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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 for Y.P.; TATIANA ESCOBAR individually; and IRA SCHULMAN, individually and as Guardian ad Litem for A.S.,

Petitioners

v.

Angelica Allen-McMillan, Acting Commissioner; The New Jersey State Board Of Education; And The New Jersey Department Of Education,

Respondents.

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)Appellate Docket No.
)A-002493-23
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)OAL DOCKET No:
)EDU 11069-2014S
)
)Agency Ref. No.:
)156-6/14
)
)CERTIFICATION
)OF ARTHUR H. LANG,
)ESQ.IN SUPPORT OF JUDICIAL
)NOTICE OF CERTAIN WELL
)KNOWN FACTS THAT CANNOT BE
)REASONABLY DISPUTED.

- I, ARTHUR H. LANG, of full age, hereby certify the following:
- 1) I am an attorney-at-law of the State of New Jersey, serving as co-counsel with Professor Paul L. Tractenberg, Esq., for Petitioners-Appellants in the above-captioned matter. I also

was a teacher at Lakewood High School from August 2003 until March 2024.

- I urge your Honors to take judicial notice of: 1 (1) an April 30, 2025, Asbury Park Press article entitled "Lakewood Schools request another massive state loan even as school board objects;" and (2) page 18 of the April 29, 2025, agenda of the Lakewood Board of Education, which provides a Certification of No Over Expenditures by Kevin Campbell, Business Administrator/Board Secretary.²
- 3) As the article reports, at its April 29, 2025, meeting, the Lakewood Board of Education unanimously voted against the adoption of the 2025-26 budget because of its continuing reliance on State loans repayable out of future State aid produced by the School Funding Reform Act (SFRA) formula.

¹ N.J.R.E. 201(b) Notice of Facts. The court may judicially notice a fact, including:(1) such specific facts and propositions of generalized knowledge as are so universally known that they cannot reasonably be the subject of dispute.

² Page 18 of the April 29, 2025 BOE Agenda reads," <u>Certification of No Over Expenditures</u>: Pursuant to N.J.A.C. 6A:23A-16.10, I Kevin Campbell Business Administrator/Board Secretary, certify . . . that the District financial accounts have been reconciled and are in balance except for the following:

a. Budgeted Fund Balance of \$40 million is now projected to be \$22.5 million.

b. Budgeted DOE Loan against State Aid of \$104 million has been approved at \$65 million.

c. As a result of the loss of the above, the District has insufficient revenue to meet its obligations and will end the 2024/2025 school year in a Fund Balance Deficit of \$15 million.

d. Approve the Chief School Administrator to notify the Executive County Superintendent and the NJDOE that a Budget Deficit exists pursuant to N.J.A.C. 6A:23A-16.10."

According to the article, the board's vote was motivated, at least in part, by the uncertainty of the State actually providing the promised loan thereby leaving the district without adequate funding to even keep its schools open throughout the full school, as is also true of the current school year.³

- 4) The Lakewood board's unanimous rejection of the 2025-26 budget was overridden by the latest State Monitor, Louise Davis, however, and goes forward to the county superintendent for approval.
- 5) The article also provides some of the budget's details, including \$28.3 million for repayment of prior State loans, and reductions of 4.1% in "regular instruction," 30% in school security and 24% in school busing.
- This information is highly relevant to your pending decision about the unconstitutionality of SFRA as applied to Lakewood because: (1) it indicates how heavily the State plans to rely on loans repayable out of future SFRA aid going forward; (2) how uncertain and unpredictable is the State's actual provision of those loan funds; and (3) how, contrary to the State's assertions to this Court about the State Monitor's

³ In my Certification in Support of the Motion in Aid of Litigants' Rights February 17, 2025, we asked the Court to take notice of a \$65 million loan for the current school year, enough to keep the schools open until the later part of May 2025, even though the State Monitor had previously budgeted a \$104 million loan, and the havoc caused when it was publicly reported that the district could not make payroll. Although we withdrew that motion on March 7, 2025 once oral argument was scheduled, the newspaper articles submitted with the motion are still are part of the record. See Rule 2:5-4.

limited powers regarding the district's budget. The monitor actually has expansive powers and duties in that regard, extending even to adopting the district budget over the board of education's unanimous objection.

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

s/ Arthur H Lang

Co-Counsel for Petitioners/Appellants Dated: May 2, 2025

app.

OUR SCHOOLS

Lakewood Schools request another massive state loan even as school board objects



Joe Strupp Asbury Park Press

April 30, 2025, 2:09 p.m. ET

Key Points

The loan request, and a proposed \$303.8 million budget for the 2025-2026 school year, were actually approved by State Monitor Louise Davis, who stepped in to override the board's unanimous rejection.

The new budget, which now goes to the county superintendent, will boost the school tax by about \$88, or 2.4%, a year for an average township household.

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 new proposed budget includes a \$1.3 million, or 4.1%, reduction in what is described as "regular instruction," but increases of about 30% in both special education and bilingual education.

LAKEWOOD – Lakewood Schools are asking the state for another massive loan.

The new \$100 million loan request was part of its \$303.8 million budget for the 2025-2026 school year.

The loan request to the Department of Education and the \$303.8 million spending plan were approved by State Monitor Louise Davis after Lakewood's board of education rejected the plan.

She stepped in to override the board's unanimous rejection of the spending plan on Wednesday as state laws allows.

"I feel that you need this budget," Davis said during the regular board meeting where she announced her override just moments after the rejection vote. "You are renewing staff positions based on this budget."

More: Lakewood Schools to hire three more state monitors. A critic called it 'a waste of money'

Davis's decision is a change from her position just six weeks ago when she called a previous version of the budget with a \$130 million state loan request "irresponsible," just before the board rejected that spending plan.

The new budget, which now goes to the county superintendent, will boost the school tax by about \$88, or 2.4%, a year for an average township household.

Prior to the vote and override, several board members criticized the reliance on yet another state loan, saying the district should demand better state funding and aid and not continue to seek loans that have surpassed \$280 million since 2014.

Ask Trenton, but ye will not always receive

Several also noted that in recent years the board had not received the loan amounts it requested, noting that a \$93 million loan request in 2023-2024 resulted in a loan of \$50 million and the current year's \$104 million request resulted in only \$65 million.

"We have no indication from the state if they are going to give us a penny," said Board Member Moshe Raitzik, who noted that the \$65 million loan was received a few weeks ago even thought it was requested last spring. Board Member Heriberto Rodriguez criticized Davis for overriding the vote and allowing a budget to advance based on a loan that may never be provide.

"You oversee the functions of the district. How are we going to function like this?" he asked.

Davis defended herself.

"As a state monitor, my position is to provide oversight, not to do the duties of your administrators," she said.

The district's loan debt remains at \$143 million and would balloon to \$243 million if the full loan requested this year is provided.

The latest proposed budget includes a \$28.3 million loan repayment to the state for previous borrowing, an increase over the current year's repayment of \$26.7 million.

Payback is costly

That means that as the district has borrowed a combined \$115 million during the past two years, it has had to budget \$55 million of that to pay back the state for previous loans.

The new proposed budget includes a \$1.3 million, or 4.1%, reduction in what is described as "regular instruction," but increases of about 30% in both special education and bilingual education, though no specifics related to those were revealed.

More: Lakewood school watchdogs were paid nearly \$2 million as district money woes spike

In addition, school security will be reduced by \$696,222, or 30%, and busing for both public and non-public students will be decreased by nearly \$5.5 million, or 24%.

Much of the security, transportation and other cutbacks relate to the planned closing of two schools by the end of the 2025-2026 school year and the consolidation of their operations into other existing school buildings.

Meanwhile, Lakewood Schools still face a \$15 million shortfall at the end of May, according to officials, even with the recent \$65 million loan, \$32.5 million of which is still pending.

"We are short \$15 million," Board Attorney and spokesman Michael Inzelbuch said. "The state has been made aware of that, that we are in deficit. But the district and the monitor are in touch with the state."

Davis declined to comment on any potential future state funding for the current school year.

School District Business Administrator Kevin Campbell said the district has requested more state funding to help close that gap and allow classes to continue through the end of the current school year and downplayed fears that school operations would be affected.

"We are in deficit" but don't worry

Superintendent Laura Winters said no staff is being let go for the current school year and did not expect the deficit to impact teaching through the current school year that ends in June.

The new budget is actually less than the current 2024-2025 spending plan, which was approved at \$309.1 million and offered a \$34 million increase over the previous current year spending plan, or 12.6%, according to Campbell's presentation.

Each state loan is required to be paid back within 10 years and also require the appointment of state monitors who are empowered to oversee the district finances and can make overriding decisions such as Davis' budget reversal.

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 4,241 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 Middle School teachers demand better discipline in 'unsafe and untenable' school

In recent weeks, school board members voted to sell some district land and close at least one school at the end of the current school year and another at the end of next year in an effort to cut costs.

The new spending plan estimated about \$36 million in revenue from the planned sale of several parcels of land, including the location now occupied by Ella G. Clarke Elementary School, which will be closed at the end of the current school year, officials have announced.

That closing is part of a grade reassignment plan set to take place next year, which will include the following:

Moving all students in Grades 3 through 5 to Clifton Avenue Grade School. Moving all 6th graders to Lakewood Middle School.

Having all students in kindergarten and Grades 1 and 2 attend Oak Street School.

Lakewood High School will be unaffected, remaining the same for Grades 9 through 12

Winters has said much of the reassignment and consolidation is needed as enrollment continues to decrease. She revealed that the number of students had dropped to 4,241 students in school year 2024-2025. It had been 4,927 in 2021-2022, a loss of 686 students or 13% in just three years.

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



Tuesday, April 29, 2025 Regular Board Meeting

LAKEWOOD BOARD OF EDUCATION LAKEWOOD PUBLIC SCHOOLS LAKEWOOD, NEW JERSEY

IN-PERSON PUBLIC MEETING - 7:30 P.M. TUESDAY, APRIL 29, 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

Subject 1. CALL TO ORDER

Meeting Apr 29, 2025 - Regular Board Meeting

Type Procedural

D. BUSINESS AGENDA

Subject 1. REPORTS AND RECOMMENDATIONS FOR THE BUSINESS ADMINISTRATOR/BOARD SECRETARY

Meeting Apr 29, 2025 - Regular Board Meeting

Type

- A. Approve the attached budgetary line item Transfers for **February 28, 2025 & March 31, 2025**.
- B. Acceptance of the Treasurer and Board Secretary Reports for February 28, 2025 & March 31, 2025
- C. Certification of No Over Expenditures:

Pursuant to N.J.A.C. 6A:23A-16.10, I Kevin Campbell Business Administrator/Board Secretary, certify that as of <u>February 28, 2025</u>, <u>and March 31, 2025</u> no budgetary line item account has obligations and payments which in total exceed the amount appropriated by the District Board of Education pursuant to N.J.S.A. 18A:22-8 and 18A:22-8.1, and that the District financial accounts have been reconciled and are in balance except for the following:

- a. Budgeted Fund Balance of \$40 million is now projected to be \$22.5 million.
- b. Budgeted DOE Loan against State Aid of \$104 million has been approved at \$65 million.
- c. As a result of the loss of the above, the District has insufficient revenue to meet its obligations and will end the 2024/2025 school year in a Fund Balance Deficit of \$15 million.
- d. Approve the Chief School Administrator to notify the Executive County Superintendent and the NJDOE that a Budget Deficit exists pursuant to N.J.A.C. 6A:23A-16.10.
- e. Approve the Deficit Reduction Plan to have the Chief School Administrator request an additional State Aid Loan advance to eliminate the projected deficit.

Kevin Campbell

April 29, 2025

Business Administrator/Board Secretary

Date

- D. Approve the **Bills List** for the Warrant Account for **April 29**, **2025** in the amount of \$30,143,164.78.
- D1.Approve the **Supplemental Bills List** for the Warrant Account for **April 29**, **2025** in the amount of **\$6**,585,919.71.
- E. Approve the **Bills List** for the Cafeteria Account for **April 29**, **2025** in the amount of \$\$532,278.48.