present and existing cash deficit. In fact, at a meeting with the Department yesterday, the County Superintendent, Business Administrator, and the District's Monitor agreed with the urgency herein with the County Business Administrator (Tina Trueba) advising that **food monies previously utilized to make payroll in January possibly should not have been utilized** and advised that the District should "check with Your Auditor", something the District immediately did as evidenced by Mr. Holman's correspondence of yesterday
9. The emergency is already happening with the \$4.5 million dollars worth of checks that have not yet been released to vendors, schools, etc., who are advising that an immediate cease of services is forthcoming.



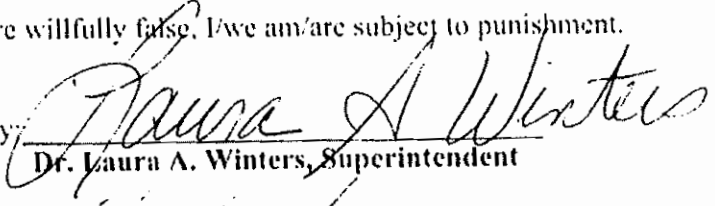
10. In addition, health benefits payments that are due and owing have not yet been paid, and, there are approximately \$15 million dollars of unpaid bills pending for this evening's Board Meeting. There is also no answer to where the monies needed for the January 30<sup>th</sup> payroll will come from. (As to the upcoming January 30<sup>th</sup> payroll, the funds must be released on January 28<sup>th</sup> to the payroll company.)

11. Lastly, we are utterly confused how the Department *allegedly* is not aware of the dire situation herein as only yesterday when meeting with the Ocean County New Jersey Department of Education ("NJDOE") State Officials, all conceded that the Lakewood School District requires immediate funds, including, but not limited to, State Monitor Davis. Moreover, all of the Department's Officials at yesterday's meeting expressed that the New Jersey Department of Education ("NJDOE") is well aware of the situation herein and are "just as frustrated" in not receiving any answer.

I/We certify that the foregoing statements made by me are true. I/We am/are aware that if any of the foregoing statements made above are willfully false, I/we am/are subject to punishment.

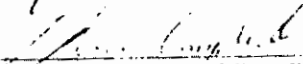
Dated: January 22, 2025

By:

  
Dr. Laura A. Winters, Superintendent

Dated: January 22, 2025

By:

  
Kevin Campbell, CPA, PSA, SBA, QPA  
Business Administrator / Board Secretary

The Honorable Tricia M. Caliquire, ALJ  
Re : LBOE v. NJDOE, et als.  
EDU-01046-25 / Ref. : 14-1/25  
Page 6  
January 22, 2025

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**CONCLUSION**

The requested relief is essential to ensuring that the Board can continue to pay its bills and provide its students with a thorough and efficient education and mandatory services and maintain the financial stability of the District.

Respectfully submitted,  
*Michael I. Inzelsbuch, Esquire*  
**MICHAEL I. INZELBUCH, ESQ.**

MII/sn

Attachments

cc: Kevin F. Milton, DAG ([kevin.milton@law.njoag.gov](mailto:kevin.milton@law.njoag.gov))  
[controversiesdisputesfilings@doe.nj.gov](mailto:controversiesdisputesfilings@doe.nj.gov) /  
[njag.electronicsservice.civilmatters@law.njoag.gov](mailto:njag.electronicsservice.civilmatters@law.njoag.gov)  
Dr. Laura A. Winters, Superintendent  
Kevin Campbell, CPA, PSA, SBA, QPA, Business Administrator/Board Secretary  
Senator Robert W. Singer  
Honored Board Members  
Dictated But Not Read



1985 Cedar Bridge Ave., Suite 3 • Lakewood, NJ 08701 • 732.797.1333  
194 East Bergen Place • Red Bank, NJ 07701 • 732.747.0010

[www.hfacpas.com](http://www.hfacpas.com)

January 21, 2025

Lakewood Board of Education  
200 Ramsey Ave.  
Lakewood, NJ, 08701

Dear Members of the Lakewood Board of Education,

As the appointed auditor for the Lakewood School District, I am writing to address a matter concerning the fiscal management of funds allocated to the district, specifically regarding the use of cash balances designated for State and Federal Grant Funds at the current time.

It has come to my attention that there may be considerations or actions regarding the utilization of these restricted funds to support other general operations within the school district as no indication as to when and how much of a Loan will be provided for the current year. I have reviewed the Cash Projection and future spending plan that has been provided by the school district. After thorough review of applicable regulations and fiscal best practices, I must strongly recommend against such practices for the following reasons:

1. **Regulatory Compliance:** State and Federal Grant Funds are legally restricted to their designated purposes. Utilizing these cash funds for other operations would constitute a violation of the grant agreements and could result in audits, penalties, and potential repayment of misused funds especially when no repayment schedule can be established due to the lack of specifics provided with regard to a Loan.
2. **Risk to Future Funding:** Non-compliance with grant requirements can jeopardize the district's eligibility for future grant awards. Maintaining the integrity of these funds is essential to sustaining the district's financial resources in the long term.
3. **Transparency and Accountability:** The misuse of restricted funds may erode trust among stakeholders, including taxpayers, non-public schools, grantors, and regulatory authorities. Demonstrating strict adherence to grant conditions reinforces the district's commitment to financial stewardship.

In light of the above, I urge the Board to ensure that the district's financial practices align with legal and ethical standards while safeguarding the district's reputation and fiscal stability and continue to seek Loans from the State.

I am a Partner at Holman Frenia Allison, P.C. I have been a Partner at the firm for 8 years. We audit approximately 35 school districts throughout the State of New Jersey. I have been the Partner in charge of Lakewood BOE audit for the past 6 years.

Thank you for your attention to this matter. Please do not hesitate to reach out if you require further clarification or assistance.

Sincerely,

Matthew Holman  
Partner  
Holman, Frenia, Allison P.C.

BOARD OF EDUCATION OF :  
LAKEWOOD TOWNSHIP, :  
 :  
 Petitioner, :  
 :  
 -vs- : TRANSCRIPT  
 : OF  
 : RECORDED PROCEEDINGS  
 NEW JERSEY DEPARTMENT OF :  
 EDUCATION, :  
 :  
 Respondent. :  
 :  
 \_\_\_\_\_ :

January 21, 2025

BEFORE:

THE HONORABLE TRICIA CALIGUIRE, A.L.J.

APPEARANCES:

By: MICHAEL I. INZELBUCH, ESQ.  
Attorney(s) for Petitioner

OFFICE OF THE ATTORNEY GENERAL  
By: Cindy Finkelstein, DAG  
Attorney(s) for Respondent

Transcriber: Kelly Sellers  
CRT SUPPORT CORPORATION  
2082 Highway 35, P.O. Box 785  
South Amboy, N.J. 08879  
Phone: (732) 721-4330  
Fax: (732) 721-7650

1 this court on numerous occasions on a successful basis  
2 is clear to me that you have read everything and  
3 sometimes not, it's not only have read, but analyzed  
4 it, but I don't have much to say. What I do have to say  
5 is that we, the Lakewood Board of Education are in  
6 financial ruin. No one can debate that we're in a cash  
7 deficit, no one has debated that. No one can debate and  
8 no one has debated that as of February 22<sup>nd</sup>, we will not  
9 have any cash, we will not have any special revenue, we  
10 will have no money anywhere to use to pay such  
11 essential items as teachers salaries, transportation  
12 contracts, payments under contracts to state approved  
13 private schools for the disabled, etcetera, etcetera.  
14 Lakewood, where I'm a proud graduate of has finally  
15 turned the corner. Since 2015 we have been given loans  
16 of approximately 200 million dollars by the State. This  
17 year the first time since 2015 we have no letter  
18 telling us you will be getting money and we have no  
19 knowledge, so we have no knowledge if we're going to  
20 get money, how much and when. This is unusual. Since  
21 2015 we started every year with knowing how much we're  
22 going to get, when we're going to get it, etcetera.

23 THE COURT: Okay, let me stop you, Mr.

24 Inzelbuch. So I do have questions for both parties. So  
25 I understand based on your brief that your overall --

1 that there will be an overall deficit by February 22<sup>nd</sup>.

2 MR. INZELBUCH: Unrefuted.

3 THE COURT: In prior years, prior to the  
4 '24/'25 school year, how long before the school  
5 district reached an overall deficit did the Department  
6 of Ed provide a loan? In other words, what kind of  
7 advance notice did you need to give --

8 MR. INZELBUCH: Well, I can give you the exact  
9 information.

10 THE COURT: Okay.

11 MR. INZELBUCH: But since I've been living  
12 this since 2017 loans were given in the beginning of  
13 the year, recall our year starts July, or a letter  
14 saying you're going to get it. We have never been at a  
15 point when we're at January 21<sup>st</sup> and we don't know when,  
16 if and how much we're getting. So I hope that's  
17 responsive.

18 THE COURT: Okay. So how -- so based on what I  
19 read it appears that the Department of Education needs  
20 two things to happen, first that the district, any  
21 district that they provide loans to they need them to  
22 run out of money and they need to know how much money  
23 is needed to complete the school year, so that sounds  
24 to me --

25 MR. INZELBUCH: This year --

1           THE COURT: Wait, wait, let me just ask, let  
2 me ask my question. So if that's the case and you can  
3 tell me that that's not the case, but if that's the  
4 case it sounds to me like proof of no money and proof  
5 of continuing costs is an application and then so how  
6 much time -- how do you apply for a loan in the past,  
7 including I would assume this year prior to July 1<sup>st</sup> and  
8 how much time do the regulations give the department to  
9 respond to such an application.

10           MR. INZELBUCH: Every year since 2015 there  
11 has been a deficit in our budget presentation, which is  
12 made approximately in March. Every year there's been a  
13 line item which is uploaded to the State website, so  
14 the Department of Ed, the county office where I just  
15 left and the state office within minutes when it is  
16 entered are aware of the loan being requested. So  
17 that's requested every March when the budget is put  
18 together and there's a specific line item, it's called  
19 State advance or loan, it's on there.

20           THE COURT: So in other words you applied in  
21 March of '24 for the '24/'25 school year?

22           MR. INZELBUCH: In March of '24 is part of the  
23 budget process. We put on a line item that we actually  
24 needed more than -- we needed approximately 140 million  
25 dollars. That is a line item, I could get you a copy of

1 that if you need it, that line item as I said goes on  
2 to the state website, the NJDOE website.

3 THE COURT: Okay. So you asked for 140 million  
4 dollars to cover expenses for the current school year?

5 MR. INZELBUCH: To cover payments and expenses  
6 that are delineated within our budget, such as tuition  
7 for disabled, all of those other line items were gone  
8 over by the then state monitor, by the county, they  
9 agreed with all of our line items, but for the loan,  
10 which no one has said you're wrong, no one said you're  
11 right, no one says anything.

12 THE COURT: So in prior years in March during  
13 the budget process you would "apply" for a loan for the  
14 upcoming school year and you're telling me that by July  
15 1<sup>st</sup>, so prior to the new school year beginning, you  
16 would have written confirmation of the amount that was  
17 coming?

18 MR. INZELBUCH: We would have confirmation as  
19 early as July, but never later than and give me a  
20 moment, by October we would know if we're getting  
21 monies and how much. But as -- just so you're aware, we  
22 couldn't submit our budget which must be submitted  
23 every year without a glaring line item saying need for  
24 money, loan or state advance.

25 THE COURT: Right.



1 MR. INZELBUCH: And no one has commented on  
2 that line but the county office got it and submitted it  
3 to the state.

4 THE COURT: Okay. I got that. All right.  
5 Continue.

6 MR. INZELBUCH: As far as this mishegaas which  
7 is craziness that somehow we are allowed to use in the  
8 current situation special revenue funds as directed  
9 verbally by the current monitor. We provide to you  
10 today a letter from our district auditor who has been  
11 our auditor for numerous years who says in the current  
12 situation where you don't know if you're going to have  
13 money ever, why would you rob from Peter to pay Paul,  
14 that is the services, those special funds represent are  
15 mandated funds primarily to non-public children, or  
16 special ed, transportation, textbooks, they're front  
17 loaded. What we're being told on the QT, which we're  
18 not operating under any longer in this current  
19 environment is use the money, as the only certification  
20 says, interestingly not by our state monitor, but from  
21 someone from the state, you can do an inter office  
22 loan. Well, even if we did an inter office loan, or  
23 inter accounts loan, excuse me, there's no money as of  
24 February 22<sup>nd</sup> and no disrespect to this individual, but  
25 our auditor who certifies our budget and tells us if

1 there's anything wrong here, which is part of the state  
2 requirement is telling us not to do this in the current  
3 situation since we don't know when, how, and what  
4 amount we're getting.

5 THE COURT: All right, so I looked at Mr.  
6 Holman's (phonetic) letter. How does he, do you define  
7 a grant?

8 MR. INZELBUCH: A grant for example, a federal  
9 grant if that's what you're referring to.

10 THE COURT: Yeah, it says federal and state  
11 grants.

12 MR. INZELBUCH: All right. So the state grants  
13 are for example 226, Chapter 226 which is non-public  
14 nursing, Chapter 192, 193 are non-public examination  
15 and classification and certain special education  
16 services. Transportation grant is non-public  
17 transportation. As far as federal there's IDEA grant.  
18 These monies come through the state and then go to the  
19 district. The SEA, the State Educational Agency and our  
20 funnel to us the local education agency.

21 THE COURT: All right, so let me ask this  
22 question. So if I understand correctly based on  
23 everything I've read, the business administrator, Mr.  
24 Campbell does not -- when he pays bills that prior to  
25 January 8<sup>th</sup> of this year, he did not withdraw funds from

1 STATE OF NEW JERSEY }

2 COUNTY OF OCEAN }

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I, Kelly Sellers, AD/T#544, assigned

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transcriber, do hereby affirm that the foregoing is a

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true and accurate transcript of the proceedings in the

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matter of Board of Education of Lakewood Township vs.

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The New Jersey Department of Education, bearing Docket

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No. EDU 0q1046-25, heard on January 21, 2025 before the

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Office of Administrative Law Court.

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**State of New Jersey**  
OFFICE OF ADMINISTRATIVE LAW

**ORDER ON EMERGENT**

**RELIEF**

OAL DKT. NO. EDU 01046-25

AGENCY DKT. NO. 14-1/25

**BOARD OF EDUCATION OF  
THE TOWNSHIP OF LAKEWOOD,**

Petitioner,

v.

**NEW JERSEY DEPARTMENT  
OF EDUCATION,**

Respondent.

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**Michael I. Inzelbuch**, Esq., for petitioner

**Kevin Milton**, Deputy Attorney General, for respondent, (Matthew J. Platkin,  
Attorney General of New Jersey, attorney)

BEFORE **TRICIA M. CALIGUIRE**, ALJ:

**STATEMENT OF THE CASE**

Petitioner, the Board of Education of the Township of Lakewood (Board), seeks an order for emergent relief in the form of written authorization by respondent New Jersey Department of Education (NJDOE) to use Special Revenue/Restricted Funds to pay

existing bills and to immediately respond to the Board's request for a loan, including, if approved, the amount of such loan.

### **PROCEDURAL HISTORY**

On January 14, 2025, petitioner filed an emergent petition with the Office of Controversies and Disputes of the NJDOE. The Commissioner did not act upon the motion and pursuant to N.J.A.C. 6A:3-1.6(c)(3), on January 15, 2025, the emergent matter was transmitted to the Office of Administrative Law (OAL).<sup>1</sup>

On January 17, 2025, petitioner filed a supplemental brief and respondent filed its opposition to the motion for emergent relief. The emergent relief request was scheduled for oral argument, on January 21, 2025. Shortly before the hearing, petitioner submitted a letter from its auditor.<sup>2</sup>

Due to scheduling difficulties, the parties agreed to appear via Zoom Audio Communications, Inc., and on January 21, 2025, the parties appeared for oral argument. On January 22, 2025, both parties filed supplemental briefs and certifications, and the request for emergent relief is now ripe for consideration.

### **FACTUAL DISCUSSION**

Most of the pertinent facts in this case are not in dispute. Accordingly, I **FIND** as **FACTS**:

The Board administers the Lakewood Public School District (LPSD), a public school district serving students in grades kindergarten through twelfth grade. The LPSD is comprised of approximately 4,500 students; costs are also incurred by the LPSD to

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<sup>1</sup> To date, Lakewood has not filed a due process petition. In a similar case involving the same parties, the reviewing agency found that "given the importance of the issue, the application will be treated as both a petition seeking final relief and as a motion for emergent relief without the necessity of the petitioner filing . . . supplemental pleadings. Bd. of Educ. of Lakewood Tsp. v. NJ Dept. of Educ., 2019 N.J. AGEN. LEXIS 818, \*7 (July 3, 2019).

<sup>2</sup> Respondent was afforded opportunity to submit a written response to this letter.

provide services, primarily transportation, to approximately 50,000 private school students. Certification of Laura A. Winters, Ed.D., Board Superintendent (January 12, 2025), ¶ 9.

The LPSD receives funding from the State based on the enrollment of public-school students (under the State funding formula) and, for at least the past ten years,<sup>3</sup> from the NJDOE in the form of loans “when necessary for [LPSD] to continue to operate and deliver a thorough and efficient education to its students.” Certification of Stephanie Kuntz, NJDOE Director of State Monitors (January 17, 2025) (Kuntz Cert.), ¶ 12; see also Certification of Kevin Campbell, Board Business Administrator (January 12, 2025) (Campbell Cert.), ¶ 9.

In or about March of each year, the Board adopts the annual budget for the upcoming school year. Each school year from approximately 2015, through and including the 2023–2024 school year, the LPSD has received an NJDOE State Aid Advance Loan because during those years, projected revenue including “the regular state aid allocation,”<sup>4</sup> has been lower than budgeted expenses. Winters Cert., ¶¶ 7, 8.

As explained by counsel at oral argument, from approximately 2015, through and including 2024, after the Board approved the annual budget for the upcoming school year, the LPSD submitted a “budget deficit presentation” (or loan application) to the NJDOE using a designated portal on the NJDOE website. In March 2024, the Board projected a budget deficit — and therefore requested a State Aid Advance Loan for the 2024–2025 school year — of approximately 140 million dollars.

Counsel stated that each year prior to 2024, the NJDOE notified the LPSD of the approval of its loan application and the amount of the approved loan between July and November, or four to seven months following the application.<sup>5</sup> To date, the NJDOE has

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<sup>3</sup> See Campbell Cert., ¶ 14.

<sup>4</sup> Based on the New Jersey State Funding Formula, as codified in the School Funding Reform Act of 2008, N.J.S.A. 18A:7F-43 et seq.

<sup>5</sup> See Joint Supplemental Certification of Winters and Campbell (January 22, 2022) (Joint Supp. Cert.), Ex. D (Ltr. of Angelica Allen-McMillan, NJDOE Acting Commissioner, to Laura Winters (November 17, 2023).).

not informed the LPSD whether its loan application has been approved and/or the amount of any such loan for the 2024-2025 school year. Winters Cert., ¶ 12.

Pursuant to N.J.S.A. 18A:7A-55, the NJDOE appointed a State monitor, Louise Davis, to “oversee the fiscal management and expenditures of [LPSD] funds,” including “budget reallocations and reductions, approvals of purchase orders, budget transfers, and payment of bills and claims.” Kuntz Cert., ¶¶ 5, 6. The State Monitor is authorized to override a vote by the Board on such matters. Id., ¶ 6.

In the LPSD budget, funds are designated for specific use, including general funds, which are used for payroll, health insurance premiums, and utilities (among other expenses), and special revenue funds, which “are earmarked for specific nonpublic programs.” Cambell Cert., ¶¶ 11, 12. LPSD funds are “organized in one bank account which is accessible by [Cambell]” and available to meet LPSD’s financial obligations. Kuntz Cert., ¶ 11.

Some portion of the special revenue funds is comprised of “State and Federal Grant Funds [which] are legally restricted to their designated purposes.” Ltr. of Matthew Holman, LPSD Auditor, to LPSD Board of Education (January 21, 2025). According to Mr. Holman:

[Using Grant] funds for other operations would constitute a violation of the grant agreements and could result in audits, penalties, and potential repayment of misused funds especially when no repayment schedule can be established due to the lack of specifics provided with regard to a [State Aid Advance] Loan.

[Ibid.]

Grant funds are not segregated in separate bank accounts, whether by individual grant, or by category of grants generally, but are maintained in the same bank account as general revenues.

On January 8, 2025, the Board approved Resolution #18, which prohibits the use of special revenue funds for general fund expenses without the written authorization of the NJDOE and/or the State Monitor. Winters Cert., ¶ 10; Kuntz Cert., ¶ 7. As of January 15,<sup>6</sup> and 30, 2025, the LPSD had bills come due for general fund expenses which the LPSD could not pay because insufficient monies were available in the designated general fund.

On January 10, 2025, the State Monitor instructed the Board to pay approved payroll bills, but did not designate whether to use general fund or special revenue funds. Winters Cert., ¶¶ 5, 17; Campbell Cert., ¶¶ 5, 15. On January 15, 2025, the Board filed this emergent action, claiming that its faces a deficit of more than four million dollars in the general fund and is unable to use special revenue funds to cover general fund expenses due to the (1) action of the Board prohibiting such action; and (2) the refusal of the State Monitor and/or the NJDOE to issue written authorization to take such action.

By letter dated January 17, 2025, the State Monitor notified Winters of her decision to deny Resolution #18, thereby removing the prohibition on use of special revenue funds for general fund expenditures. Kuntz Cert., ¶¶ 8, 9, and Ex. A.

As of January 10, 2025, the LPSD had more than thirty-four million dollars in special revenue funds. Campbell Cert., ¶ 14, Ex. B.

The Board has asked the NJDOE to confirm that it will issue a loan to the LPSD for the current school year, and to inform the LPSD of the amount of the loan, but such assurances have not been documented. Winters Cert., ¶ 10; Campbell Cert., ¶ 9. The NJDOE has yet to decide on a loan because the amount depends on whether the LPSD has available cash and, if it does not, then the amount of money needed by the LPSD to “sustain the district through the current school year.” Kuntz Cert., ¶ 13.

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<sup>6</sup> After the initial filing in this matter, some bills due January 15, 2025, were paid.



## LEGAL ANALYSIS

When the subject matter of a controversy is action by a board of education, the petitioner may file “a separate motion for emergent relief . . . pending the Commissioner’s final decision in the contested case.” N.J.A.C. 6A:3-1.6(a). Here, the Board has not initiated due process proceedings, seeking only emergent relief.

The standards for granting emergent relief are set forth in Crowe v. DeGioia, 90 N.J. 126 (1982), and are codified at N.J.A.C. 6A:3-1.6(b). The petitioner bears the burden of proving that:

1. Petitioner will suffer irreparable harm if the requested relief is not granted;
2. The legal right underlying the petitioner’s claim is settled;
3. Petitioner has a likelihood of prevailing on the merits of the underlying claim; and
4. When the equities and the interests of the parties are balanced, the petitioner will suffer greater harm than the respondent will suffer if the requested relief is not granted.

[N.J.A.C. 6A:3-1.6(b).]

### Irreparable Harm

To obtain emergent relief, the Board must demonstrate more than a risk of irreparable harm, but a “clear showing of immediate irreparable injury,” or a “presently existing actual threat; (an injunction) may not be used simply to eliminate a possibility of a remote future injury, or a future invasion of rights, be those rights protected by statute or by common law.” Cont’l Group, Inc. v. Amoco Chems. Corp., 614 F. 2d 351, 359 (D.N.J. 1980).

The Board contends that if it uses special revenue funds to meet general fund expenses, irreparable harm will result as it will be “unable to provide mandated services

for non-public students for transportation, security [and special education services].” Supplemental Br. of Pet’r in Support of Emergent Relief (January 17, 2025) at 3. Further, the Board contends that State guidelines define “special revenue funds” as those which are “legally restricted to expenditures for specified purposes.” *Id.* at 3–4. The Board does not, however, provide citations or specific support for its argument that it is legally restricted from using the proceeds of the special reserve account. Holman’s letter alone is not competent evidence of grant agreements which allegedly restrict the grantee in its use of grant funds. Further, the Board offered no evidence to counter the NJDOE’s argument that the funds are not actually segregated by account but are commingled in a single account accessible to the Business Administrator.<sup>7</sup>

In response, the NJDOE first notes that the Board has sufficient funds until either January 30, 2025, or February 22, 2025, leaving sufficient time “for the Monitor to ascertain the amount of restricted unspent state or federal grant money, calculate the impact of that amount on the timing and amount of a state aid loan advance, and communicate that information to the [NJDOE] so that a potential state aid loan advance may issue.” Supplemental Certification of Stephanie Kuntz (January 22, 2025) (Kuntz Supp. Cert.), ¶ 14.

Second, NJDOE contends that the Board is permitted to pay its bills using the special revenue funds and also notes that the Board has not “cited any law supporting the proposition that the [NJDOE] or the State Monitor must provide written authorization to [the LPSD to] pay its bills using funds from the special revenue fund.” Ltr. Br. of Resp’t Opposing Emergent Relief (January 17, 2025) at 7.

With respect to the action of the Board restricting the Business Administrator from using funds for expenses other than those specifically designated, the NJDOE argues that this action created the emergency and therefore, the Board cannot avail itself of emergent relief. *Ibid.*, citing McKenzie v. Corzine, 396 N.J. Super. 405, 414–15 (App. Div. 2007) (fear of imminent irreparable injury not merited because plaintiff’s delay in bringing action to challenge ballot measure created the emergency); J.H. Renarde, Inc.

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<sup>7</sup> The Board states that while it has one account for all funds, its accounting system differentiates receipts and expenditures by directed use of the funds. Joint Supp. Cert., ¶ 2.

v. Sims, 312 N.J. Super. 195, 205 (Chancery Div. 1998) (“self-inflicted hardship should not be considered or, at best, should be given very little weight in determining whether the injunction should issue.”). Significant here is that on January 17, 2025, the State Monitor denied Resolution #18, thereby removing any obstacle from payment of general expenses using special revenue funds.<sup>8</sup>

It is not clear whether the State Monitor would treat funds from a segregated account (limited only to specific grants or grants generally) as unavailable for general expenses. The Board argues that prior to January 2025, it had no need to segregate funds; an accurate accounting of expenditures was enough to ensure that grant funds were available to cover grant-related expenses because prior to 2025, the LPSD was assured of State Aid Advance Loans. Noting that there was no support for Holman’s statements regarding the grant agreements, respondent contends that the restrictions Holman describes were not brought to the attention of the State Monitor prior to January 21, 2025, but with this information, the State Monitor will now investigate. Second Supplemental Ltr. Br. of Resp’t (January 21, 2025) (Second Supp. Ltr. Br. of Resp’t) at 2 citing ¶¶ 10, 11. Should the State Monitor determine that “an adjustment to the timing of a state aid advance loan” is required, the NJDOE “will act accordingly,” and will make a decision on the loan application “in three to five days.” Second Supp. Ltr. Br. of Resp’t at 2; Kuntz Supp. Cert., ¶ 7.

I **CONCLUDE** that petitioner has not met the burden of establishing that irreparable harm will result if the State Monitor and/or the NJDOE are not ordered to immediately provide the Board with written authorization to pay its pending bills using special revenue funds. Further, Kuntz certifies that the NJDOE is currently reviewing LPSD loan application to determine whether a loan is required to assist the LPSD in meeting its financial obligations for the remainder of the 2024–2025 school year. Accordingly, I **CONCLUDE** that petitioner has not met the burden of establishing that irreparable harm will result unless the NJDOE is ordered to immediately respond to the Board’s request for a loan.

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<sup>8</sup> The NJDOE also notes that the Board met its January 15, 2025, payroll. Resp’t’s Br. at 6, citing Supplemental Certification of Campbell, Ex. B.

Whether the Legal Right is Settled and the Likelihood of Prevailing on the Merits

The second consideration is whether the legal right underlying the Board's claim is settled, N.J.A.C. 6A:3-1.6(b)(2), and then third, the Board must make a preliminary showing of a reasonable probability of success on the merits. Crowe, 90 N.J. at 133.

Neither party disputes the application of N.J.S.A. 18A:7A-55(b)(1), which describes the duties of the State Monitor as follows:

The State monitor shall:

- (1) oversee the fiscal management and expenditures of school district funds, including, but not limited to, budget reallocations and reductions, approvals of purchase orders, budget transfers, and payment of bills and claims;
- (2) oversee the operation and fiscal management of school district facilities, including the development and implementation of recommendations for redistricting and restructuring of schools;
- (3) ensure development and implementation of an acceptable plan to address the circumstances set forth in subsection a. of this section which resulted in the appointment of the State monitor. The plan shall include measurable benchmarks and specific activities to address the deficiencies of the school district;
- (4) oversee all district staffing, including the ability to hire, promote, and terminate employees;
- (5) have authority to override a chief school administrator's action and a vote by the board of education on any of the matters set forth in this subsection, except that all actions of the State monitor shall be subject to the education, labor, and employment laws and regulations, including the "New Jersey Employer-Employee Relations Act," P.L.1941, c.100 (C.34:13A-1 et seq.), and collective bargaining agreements entered into by the school district;
- (6) attend all meetings of the board of education, including closed sessions; and

- (7) meet with the board of education on at least a quarterly basis to discuss with the members of the board the past actions of the board which led to the appointment of the State monitor and to provide board members with education and training that address the deficiencies identified in board actions.

The Board argues that the statute gives it the “right to clear guidance from the State Monitor where funds are supposed to come from and which account it must use to pay bills.” Supp. Br. of Pet’r at 5. The Board goes on to state that the action of prior State monitors supports this conclusion but does not specify by whom or in what form such “clear guidance” was given. Further, the Board is currently reluctant to act without written authorization because it has yet to receive a loan commitment from the NJDOE. Id., n.5.

The applicable statute, N.J.S.A. 18A:7A-55(b)(1), gives the State Monitor the authority to oversee the payment of bills but does not require her to authorize such payments. “The meaning of a statute first must be sought in the language in which it is framed, and, if it is plain, the court’s sole function is to enforce it according to its terms. When a statute is clear and unambiguous on its face, it is not open to construction or interpretation.” McQueen v. Brown, 342 N.J. Super. 120, 131 (2001) (citations omitted), aff’d per curium, 175 N.J. 200 (2002).

The Board implies that prior State monitors routinely approved the payment of bills in advance, thereby creating the expectation that such approval was required, see Supp. Br. of Resp’t at 5, 7–8, but does not provide a certification from those monitors—or even from Board staff—to that effect. The Business Administrator states instead that he was previously directed by the State monitors “that, as long as the District had available cash, it should be utilized to fund operations, regardless of the source.” Id. at 5, quoting Ex. B. The Board goes on to argue that the practice of the NJDOE and prior monitors to give such directions, though without clarity as to whether such directions were issued in writing, is the status quo, and a reviewing court should seek to maintain the status quo on an emergent basis.

In response, the NJDOE argues that the practice of prior monitors of giving such advice, even if given routinely,<sup>9</sup> does not create a legal obligation on the part of the current monitor to direct payment from specific funds, rather than available funds, and to do so in writing. The more persuasive argument is the one made by respondent: that but for the action of the Board via Resolution #18, there was no requirement for the State Monitor and/or the NJDOE to direct the use of specific funds to pay specific expenses. Now that Resolution #18 has been denied, the Business Administrator is again free to pay bills using any available funds.

The Board argues that Resolution #18 was adopted because for the first time in a decade, the NJDOE has not processed its application for a State Aid Advance Loan in a timely manner, leaving it in the unenviable position of being forced to spend restricted funds for general expenses without advance notice that such funds will be replaced, and thereby risking both audits and the potential future loss of grant funding. Although petitioner did not cite any authority for the loan program, it is presumed that prior loans were obtained pursuant to N.J.S.A. 18A:7A-56, which provides:

**a.** The Commissioner of Education shall recommend to the State Treasurer whether an advance State aid payment should be made to a school district for which a State monitor has been appointed. The commissioner's recommendation shall be based on whether the payment is necessary to ensure the provision of a thorough and efficient education. An advance State aid payment shall be recorded by the school district as revenue for budget purposes in the school year in which the advance State aid payment is provided.

**b.** The advance State aid payment shall be repaid by the school district through automatic reductions in the State aid provided to the school district in subsequent years. The term of the repayment shall not exceed 10 years, but may be for a shorter term as determined by the State Treasurer. At any time during the term of the repayment the State Treasurer, in consultation with the Commissioner of Education, may determine to impose interest on the unpaid balance; except that interest shall not be imposed in the case of a school district for which a State monitor is appointed within 90 days

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<sup>9</sup> Again, there is no evidence, including certifications, that standard practice under prior State monitors was to delay payment of bills until the State monitor gave specific authorization that any available cash could be used.

of the effective date of this act [April 17, 2006]. The commissioner shall transfer the amount of the reduction in State aid to the account established pursuant to section 5 [C.18A:7A-58] of this act.

c. In any year in which the school district's undesignated general fund balance is greater than 1.5% of general fund expenditures, the amount which exceeds 1.5% shall be an additional amount applied to the following year's repayment of the advance State aid payment and the school district's State aid shall be reduced by this additional amount in that following year.

The entire statutory provision is quoted to make clear that it imposes no obligation on the part of the Commissioner to process applications for State aid loan advances within a specific time. Based on respondent's statements here, the NJDOE will act on the loan application (1) at the completion of their current investigation into the LPSD's finances; or (2) if the NJDOE determines the LPSD is out of money; and (3) the NJDOE determines how much money is needed by the LPSD to complete the current school year. The Board does not cite to any authority requiring the NJDOE to make a loan commitment before those alternate circumstances arise.

I **CONCLUDE** that the Board has not shown that the legal right underlying its claim for emergent relief is settled.

With respect to the third prong, there is no underlying due process petition, but if the Board had filed a due process petition for similar relief, for the above reasons, I would not be able to conclude that the Board has a likelihood of succeeding on the merits.

#### Balance of Equities and Interests

The final prong of the above test is whether the equities and interests of the parties weigh in favor of granting the requested relief. The Board argues that without specific authorization by the State Monitor and/or the NJDOE, and without confirmation that a NJDOE loan will be provided, the Board risks using special revenue funds for general expenses and then being unable to pay expenses for which such special revenue funds are earmarked. Supp. Br. of Pet'r at 8. As explained above, the only reason that the

Business Administrator could not pay pending bills using any available cash, including the special reserved fund, was because the Board adopted Resolution #18. There is no other statutory or regulatory requirement for authorization from the State Monitor and/or the NJDOE to use special revenue funds for expenses other than those for which those funds were earmarked. Resolution #18 is no longer a bar to payment by the Business Administrator of all pending bills.

Respondent argues that the Board's request for emergent relief is not supported by law and, with the denial of Resolution #18, "the exigent circumstances alleged in their petition" are moot. I agree and for these reasons, **CONCLUDE** that the equities do not favor petitioner's request.

I **CONCLUDE** that the Board has not proved by a preponderance of credible evidence that its request for emergent relief satisfies the applicable requirements.

### **ORDER**

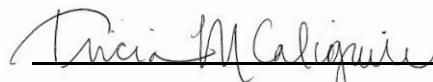
For the reasons stated above, I hereby **ORDER** that the application for emergent relief of petitioner, the Board of Education of the Township of Lakewood, is hereby **DENIED**.



This order on application for emergency relief may be adopted, modified or rejected by the **ACTING COMMISSIONER OF THE DEPARTMENT OF EDUCATION**, who by law is authorized to make a final decision in this matter. The final decision shall be issued without undue delay, but no later than forty-five days following the entry of this order. If the **ACTING COMMISSIONER OF THE DEPARTMENT OF EDUCATION** does not adopt, modify or reject this order within forty-five days, this recommended order shall become a final decision on the issue of emergent relief in accordance with N.J.S.A. 52:14B-10.

January 22, 2025

DATE



**TRICIA M. CALIGUIRE, ALJ**

Date Received at Agency:

January 22, 2025

Date Mailed to Parties:

\_\_\_\_\_

TMC/cb

LOCAL

# Lakewood Schools in danger of missing payroll. Demands state loan to help billing crisis

**Joe Strupp**

Asbury Park Press

Published 1:54 p.m. ET Jan. 17, 2025 | Updated 2:04 p.m. ET Jan. 17, 2025

LAKWOOD – The Board of Education is in jeopardy of missing payroll for more than 900 district employees and paying its healthcare premiums this month due to a \$4.3 million deficit it blames on a lack of state aid, according to documents filed with the State Department of Education.

In a “petition for emergent relief” filed on Jan. 14, Board Attorney Michael Inzelbuch demanded that the state respond to the board’s request for a \$104 million state loan that was initially made in March 2024.

The filing claims that if more funds were not received the board would be unable to pay \$3.3 million in salaries for 958 employees and health benefit premiums of \$1.7 million on Jan. 15 and again on Jan. 30.

**More:** Lakewood school board votes to sue state, and overrides move to block consultant hire

“Presently the board is facing a budgetary crisis,” Inzelbuch said in the documents about the pending bills, later noting the situation “results in the district’s inability to meet its financial obligations.”

District officials were forced to utilize restricted Special Revenue Funds to meet the payroll and health premiums on Jan. 15, according to the filing, which said such funds are restricted for remedial programs for non-public school students.

It indicated that if more aid or the requested state loan are not provided by Jan. 30, such funds or other resources would be needed to cover the same bills again and potentially through the rest of the school year.

“The district is hesitant to utilize these funds for general fund expenditures,” Superintendent Laura Winters wrote in a letter to the state included in the filing. “If the restricted funds are exhausted without assurances of a state aid advance, non-public services may cease and payments to third-party providers may not be made.”

Inzelbuch, Winters and State Department of Education officials did not respond to requests for comment.

Lakewood Schools have faced a state aid crisis for more than a decade and are currently involved in lawsuit demanding state aid be increased. The Alcantara case, filed in 2014, seeks the formula for such aid to be changed to take into account Lakewood’s unique situation as a district with 4,460 public school students, but nearly 50,000 private school students.

State law requires that the district provide transportation for the private school pupils, as well as numerous other services, including special education and remedial programs.

**More:** Lakewood Schools state loan delayed amid state monitor shuffle

District officials contend that the funding formula does not take into account the added non-public school costs.

The district’s financial crisis has forced officials to borrow more than \$200 million from the state since 2014, with a current debt of \$173 million.

At issue is the latest loan request for \$104 million that was made nearly a year ago and to which the state has yet to respond.

“The board has, in prior years, received loans, along with a letter to inform the board as to the amount of the same,” Inzelbuch said in the filing. “To date the board has yet to be informed of the amount of the loan it is to receive, nor has there been any kind of indication from the NJDOE as to when the board will learn of the loan it will be issued.”

The district filing also criticizes state monitor Louise Davis who took the post in October and has recently launched a review of district finances and budget preparations, as well as Inzelbuch’s contract.

District officials say that Davis has not done enough to guide them through the current crisis or provide direction on how to pay the salaries and health benefits without depleting the special revenue funds.

“On Jan. 10, 2025, the board was instructed by State Monitor Louise Davis to pay the approved bills for payroll,” Inzelbuch wrote in the filing, later adding that Davis “did not and to date has not provided guidance as to where to pay the payroll from, whether from the general fund or special reserve funds.”

Davis did not respond to requests for comment.

The filing, which also names Acting Education Commissioner Kevin Dehmer, requests that the state or Davis provide guidance in writing to the board about how it should cover the deficits for the payroll and health premiums going forward and “set forth in writing the amount it intends to loan the board.”

*Joe Strupp is an award-winning journalist with 35 years’ experience who covers Lakewood and several local communities for APP.com and the Asbury Park Press. He is also the author of four books, including Killing Journalism on the state of the news media, and an adjunct media professor at Rutgers University and Fairleigh Dickinson University. Reach him at [jstrupp@gannettnj.com](mailto:jstrupp@gannettnj.com) and at 732-413-3840. Follow him on Twitter and TruthSocial at @joestrupp*



## EDUCATION TRENDS

# Lakewood Schools: 'We will have no money' if state does not provide loan by February



**Joe Strupp**

Asbury Park Press

Published 2:46 p.m. ET Jan. 23, 2025 | Updated 10:15 a.m. ET Jan. 27, 2025

**LAKWOOD** – The township school district will run out of money next month if more state aid is not provided to help offset a \$19 million deficit, officials said Wednesday night.

The district will be unable to pay teachers, other staff and meet its billing obligations as of Feb. 22 if state aid is not provided in the form of grants or a long-awaited state loan, said Board Attorney and spokesman Michael Inzelbuch during the regular Board of Education meeting.

“We definitely need the money by Feb. 22,” Inzelbuch told the board. “The only thing that could help us is winning the lottery like someone did in Jackson yesterday. We are not making light of this.”

At issue is a \$104 million state loan request that was initially made in March 2024 when the board approved its current 2024-25 school year budget. The \$309 million spending plan included the \$104 million loan as part of its revenue expectations.

**More:** Lakewood school district lawyer wants to join a funding lawsuit. Lead attorneys say no go

But to date, no loan has been received and state officials continue to delay providing an answer, officials said.

“We are looking for a loan. We have been getting loans for the last 10 years,” Inzelbuch said. “We have not received a red penny of loans or state advance money this year at all.”

Board Member Moshe Raitzik said the state was acting irresponsibly: “We have never had the state leave our district in the lurch like this before.” In 2019, the school district was forced to cancel summer classes and programs for one day when a similar deficit loomed. That brief closure ended when a \$36 million state loan was approved.

That deficit occurred after Gov. Phil Murphy removed a promised \$30 million aid package as part of his state budget earlier that year. Since 2014, the school district has borrowed \$220 million from the state and still owes about \$173 million. Last year the board requested a \$96 million loan and eventually received \$50 million.

## Second time Lakewood sounded the alarm

School district leaders announced two weeks ago that the board was having trouble meeting payroll and other financial obligations for January, noting that bills due on Jan. 15 and Jan. 30 would require transferring money from the Special Revenue Fund, which is designated for many non-public school needs like special education and learning materials.

But Inzelbuch stressed that the Special Revenue Fund has \$25 million left and once that is used up for the January payroll and other bills, as well as those due in the first half of February, there would be no other option for the remainder of the year without a state loan or grant.

“We need to have an answer by the next (school board) meeting (on Feb. 19) because three days later we will have no money,” Inzelbuch said. “I cannot imagine the State of New Jersey is going to let a district go bankrupt on Feb. 22.”

If the district is forced to shut down that would also mean its busing of both public and non-public students would be suspended as well, officials said.

Education Department spokesman Michael Yaple offered this response when asked by the Press.

"The department continues to work with the Lakewood Board of Education to address its fiscal responsibilities, and we continue to work with officials from the district to assure adherence to state statutes and regulations, policies, and best practices to ensure the students receive the best education possible."

Inzelbuch said that he had joined Superintendent Laura Winters, Business Administrator Kevin Campbell and State Monitor Louise Davis at a meeting with Susan Naples, Ocean County Interim Executive Superintendent on Tuesday to discuss the situation, but no promise of aid had been provided.

Davis confirmed at Wednesday's meeting that she had not been given any indication if or when a loan or other state aid was forthcoming, but offered no other comment.

Richens office declined comment, referring inquires to the Department of Education.

The school district took action last week to demand state aid and or a loan when it filed a "petition for emergent relief" with the Department of Education on Jan. 14.

Lakewood Schools have faced a state aid crisis for more than a decade and are currently involved in a lawsuit demanding state aid be increased. The Alcantara case, filed in 2014, seeks the formula for such aid to be changed to take into account Lakewood's unique situation as a district with 4,460 public school students, but nearly 50,000 private school students.

State law requires that the district provide transportation for the private school pupils, as well as numerous other services, including special education and remedial programs.

**More:** Lakewood school board votes to sue state, and overrides move to block consultant hire

District officials contend that the funding formula does not take into account the added non-public school costs.

The district filing also criticized state monitor Davis who took the post in October and has recently launched a review of district finances and budget preparations, as well as Inzelbuch's contract.

District officials say that Davis has not done enough to guide them through the current crisis or provide direction on how to pay the salaries and health benefits without depleting the special revenue funds.

The filing, which also names Acting Education Commissioner Kevin Dehmer, requests that the state or Davis provide guidance in writing to the board about how it should cover the deficits for the payroll and health premiums going forward and "set forth in writing the amount it intends to loan the board." *Joe Strupp is an award-winning journalist with 35 years' experience who covers Lakewood and several local communities for APP.com and the Asbury Park Press. He is also the author of four books, including Killing Journalism on the state of the news media, and an adjunct media professor at Rutgers University and Fairleigh Dickinson University. Reach him at jstrupp@gannettnj.com and at 732-413-3840. Follow him on Twitter and TruthSocial at @joestrupp*





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**LOCAL**

# Lakewood teachers union leaders say threatened shutdown forces staff to job hunt

**Joe Strupp**

Asbury Park Press

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**Key Points**

The LEA, which represents more than 400 teachers and other staff, is currently under a five-year contract that ends in 2026.

The union concerns are in reaction the district's recent announcement that it would run out of money by Feb. 22 if more state aid is not provided to help offset a \$19 million deficit.

In 2019, the school district was forced to cancel summer classes and programs for one day when a similar deficit loomed. That brief closure ended when a \$36 million state loan was approved.

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**LAKWOOD** – The district's budget uncertainty that could mean a school shutdown in a matter of weeks is creating fears of layoffs and pushing some teachers to seek jobs elsewhere, teachers' union leaders claimed.

“Without secure employment or stability, our members have been left to search for employment elsewhere to provide their families with much-needed job security,” Lakewood Education Association (LEA) President Kimberlee Shaw said in a statement. “This deficit poses a significant threat to the timely and full compensation of our members, which jeopardizes our members’ livelihood.

The LEA, which represents more than 400 teachers and other staff, is currently under a five-year contract that ends in 2026. The union issued a statement that also claimed the

district had assured them that no job cuts would be the result of any budget cutback. But Shaw stressed that that has not given staff full security and still created concerns that affect their work.

**Lakewood Schools:** 'We will have no money' if state does not provide loan by February

**MORE:** Lakewood extends deadline for school board appointee candidates without reason

“Our members should be free to focus on educating their students, not worrying about whether they can afford food or housing for their families,” Shaw said. “Members of the LEA are professionals and deserve respect and compensation for their hard work.”

Superintendent Laura Winters and Board spokesman and attorney Michael Inzelbuch did not respond to requests for comment on the LEA concerns and if their jobs would be secure even in a budget shortfall. State Monitor Louise Davis has declined to comment on the situation.

Shaw said in her statement that the union had begun holding regular weekly meetings remotely with district officials to discuss the fiscal issues and potential shutdown but offered no further details.

“All of that uncertainty and disruption threatens to undermine the quality of education that our students are receiving,” she said. “The budget deficit may gravely impact our members and the public school students of Lakewood if not addressed quickly.”

## **"We definitely need the money"**

The union concerns are in reaction the district's recent announcement that it would run out of money by Feb. 22 if more state aid is not provided to help offset a \$19 million deficit.

District officials said during the Jan. 22 school board meeting that they would be unable to pay teachers, other staff and meet their billing obligations as of Feb. 22 if state aid is not provided in the form of grants or a long-awaited state loan.

“We definitely need the money by Feb. 22,” Board Attorney Michael Inzelbuch told the board then. “The only thing that could help us is winning the lottery like someone did in Jackson yesterday. We are not making light of this.”

At issue is a \$104 million state loan request that was initially made in March 2024 when the board approved its current 2024-25 school year budget. The \$309 million spending plan included the \$104 million loan as part of its revenue expectations.

But to date, no loan has been received and state officials continue to delay providing an answer, officials said.

“We are looking for a loan. We have been getting loans for the last 10 years,” Inzelbuch said at the time. “We have not received a red penny of loans or state advance money this year at all.”

In 2019, the school district was forced to cancel summer classes and programs for one day when a similar deficit loomed. That brief closure ended when a \$36 million state loan was approved.

That deficit occurred after Gov. Phil Murphy removed a promised \$30 million aid package as part of his state budget earlier that year. Since 2014, the school district has borrowed \$220 million from the state and still owes about \$173 million. Last year the board requested a \$96 million loan and eventually received \$50 million.

School district leaders announced last month that the board was having trouble meeting payroll and other financial obligations for January, noting that bills due on Jan. 15 and Jan. 30 required transferring money from the Special Revenue Fund, which is designated for many non-public school needs like special education and learning materials.

But Inzelbuch stressed that the Special Revenue Fund has \$25 million left and once that is used up for the January payroll and other bills, as well as those due in the first half of February, there would be no other option for the remainder of the school year without a state loan or grant.

“We need to have an answer by the next (school board) meeting (on Feb. 19) because three days later we will have no money,” Inzelbuch said at the last meeting. “I cannot imagine the State of New Jersey is going to let a district go bankrupt on Feb. 22.”

## **Budget shortfall will affect public and private Lakewood schools**

If the district is forced to shut down that would also mean its busing of both public and non-public students would be suspended as well, officials said.

Education Department spokesman Michael Yapple said this about the situation via email:

“The department continues to work with the Lakewood Board of Education to address its fiscal responsibilities, and we continue to work with officials from the district to assure adherence to state statutes and regulations, policies, and best practices to ensure the students receive the best education possible.”

**More:** Lakewood extends deadline for school board appointee candidates without reason

Inzelbuch said that he had joined Winters, Business Administrator Kevin Campbell and State Monitor Davis at a meeting with Susan Naples, Ocean County Interim Executive Superintendent, on Jan. 21 to discuss the situation, but no promise of aid had been provided.

Naples’ office has declined comment, referring inquires to the Department of Education.

The school district took action last month to demand state aid and or a loan when it filed a “petition for emergent relief” with the Department of Education on Jan. 14. That is still pending.

Lakewood Schools have faced a state aid crisis for more than a decade and are currently involved in a lawsuit demanding state aid be increased. The Alcantara case, filed in 2014, seeks the formula for such aid to be changed to take into account Lakewood’s unique situation as a district with 4,460 public school students, but nearly 50,000 private school students.

State law requires that the district provide transportation for the private school pupils, as well as numerous other services, including special education and remedial programs.

District officials contend that the funding formula does not take into account the added non-public school costs.

Shaw mentioned that imbalance in her statement.

“This financial crisis underscores various issues revealing a systemic failure to prioritize the education of Lakewood’s public school students,” she wrote. “As an association, we recognize that the current funding formula does not keep in mind the imbalance between public school students and private schools. It is crucial for parents, educators, school administrators, board of education members, and the community-at-large to recognize how this situation may affect our students, and we must commit to ensuring the continuation of a thorough and efficient education.”

*Joe Strupp is an award-winning journalist with 35 years’ experience who covers Lakewood and several local communities for APP.com and the Asbury Park Press. He is also the author of four books, including Killing Journalism on the state of the news media, and an adjunct media professor at Rutgers University and Fairleigh Dickinson University. Reach him at [jstrupp@gannettnj.com](mailto:jstrupp@gannettnj.com) and at 732-413-3840. Follow him on Twitter and TruthSocial at @joestrupp*