Monroe-Woodbury Cent. Sch. Dist. v City of New York
2026 NY Slip Op 30065(U)
January 6, 2026
Supreme Court, New York County
Docket Number: Index No. 653961/2021
Judge: Verna L. Saunders
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SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: **HON. VERNA L. SAUNDERS, JSC** **PART 36**

Justice

---X

MONROE-WOODBURY CENTRAL SCHOOL DISTRICT,

Plaintiff,

- v -

THE CITY OF NEW YORK, NEW YORK CITY DEPARTMENT OF EDUCATION,

Defendants.

---X

INDEX NO. 653961/2021

MOTION SEQ. NO. 001

DECISION + ORDER ON MOTION

The following e-filed documents, listed by NYSCEF document number (Motion 001) 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102

were read on this motion to/for **SUMMARY JUDGMENT** .

In this action seeking reimbursement for tuition and related education expenses, plaintiff Monroe-Woodbury Central School District (the "School District") moves for an order: (1) pursuant to CPLR 3212, granting summary judgment in its favor and awarding it $830,107.24 for tuition and related expenses, $250,377.43 in pre-judgment interest, plus costs and interest, (including costs on the motion); (2) pursuant to 22 NYCRR 216.1, sealing certain documents filed in support of its motion; and (3) pursuant to 22 NYCRR 216.1, directing that the identified exhibits and materials remain temporarily under seal, accessible only to the parties, their counsel and court personnel, pending the court's determination on the motion to seal.

Defendants City of New York and New York City Department of Education (together, "NYCDOE") oppose the branch of the motion seeking summary judgment but do not oppose the branch of the motion seeking to seal the exhibits. By interim order dated June 3, 2024, the court sealed the identified exhibits to the School District's motion pursuant to 22 NYCRR 216.1 upon good cause shown (NYSCEF Doc. No. 84). For the reasons set forth below, the School District's motion for summary judgment is denied.

The School District seeks reimbursement for tuition and education expenses for seven students (A.G., E.M., Y.S., F.B., B.G., S.M., and N.T.) (the "students") for the 2017-2018, 2018-2019, 2019-2020, and 2020-2021 school years (NYSCEF Doc. No. 53, *amended verified complaint* ¶¶ *4-21*; NYSCEF Doc. No. 66, *Cahill aff,* ¶ *10*).

The School District submits an affidavit from Patrick F. Cahill ("Cahill"), an assistant superintendent responsible for billing non-resident students, who avers that the New York State Office for People with Developmental Disabilities ("OPWDD") placed the students in family care homes located in the School District (NYSCEF Doc. No. 66, *Cahill aff,* ¶ *5*). Cahill states that the students resided in New York City at the time of their placement by OPWDD, as evidenced by School District Notification Forms ("SDNFs") for each of the students (*id.*, ¶ 4).

According to Cahill, the students were eligible for special education supports and services and were placed in a neighboring school district (Kiryas Joel Union Free School District) for specialized programming (*id.*, ¶ 6). Cahill states that the School District has served as the educating district, and has provided them with education, special education, and related supports and services (*id.*, ¶ 7).

OPWDD issued SDNFs for the students designating NYCDOE as the district of residence of their initial placement with OPWDD, or their district of origin, based upon the home address of the student's family at that time (NYSCEF Doc. No. 58).

OPWDD completed the SDNFs as follows:

Student	**Date of Placement with OPWDD**	**Date Form Completed**
F.B.	01/12/2013	01/05/2016
A.G.	12/19/2014	02/18/2015
B.G.	10/28/2015	08/08/2016
Y.S.	03/15/2005	01/26/2021
N.T.	09/03/2003	12/17/2020
S.M.	04/10/2002	01/22/2021
E.M.	08/01/2010	06/08/2012

(*id.*).

Maksym Lider ("Lider"), OPWDD's deputy director, testified that he did not know whether the SDNFs were sent within ten (10) days of placement (NYSCEF Doc. No. 46, *Lider tr at 30-31*). Lider further testified that the SDNFs were not proof of residence and only advised that a placement had occurred (*id.* at 41; 42; 75). With respect to Y.S. and S.M., the School District had contacted OPWDD to obtain the SDNFs, and Lider was unable to locate the original SDNFs, so he issued "courtesy notifications" in January 2021 (*id.* at 26-27; 31-33). According to Lider, birth certificates were not sufficient proof of residence at the time of placement, and OPWDD would require "something matching the New York City Department of Education," such as a mortgage, lease or utility bill and that the birth certificate would be used only to identify guardianship or a biological relationship (*id.* at 122-123).

The School District invoiced NYCDOE for the students for school years 2017-2018, 2018-2019, 2019-2020, and 2020-2021 (NYSCEF Doc. No. 66, *Cahill aff,* ¶ *10*; NYSCEF Doc. Nos. 67-72). The School District used the relevant non-resident tuition rates (NYSCEF Doc. No. 66, *Cahill aff,* ¶ *9*).

In March 2020, the School District received partial payment for A.G. in the amount of $52,696.63 for the 2017-2018 school year (NYSCEF Doc. No. 66, *Cahill aff,* ¶ *11*).

By e-mail dated April 6, 2022, Enas Aldrmly ("Aldrmly") of NYCDOE responded that the students could not be located in its database[1] and therefore, were not the responsibility of NYCDOE (NYSCEF Doc. No. 75). Aldrmly testified that she never received the SDNF forms from OPWDD, only from the School District (NYSCEF Doc. No. 44, *Aldrmly tr at 46; 49; 63; 64*).

In an e-mail dated April 11, 2022, Patricia Wallace ("Wallace"), an accountant employed by the School District, explained that it had provided the SDNFs, which were provided by OPWDD and which reflected that the students were New York City residents at the time of their placement (NYSCEF Doc. No. 75). Wallace testified that she did not know whether OPWDD sent the SDNFS to NYCDOE (NYSCEF Doc. No. 45, *Wallace tr at 20*). In response to a notice to admit, NYCDOE admitted that it received the SDNFs (NYSCEF Doc. No. 49, *NYCDOE's response to School District's notice to admit, items 28-40*).

In July 2023, NYCDOE sent partial payment to the School District in the amount of $234,495.64 to satisfy tuition reimbursement for F.B. for school years 2019-2020, 2020-2021, 2021-2022, and 2022-2023 (NYSCEF Doc. No. 66, *Cahill aff, ¶ 13*; NYSCEF Doc. No. 76). However, the School District asserts that NYCDOE has not reimbursed the School District for F.B.'s transportation for the 2019-2020 and 2020-2021 school years (NYSCEF Doc. No. 66, *Cahill aff, ¶ 13*).

The School District filed an administrative appeal of NYCDOE's refusal to pay tuition costs incurred by it for educating six students (A.G., E.M., Y.S., F.B., B.G., and N.T.)[2] during the 2021-2022 school year to the New York State Department of Education ("NYSED") Commissioner. On September 19, 2023, NYSED Commissioner Dr. Betty Rosa directed that OPWDD pay the School District for its tuition costs incurred in educating those six students for that school year (NYSCEF Doc. No. 60, *Appeal of the Bd. of Educ. of the Monroe-Woodbury Cent. Sch. Dist.*, 63 Ed Dept Rep [Decision No. 18,343] [2023]). The Commissioner reasoned as follows:

> "Here, as in *Appeal of the Bd. of Educ. of the Kiryas Joel Union Free Sch. Dist.* (60 Ed Dept Rep, Decision No. 17,931), '[r]espondent OPWDD provides no explanation for its delay in providing the required notification form.' As indicated above, these delays range from two months to seventeen years. As such, 'I am constrained to find that respondent OPWDD failed to comply with its statutory duty to make reasonable efforts to identify the student's district of origin within 10 days of placement' (*id.*). Consequently, OPWDD shall be responsible for the tuition costs of the six students at issue herein for the 2021-2022 school year (*Appeal of the Bd. of Educ. of the Kiryas Joel Union Free Sch. Dist.*, 59 Ed Dept Rep, Decision

[1] NYCDOE asserts that it maintains an "Automate the Schools" ("ATS") database that contains address information in order to identify student eligibility for transportation (NYSCEF Doc. No. 91, *Glotzer affirmation ¶ 25*). It also maintains a "Special Education Student Information System" ("SESIS") database that contains address information and Individualized Education Services Program information for students residing in New York City but attending private schools within or outside New York City (*id.*, ¶ 26).

[2] The School District asserts that S.M. was not enrolled as a student in the School District at the time of the appeal to the Commissioner (NYSCEF Doc. No. 66, *Cahill aff, ¶ 15 n 6*).

No. 17,712 [OPWDD responsible for tuition costs through date of decision based upon designation 29 days after placement in foster care]).

However, I decline to assign financial responsibility to OPWDD on a prospective basis (*Appeal of the Bd. of Educ. of the Kiryas Joel Union Free Sch. Dist.*, 60 Ed Dept Rep, Decision No. 17,931 ['While a social services agency must be held responsible for certain errors and delays in this process as described above, it would be inequitable to hold it permanently responsible for a child's education, as financial responsibility ultimately rests with the student's district of origin under the statute']). NYCDOE is identified as the district of origin on each of the SDN forms. Even assuming that NYCDOE was unaware of this designation until March 28, 2022, it was obligated to object to OPWDD's designation at that time (*see Appeal of the Bd. of Educ. of the Kiryas Joel Union Free Sch. Dist.*, 59 Ed Dept Rep, Decision No. 17,712; *Appeal of the Bd. of Educ. of the City Sch. Dist. of the City of Plattsburgh*, 58 *id.*, Decision No. 17,397). The fact that the students did not appear in NYCDOE's ATS database is unavailing (*see Appeal of the Bd. of Educ. of the New Hyde Park-Garden City Park Union Free School District*, 57 Ed Dept Rep, Decision No. 17,397 [noting that, in context of request for reimbursement for health and welfare services, the ATS system has limited probative value because it only includes students with 'some prior connection to the New York City Public Schools ...']" (*id.*, *3).

After the NYSED Commissioner's decision, NYCDOE reimbursed the School District for invoices relating to A.G., Y.S., B.G., and N.T. for the 2022-2023 school year (NYSCEF Doc. No. 66, *Cahill aff, ¶ 16*; NYSCEF Doc. No. 77). The School District asserts that NYCDOE's November 2023 payment did not include any reimbursement for F.B. for the years at issue, and did not include any reimbursement for the other six students (NYSCEF Doc. No. 66, *Cahill aff, ¶ 17*).

On January 19, 2024, the parties met in an attempt to resolve the outstanding balances (*id.*, ¶ 18). The School District provided transportation costs by bus route (*id.*). NYCDOE asserted that the SDNFs and various other proofs of residency were insufficient to show residency at the time of placement (*id.*). The School District maintains that it has repeatedly requested payment from NYCDOE, to no avail (*id.*, ¶ 21).

The School District commenced this action on June 22, 2021, seeking claims for reimbursement pertaining to the 2017-2018, 2018-2019, and 2019-2020 school years (NYSCEF Doc. No. 41). The verified complaint asserts the following four causes of action: (1) reimbursement for education services pursuant to Education Law § 3202; (2) quantum meruit; (3) promissory estoppel; and (4) unjust enrichment (*id.*).[3]

[3] On July 28, 2023, the parties stipulated to the amendment of the complaint to add a tuition reimbursement claim for the 2020-2021 school year (NYSCEF Doc. No. 50). Pursuant to the stipulation, counsel for NYCDOE agreed to accept late service of an amended notice of claim and the amended claim on behalf of NYCDOE (*id.*). The amended verified complaint asserts the same causes of action as the initial complaint (NYSCEF Doc. No. 53).

The School District now moves for summary judgment on its four causes of action, seeking reimbursement from NYCDOE for the students for the 2017-2018, 2018-2019, 2019-2020, and 2020-2021 school years.

"It is well settled that 'the proponent of a summary judgment motion must make a prima facie showing of entitlement to judgment as a matter of law, tendering sufficient evidence to demonstrate the absence of any material issues of fact'" (*Pullman v Silverman*, 28 NY3d 1060, 1062 [2016], quoting *Alvarez v Prospect Hosp.*, 68 NY2d 320, 324 [1986]). "Failure to make such showing requires denial of the motion, regardless of the sufficiency of the opposing papers" (*Winegrad v New York Univ. Med. Ctr.*, 64 NY2d 851, 853 [1985]). "Once this showing has been made, however, the burden shifts to the party opposing the motion for summary judgment to produce evidentiary proof in admissible form sufficient to establish the existence of material issues of fact which require a trial of the action" (*Alvarez*, 68 NY2d ar 324). "On a motion for summary judgment, facts must be viewed 'in the light most favorable to the non-moving party'" (*Vega v Restani Constr. Corp.*, 18 NY3d 499, 503 [2012], quoting *Ortiz v Varsity Holdings, LLC*, 18 NY3d 335, 339 [2011]).

In moving for summary judgment under Education Law § 3202, the School District argues that OPWDD designated NYCDOE as the school district of origin for the students on the SDNFs, and that NYCDOE failed to challenge this designation. Therefore, the School District contends that this designation is final pursuant to Education Law § 3202(4)(f)(ii). Because NYCDOE failed to object in accordance with the statutory provisions, NYCDOE should be estopped from challenging this designation. The School District also maintains that there is no evidence that OPWDD failed to timely notify NYCDOE of the designation in accordance with section 3202. Further, the School District submits that the statute does not authorize the district of origin to demand proof of residency from the educating district. It also argues that NYCDOE's partial payment for some students and years constitutes arbitrary, capricious, and selective reimbursement.

Additionally, the School District argues that NYCDOE should be collaterally estopped from relitigating two issues that it asserts were already decided by the NYSED Commissioner: (1) the designation of NYCDOE as the district of origin for A.G., E.M., Y.S., F.B., B.G., and N.T.; and (2) financial responsibility for any student on the basis that they could not be located in NYCDOE's ATS database.

NYCDOE argues, in opposition, that the School District incorrectly asserts that it was not required to submit proof of the students' residence at the time of placement with OPWDD in order to receive reimbursement for special education services. NYCDOE, OPWDD, and the School District's witnesses all testified that the SDNF forms were sent to NYCDOE long after their completion, and not within 10 days of completion. In addition, the SDNFs caution that the information contained therein serves only as a "verification of a placement in an OPWDD approved Family Care Home" and that interested persons are warned to "independently verify the authenticity of other information" included in the form (NYSCEF Doc. No. 95). Therefore, NYCDOE contends that it acted reasonably in requesting proof of the students' residency, and that Education Law § 3202 does not bar it from demanding such information. NYCDOE further

contends that requiring it to reimburse the School District for the school years at issue would violate the Gift or Loan Clause of the New York State Constitution.

NYCDOE also maintains that the NYSED Commissioner's decision should not be applied retroactively. It argues that the NYSED Commissioner found that NYCDOE was on notice that it was the district of origin for six of the students as of March 2022 and determined that NYCDOE was financially liable for the 2022-2023 school year and going forward. NYCDOE further contends that it would be inequitable to hold it liable for the 2017-2018, 2018-2019, 2019-2020, and 2020-2021 school years where the Commissioner found that NYCDOE did not have notice of the students' placement until March 2022.

Education Law § 3202(1) "begins with the promise of free education, by which a student is 'entitled to attend the public schools maintained in the district in which such person resides without the payment of tuition'" (*Longwood Cent. School Dist. v Springs Union Free School Dist.*, 1 NY3d 385, 389 [2004], quoting Education Law § 3202 [1]). The Court of Appeals has explained that "the statute sets out the framework for determining when and under what circumstances a school district is obligated to provide free education" (*Catlin v Sobol*, 77 NY2d 552, 559 [1991]). Education Law § 3202 was "designed to allocate costs sensibly between school districts and to avert burdening them with the costs of educating nonresident children" (*Board of Educ. of the Garrison Union Free School Dist. v Greek Archdiocese Inst. of St. Basil*, 18 NY3d 355, 360 [2012] [internal quotation mark and citation omitted]).

Education Law § 3202(4)(b)[4] provides that "the cost of instruction of children in foster care shall be borne by the school district of origin." The statute defines "school district of origin" as the following: "the school district within the state of New York in which the child or youth in foster care was attending a public school or preschool on a tuition-free basis or was entitled to attend when the social services district or office of children and family services assumed responsibility for the placement, support and maintenance of such child or youth . . . ." (Education Law § 3202[4][a][i]).

Education Law § 3202(4)(f) sets forth a procedure by which the identity of the school district of origin is determined:

> "(i) Within ten days of the placement of such pupil, the public agency or its designee shall give written notice of such placement to the board of education of the school district believed to be the school district of origin. Such notification shall include the name of the pupil and any particulars about the pupil that pertain to the identification of the school district as the school district of origin as defined in paragraph a of this subdivision.
>
> (ii) A board of education of a school district which receives notification pursuant to subparagraph (i) of this paragraph may submit to the public agency, within ten days of its receipt of such notice, additional evidence to establish that it is not the pupil's district of origin as defined in paragraph a of this subdivision. . . . In the event such school district fails to submit additional evidence within such ten day

[4] The parties rely on the version of the statute that is currently in effect, in all relevant respects.

> period, the determination of the public agency shall be final and the notification provided pursuant to subparagraph (i) of this paragraph shall be deemed final notification of such determination."

However, where the public agency fails to provide timely notice, the public agency can be found liable for educational expenses incurred by the educating district. Specifically, Education Law § 3202(4)(f)(vi) provides, in relevant part, that: "In the event the public agency fails to provide timely notice pursuant to subparagraph (i) of this paragraph, or fails to render its final determination in a timely manner, the public agency responsible for such pupil's residential placement shall reimburse the commissioner for the payments made to the district furnishing instruction pursuant to this paragraph during the pendency of all proceedings or for the duration of the current school year, whichever is longer. . . ."

Here, the School District has failed to establish prima facie entitlement to summary judgment under Education Law § 3202. Although the School District asserts that OPWDD's determination is final pursuant to Education Law § 3202(4)(f)(ii), it has failed to eliminate issues of fact as to whether OPWDD timely sent notice to NYCDOE in accordance with Education Law § 3202(4)(f)(i). OPWDD's witness testified that he did not know if the SDNFs were sent within ten (10) days of placement (NYSCEF Doc. No. 46, *Lider tr at 30-31; 37; 49*). Additionally, the SDNFs relied upon by the School District were sent months or years after the students' placement with OPWDD, i.e., from 2019 through 2022 (NYSCEF Doc. No. 39, *Bellantoni affirmation ¶ 46*; NYSCEF Doc. Nos. 67-75). As noted above, the statute provides, and the NYSED Commissioner has previously determined, that the public agency can be found liable for education costs pursuant to section 3202(4)(f)(vi) if it fails to provide timely notice of the placement (*see e.g.* NYSCEF Doc. No. 60, *Appeal of the Bd. of Educ. of the Monroe-Woodbury Cent. Sch. Dist.*, 63 Ed Dept Rep [Decision No. 18,343] [2023]; *Appeal of the Bd. of Educ. of the Kiryas Joel Union Free Sch. Dist.*, 59 Ed Dept Rep [Decision No. 17,712] [2019]).

The School District does not offer sufficient proof of the residence of the children, in the form of a certification that the information contained within the SDNFs accurately reflected and was based on information set forth in OPWDD's business records (compare *Three Vil. Cent. School Dist. of Brookhaven & Smithtown v Brentwood Union Free School Dist.* (167 AD2d 385, 385 [2d Dept 1990], *appeal denied* 77 NY2d 806 [1991]). The SDNFs for Y.S., F.B., B.G., S.M., and N.T. contain disclaimers that "Above information is a verification of a placement in an OPWDD approved Family Care Home only" and that all interested persons "are advised to independently verify the authenticity of other information stated above" (NYSCEF Doc. No. 58 at 3-7). OPWDD's deputy director testified that the SDNFs were "not a proof of residence," and were not proof of liability for tuition costs, and only were used as a notification to a school district that a placement had occurred (NYSCEF Doc. No. 46, *Lider tr at 41-42; 84*).

Nor is the School District entitled to summary judgment based upon the preclusive effect of the NYSED Commissioner's decision. Collateral estoppel "precludes a party from relitigating in a subsequent action or proceeding an issue clearly raised in a prior action or proceeding and decided against that party . . . , whether or not the tribunals or causes of action are the same" (*Ryan v New York Tel. Co.*, 62 NY2d 494, 500 [1984]). In order for collateral estoppel to apply, the following two elements must be established: (1) "'that the identical issue was necessarily

decided in the prior action and is decisive in the present action;'" and (2) that the precluded party had a "'full and fair opportunity to contest the prior determination'" (*Matter of Sharon Towers v Bank Leumi Trust Co. of N.Y.*, 250 AD2d 509, 511 [1st Dept 1998], quoting *D'Arata v New York Cent. Mut. Fire Ins. Co.*, 76 NY2d 659, 664 [1990]). Significantly, "the fundamental inquiry is whether relitigation should be permitted in a particular case in light of what are often competing policy considerations, including fairness to the parties, conservation of the resources of the court and the litigants, and the societal interests in consistent and accurate results" (*Jeffreys v Griffin*, 1 NY3d 34, 40 [2003] [internal quotation marks and citation]).

"While issue preclusion may arise from the determinations of administrative agencies, in that context the doctrine is applied more flexibly, and additional factors must be considered by the court. These additional requirements are often summed up in the beguilingly simple prerequisite that the administrative decision be 'quasi-judicial' in character" (*Allied Chem. v Niagara Mohawk Power Corp.*, 72 NY2d 271, 276 [1988], *cert denied* 488 US 1005 [1989] [citations omitted]). "To that end, among the factors bearing on whether an administrative decision is 'quasi-judicial' are whether the procedures used in the administrative proceeding . . . were sufficient both quantitatively and qualitatively, so as to permit confidence that the facts asserted were adequately tested, and that the issue was fully aired" (*Auqui v Seven Thirty One Ltd. Partnership*, 22 NY3d 246, 255 [2013] [internal quotation marks and citation omitted]).

Applying these principles here, the court finds that the School District has established that identical issues were necessarily decided by the NYSED Commissioner (*see generally Blind Brook-Rye Union Free School Dist. v Baronti*, 6 Misc 3d 38, 39 [App Term, 2d Dept, 9th & 10th Jud Dists 2004]). The NYSED Commissioner determined that NYCDOE was the district of origin for six students and that the fact that six students' names could not be located in the ATS database was unavailing, given its limited probative value (NYSCEF Doc. No. 60; *Appeal of the Bd. of Educ. of the Monroe-Woodbury Cent. Sch. Dist.*, 63 Ed Dept Rep [Decision No. 18,343] [2023]). Nevertheless, as argued by NYCDOE, the court finds that it would be unfair to apply collateral estoppel for the school years at issue where the NYSED Commissioner explicitly directed that NYCDOE was to pay any and all tuition costs for the six students *after* the 2021-2022 school year (*see Jeffreys*, 1 NY3d at 40). The NYSED Commissioner relied upon the fact that, in a letter dated March 28, 2022, the School District billed NYCDOE for tuition and transportation costs for six students for the first half of the 2021-2022 school year (*id.*). She concluded that, even if NYCDOE was unaware of its designation as the district of origin until March 28, 2022, it was obligated to object at that time (*id.*). It therefore cannot be said that "the facts asserted were adequately tested, and that the issue was fully aired" with respect to the school years at issue (*Auqui*, 22 NY3d at 255). Accordingly, the School District is not entitled to summary judgment under Education Law § 3202, regardless of the sufficiency of NYCDOE's opposing papers (*see Winegrad*, 64 NY2d at 853).

The School District moves for summary judgment on its unjust enrichment claim, arguing that: (1) pursuant to Education Law § 3202, the School District was obligated to and did provide instruction and related services to the students; and (2) NYCDOE has failed to remit reimbursement to the School District, despite being aware of its designation as the school district of origin for the students. The School District further argues, with respect to its quantum meruit claim, that it expected reimbursement from NYCDOE pursuant to Education Law § 3202.

NYCDOE counters that the School District has failed to establish entitlement to summary judgment on its unjust enrichment or quantum meruit claims. NYCDOE insists that the School District has provided no evidence that it erroneously withheld tuition reimbursement. It argues that, absent proof that the students resided in New York City at the time of placement, the School District had no reasonable expectation of reimbursement. NYCDOE further asserts that it was not advised of the students' placement with OPWDD until it received the School District's invoices.

"The theory of unjust enrichment lies as a quasi-contract claim and is an obligation imposed by equity to prevent injustice, in the absence of an actual agreement between the parties concerned" (*IDT Corp. v Morgan Stanley Dean Witter & Co.*, 12 NY3d 132, 142 [2009], *rearg denied* 12 NY3d 889 [2009] [internal quotation marks and citation omitted]). To recover on a claim for unjust enrichment, the plaintiff must establish: "'that (1) the other party was enriched, (2) at that party's expense, and (3) that is against equity and good conscience to permit the other party to retain what is sought to be recovered'" (*Georgia Malone & Co. v Rieder*, 19 NY3d 511, 516 [2012], quoting *Mandarin Trading Ltd. v Wildenstein*, 16 NY3d 173, 182 [2011]).

"Quantum meruit recovery rests on a narrow exception to the rule that a party may not expect compensation for a benefit conferred gratuitously upon another" (*Moors v Hall*, 143 AD2d 336, 337 [2d Dept 1988] [internal quotation marks and citation omitted]). "[T]o establish a claim in quantum meruit, a claim must establish (1) the performance of services in good faith, (2) the acceptance of the services by the person to whom they are rendered, (3) an expectation of compensation therefor, and (4) the reasonable value of the services" (*Caribbean Direct, Inc. v Dubset, LLC*, 100 AD3d 510, 511 [1st Dept 2012] [internal quotation marks and citation omitted]).

Here, the School District has failed to establish *prima facie* entitlement to summary judgment on its unjust enrichment and quantum meruit claims. There are questions of fact as to whether it is against equity and good conscience for NYCDOE to retain what the School District seeks to recover. As noted above, the School District has failed to demonstrate that the students were residents of New York City at the time that OPWDD assumed responsibility for their placement and maintenance (*see* Education Law § 3202[4][a][i]). Furthermore, for the same reasons, there are questions of fact as to whether the School District has a reasonable expectation of compensation. "[T]he question of whether a party had a reasonable expectation of compensation for services rendered is a matter for the trier of fact to determine based on the evidence before it" (*Farina v Bastianich*, 116 AD3d 546, 548 [1st Dept 2014] [internal quotation marks and citation omitted]). In this regard, NYCDOE has acknowledged the need to pay tuition for some of the years at issue for A.G. and F.B. (*see Brennan Beer Gorman/Architects, LLP v Cappelli Enters., Inc.*, 85 AD3d 482, 483-484 [1st Dept 2011] [finding triable issues of fact on quantum meruit claim, noting that "defendants acknowledged the need to pay plaintiff at least some amount for its services"]). Therefore, the School District is not entitled to summary judgment on its unjust enrichment and quantum meruit claims, regardless of the sufficiency of NYCDOE's opposing papers (*see Winegrad*, 64 NY2d at 853).

The School District also moves for summary judgment on its promissory estoppel claim. The School District contends that it anticipated payment from NYCDOE after the students' residency was established and the NYSED Commissioner issued her decision.

In response, NYCDOE argues that the School District has failed to demonstrate any unusual circumstances to support the claim for promissory estoppel. NYCDOE asserts that it did not make any clear or unambiguous promise to make any payments without proof that the students were New York City residents at the time of placement with OPWDD.

The elements of a promissory estoppel claim are "a clear and unambiguous promise, reasonable and foreseeable reliance by the party to whom the promise is made and an injury sustained in reliance thereon" (*Braddock v Braddock*, 60 AD3d 84, 95 [1st Dept 2009], *appeal withdrawn* 12 NY3d 780 [2009] [internal quotation marks and citation omitted]). Even if a plaintiff establishes these elements, promissory estoppel is generally "not available against a governmental agency engaging in the exercise of its governmental functions" (*Advanced Refractory Techs., Inc. v Power Auth. of State of N.Y.*, 81 NY2d 670, 677 [1993]). Generally, "estoppel may not be invoked against a governmental body to prevent it from performing its statutory duty or from rectifying an administrative error" (*Matter of Ly v New York City Empls. Retirement Sys.*, 189 AD3d 1410, 1413-1414 [2d Dept 2020], quoting *Agress v Clarkstown Cent. School Dist.*, 69 AD3d 769, 771 [2d Dept 2010]). Courts have, however, invoked the doctrine of promissory estoppel against a governmental entity where its "misleading nonfeasance would otherwise result in a manifest injustice" (*Agress,* 69 AD3d at 771 [internal quotation marks and citation omitted]).

In this case, the School District has failed to establish prima facie entitlement on its promissory estoppel claim. The School District asserts that NYCDOE made clear that it would pay tuition once the students' residency was resolved and the NYSED Commissioner issued her decision. However, the School District has not demonstrated any clear and unambiguous promise by NYCDOE to pay tuition for the school years at issue. Even if the School District had established any such promise, the court finds that the School District has failed to establish any misleading nonfeasance on the part of NYCDOE that would result in a manifest injustice (*see id.*; *cf. Landmark Colony at Oyster Bay v Board of Supervisors of County of Nassau*, 113 AD2d 741, 744 [2d Dept 1985]). In light of the above, the School District is not entitled to summary judgment on its promissory estoppel claim, regardless of the sufficiency of NYCDOE's opposing papers (*see Winegrad*, 64 NY2d at 853).

The School District requests costs pursuant to CPLR 8106. CPLR 8106 provides that "[c]osts upon a motion may be awarded to any party, in the discretion of the court, and absolutely or to abide the event of the action." Although the statute does not require any finding of frivolous conduct (*Greenspan v Rockefeller Ctr. Mgt. Corp.*, 268 AD2d 236, 237 [1st Dept 2000]), the court declines to award costs in the exercise of its discretion. Accordingly, it is

ORDERED that the branch of the motion (Mot. Seq. 001) of plaintiff Monroe-Woodbury Central School District for summary judgment is denied; and it is further

ORDERED that the branch of the motion (Mot. Seq. 001) of plaintiff Monroe-Woodbury Central School District seeking costs is denied; and it is further

ORDERED that, within twenty (20) days after this decision and order is uploaded to NYSCEF, counsel for defendants shall serve a copy of this decision and order, with notice of entry, upon plaintiff Monroe-Woodbury Central School District.

This constitutes the decision and order of this court.

January 6, 2026

HON. VERNA L. SAUNDERS, JSC

CHECK ONE:	[ ] **CASE DISPOSED**		[X] **NON-FINAL DISPOSITION**			
	[ ] **GRANTED**	[X] **DENIED**	[ ] **GRANTED IN PART**	[ ] **OTHER**		
APPLICATION:	[ ] **SETTLE ORDER**		[ ] **SUBMIT ORDER**			
CHECK IF APPROPRIATE:	[ ] **INCLUDES TRANSFER/REASSIGN**		[ ] **FIDUCIARY APPOINTMENT**	[ ] **REFERENCE**		