

**BEFORE THE COMMISSIONER OF EDUCATION
OF THE STATE OF NEW JERSEY**

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In the Matter of the Tenure Hearing of	:	Agency Docket No.
	:	133-04/26
	:	
OCEAN CITY BOARD OF EDUCATION,	:	Opinion & Award
CAPE MAY COUNTY,	:	
	:	
Petitioner,	:	
	:	
-and-	:	
	:	
CATHLEEN SMITH,	:	
	:	
Respondent.	:	
-----X		

APPEARANCES:

FOR THE PETITIONER:

COMEGNO LAW GROUP, P.C.
Jeffrey R. Caccese, Esq.

FOR THE RESPONDENT:

SCHWARTZ LAW GROUP, LLC
Robert M. Schwartz, Esq.

BEFORE: David J. Reilly, Esq., Arbitrator

PRELIMINARY STATEMENT

This matter comes before me on the tenure charges (the “Charges”) that the Board of Education of the Ocean City School District (the “Board” or “Petitioner”) served Cathleen Smith (“Respondent”) on or about March 13, 2026. The Charges allege Respondent, a tenured principal, (1) exhibited conduct unbecoming in interacting with staff by making inappropriate comments, using profanity and exhibiting erratic behavior; (2) violated policy in bringing service dog to school to summer months without notice; (3) committed insubordination by failing to follow superintendent’s directive; and (4) improperly recorded conversations without consent.

The conduct unbecoming charges did not allege any physical acts by Respondent. Nor did any of the charges involve students.

Respondent filed an answer on March 25, 2026, denying the allegations set forth in the Charges.

On March, 26, 2026, the Board certified the Charges and referred them to the Commissioner of Education (“Commissioner”). Upon certification of the Charges, the Board suspended Respondent without pay for 120 days pursuant to N.J.S.A. 18A:6-14.

On April 7, 2026, the Office of Controversies and Disputes of the Department of Education received the Charges, as confirmed by the Director of the Office of Controversies and Disputes.

Subsequently, Respondent filed a timely answer to the certified Charges.

In accordance with N.J.S.A. 18A:6-16, on April 30, 2026, I was appointed as the arbitrator to hear and decide this matter.

On May 1, 2026, I held a pre-hearing conference, which was attended by counsel for the Board and Respondent. At that time, I discussed with the parties pre-hearing matters, reviewed the hearing process and procedures, and scheduled nineteen hearing days during the August – December 2026.

At the first day of hearing, which was held on August 11, 2026, the parties engaged in settlement discussions and ultimately reached an agreement resolving this matter.

On September 17, 2026, the parties submitted an executed a settlement agreement (“Settlement Agreement”), confirming such resolution. In addition, the parties provided a joint submission (“Joint Submission”), requesting approval of the Settlement Agreement and detailing their supporting reasons.

The Settlement Agreement provides in relevant part: (1) Respondent will be reinstated to active duty effective August 17, 2026, and effective September 1, 2026 will be assigned to a temporary Director position for which her duties will include curriculum review, audit and analysis, grant writing, policy review and other assignments permissible under her certifications; (2) Respondent will remain in that position through August 31, 2028, having tendered her irrevocable resignation from employment with the Petitioner effective as of that date; and (3) Respondent will not be compensated for any portion of her 120 day suspension without pay; however, the Petitioner will reimburse her for the sums she paid as COBRA premiums to continue her health insurance coverage during the 120 day period, less any employee mandated contribution that she would have been otherwise required to make.

DISCUSSION AND FINDINGS

After careful review and thorough consideration of the Charges, the Settlement Agreement and the Joint Submission, I am satisfied that the terms of the parties' settlement are reasonable and in the best interest of both parties and the public, and thus, warrant approval.

The New Jersey Department of Education's standards governing settlement of tenure charges, as articulated in *In re Cardonick*, 1990 S.L.D. 842, 846, and codified at N.J.A.C. §6A:3-5.6, require that the proposed settlement: (1) document the nature of the charges; (2) include an explanation of the circumstances justifying settlement; (3) reflect the consent of both parties; (4) indicate the charged party entered into the agreement with a full understanding of its terms; (5) demonstrate that the agreement is in the public interest; and (6) specify, where the charged party is a teaching staff member, that he/she has been advised of the Commissioner's duty to refer tenure determinations resulting in a loss of position to the State Board of Examiners for possible suspension or revocation of certificate. *Id.*¹

Upon examination, it is plain that the documents submitted by the parties, on their face, satisfy requirements (1) – (4) and (6). *See* Joint Submission at 1- 4; Settlement Agreement at 1-4. The only matter to be resolved then is whether the parties have demonstrated that their settlement of this matter is in the public interest. As stated above, I am persuaded that they have satisfied their burden in this regard.

¹ As background for these standards, the Commissioner has explained, "once taken up the burden of tenure charges, a board may not lay it down without spreading forth on the record a reasonably specific explanation of why such charges need no longer be pursued or why it is now in the public interest not to pursue them." *In the Matter of the Tenure Hearing of Gilbert Alvarez*, Commissioner's Decision 274-09, at 2 (September 4, 2009).

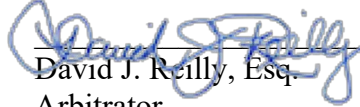
In reaching this conclusion, the settlement, I find: (1) allows both parties to move forward without devoting valuable educational time to what would have been a lengthy hearing at considerable public expense; (2) avoids a hearing that regardless of its outcome would have been extremely divisive to the District given the alleged interpersonal issues underlying the much of the Charges and the anticipated number of witnesses that would have needed to testify; (3) affords Petitioner the ability to gain valuable service from Respondent for an interim period consistent with her established abilities while structured to safeguard against a recurrence of the alleged interpersonal conflicts referenced in the Charges; (4) subjects Respondent to serious adverse consequences (i.e., loss of 120 days' pay; irrevocable resignation); and (5) brings finality and certainty to this matter, while allowing Respondent the opportunity to transition to another school district where her established skills and experience could properly fill and otherwise unsatisfied need.

Accordingly, for all these reasons, I conclude that the parties' Settlement Agreement satisfies the *Cardonick* standards, and, as such, is approved.

AWARD

1. The parties' Settlement Agreement resolving the tenure charges in this matter satisfies the *Cardonick* standards and N.J.A.C §6A:3-5.6, and therefore, is approved.

Dated: September 21, 2026

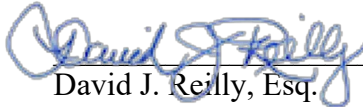


David J. Reilly, Esq.
Arbitrator

STATE OF NEW JERSEY)
) ss.:
COUNTY OF BERGEN)

I, David J. Reilly, Esq., affirm that I am the individual described herein and who executed this instrument, which is my Opinion and Award.

Dated: September 21, 2026



David J. Reilly, Esq.
Arbitrator