

RESOLUTION OF NO CONFIDENCE IN THE PRESIDENT OF
NEW JERSEY CITY UNIVERSITY

WHEREAS: Faculty, staff and administrators at New Jersey City University (NJCU) share an abiding commitment to maintain an educational environment where student learning is central to the mission of the university; and

WHEREAS: *President Henderson's Fiscal Management has been damaging to the University's stature and sustainability.*

According to figures published on the University website by the accountant KPMG LLC, at the time President Sue Henderson assumed leadership in 2013 the Net Position of NJCU was \$101.8 million in the **black**. Figures for 2020 show NJCU \$67.4 million in the **red** (see charts below). **This is a decline of \$169.2 million in just seven years.**

There are numerous factors that may account for this decline: changes in State contribution to the University budget; changes in student enrollment and retention; adjustments to guarantee pensions, and other reasons.

A decline in University Financial Position averaging nearly \$25 million a year over the last 7 years should cause nothing less than **extreme** alarm. The University's bond rating has twice been downgraded in recent years and currently stands at BBB-. The University is clearly in a downwards financial spiral.

A look at some of our brother and sister state universities has shown several have Net Position declines, but none of those we've examined is as precipitous as NJCU's, and none have fallen into the red.

During this same seven-year period, the University has engaged in extensive and numerous expansions and real estate ventures, including West Campus, Harborside, and Monmouth projects. None of these have shown proper Return on Investment to date, and it's unclear when and if they ever will.

Because of the administration's lack of transparency, the dire budget situation may be largely due to real estate operations, campus expansions, and a top heavy and expensive administration. For example, in the past 10 years, the number of NJCU administrators has increased from 11 to 16, with an increase in \$1 million in additional salaries.

WHEREAS: *President Henderson's mandate to rpk Group does not show transparency in the spirit of shared governance.*

President Henderson specifically commissioned the rpk Group's \$350,000 study to analyze the **academic** part of the university. All other areas of scrutiny into

why the University is in such a deep financial crisis have been **proscribed** from their study.

The rpk Group report will establish a narrative that the financial improvement of NJCU is only possible via deep cuts into the academic side of our operations: departments, full-time faculty and staff, and even adjuncts, leading to fewer class offerings and larger class sizes, and cuts to essential student services, such as advisement, tutoring, and counseling, which are necessary for higher levels of retention and graduation.

This narrative that cutting the academic side of the institution will save us is both **false** and **misleading**. The University will **not** solve its fiscal crisis by cutting or consolidating academic programs because the institution will be left without the ability to deliver its mission; therefore, a much broader investigation of NJCU financial practices and records is warranted.

The rpk Group will not be looking into the University's real estate ventures, expansion plans at West Campus, Harborside, or Monmouth, or the number of administrative positions and associated salaries. To suggest that a Net Position deficit exceeding \$175 million will be resolved **only** by slashing academic departments and faculty positions is completely unrealistic.

As former Supreme Court Justice Louis Brandeis once said, "sunlight is said to be the best of disinfectants". To thoroughly and transparently remedy the University's bleak net position, sunlight must be cast upon **all** areas of expenditure, including expansion plans, real estate ventures, and administrative salaries.

WHEREAS: *President Henderson has shown lack of attunement to our student population, the surrounding community, and the Mission Statement of the University.*

The rpk Group's study, as mandated by President Henderson, would be quantitative only and would ignore qualitative analysis. Such an analysis ignores the impact of student support services and small class sizes, both of which are correlated with higher retention and graduation outcomes. This is a betrayal of the University Mission Statement:

"To provide a diverse population with an excellent education.... and to the improvement of the educational, intellectual, cultural, socioeconomic, and physical environment of the surrounding urban region and beyond."

Statistical analysis omits a holistic or humanistic understanding of the student body and community we serve. The greatest victims of the proposed dismantling of academic departments and programs will be our **students**.

Students ask why the University is building luxury apartments that they or their families cannot afford. At the same time, they see tuition increasing and essential services decreasing -- services that are **proven** to improve graduation and retention. Luxury apartments do **not** improve graduation and retention rates, nor as planned do they show signs of appropriate return on investment. It looks like structural racism when NJCU seems to be aiding and abetting gentrification. This should be avoided not only for the optics it presents, but on principle. Student success should always be our highest priority.

WHEREAS: President Henderson has violated the principles of shared governance as articulated by the American Association of University Professors, which are based on a collaborative approach to decision-making. She has not demonstrated commitment to a process by which faculty, staff, students, alumni, administrators, and the Board of Trustees participate in the important decisions regarding the operations of the university. She has not acknowledged that shared governance functions through a structure that fosters active collaboration, transparency, accountability, acceptance of compromise, mutual respect, and an ethos of trust.

RESOLVED: That the Faculty Senate of New Jersey City University has no confidence in the ability of President Sue Henderson to lead NJCU in a manner that enables our faculty, staff, and administrators to educate and serve our students effectively in the spirit of shared governance; and be it further

RESOLVED: That the Faculty Senate will welcome a new President who embraces shared governance in deed as well as in word, transparency, and mutual trust and respect, and will work actively to correct the issues identified in this resolution; and be it further

RESOLVED: That the faculty participate in a referendum on this resolution in accordance with the Senate bylaws for elections.

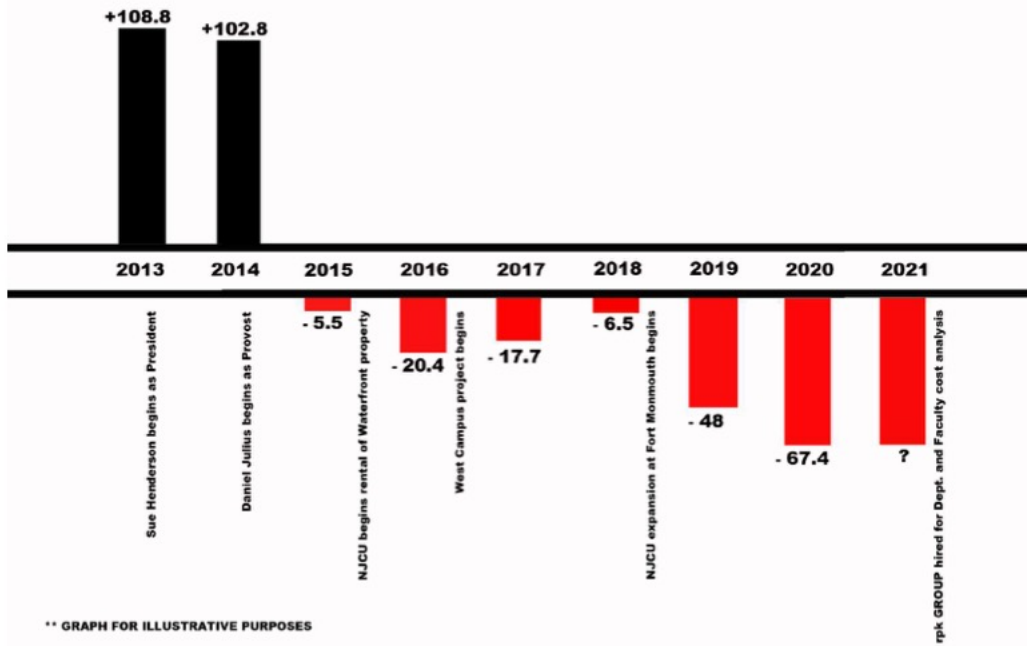
RESOLVED: That copies of this resolution be sent to the NJCU Board of Trustees, the Academic Senate of New Jersey City University, NJCU campus senate chairs, and NJCU President Sue Henderson.

RESOLVED: That the Board of Trustees appoint an interim President while it conducts a national search for a new president with all due speed. One suggestion for an interim President is John Melendez.

NJCU FINANCIAL DATA

* ALL DATA PUBLICLY AVAILABLE ON NJCU WEBSITE

Net position at end of year
(in millions of dollars)



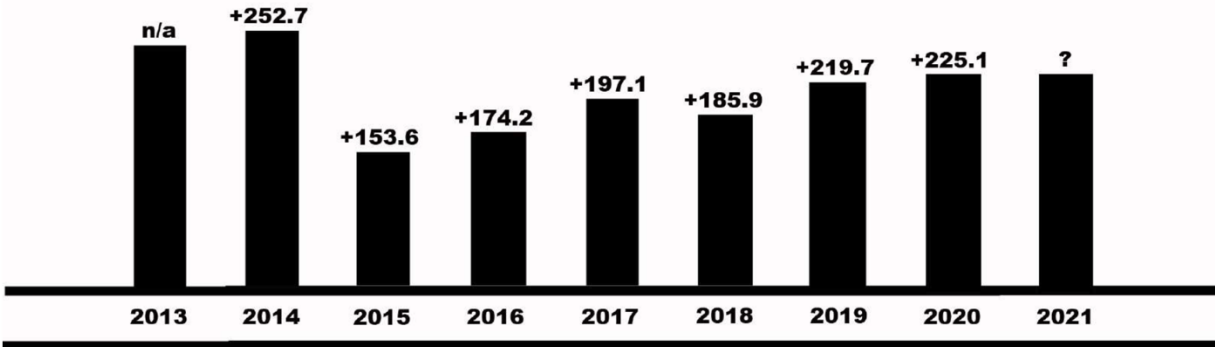
Sources

- https://www.njcu.edu/sites/default/files/docs/2021-02/Final_Audited_FY20_NewJerseyCityUniversity_FS.pdf
- https://www.njcu.edu/sites/default/files/fiscal_year_2015_financial_statements.pdf

KEAN FINANCIAL DATA

* ALL DATA PUBLICLY AVAILABLE ON KEAN UNIVERSITY WEBSITE

Net position at end of year
(in millions of dollars)



** GRAPH FOR ILLUSTRATIVE PURPOSES

Sources:

<https://www.kean.edu/media/fy-2016-financial-statement>. (Page 5, 2014-2016).

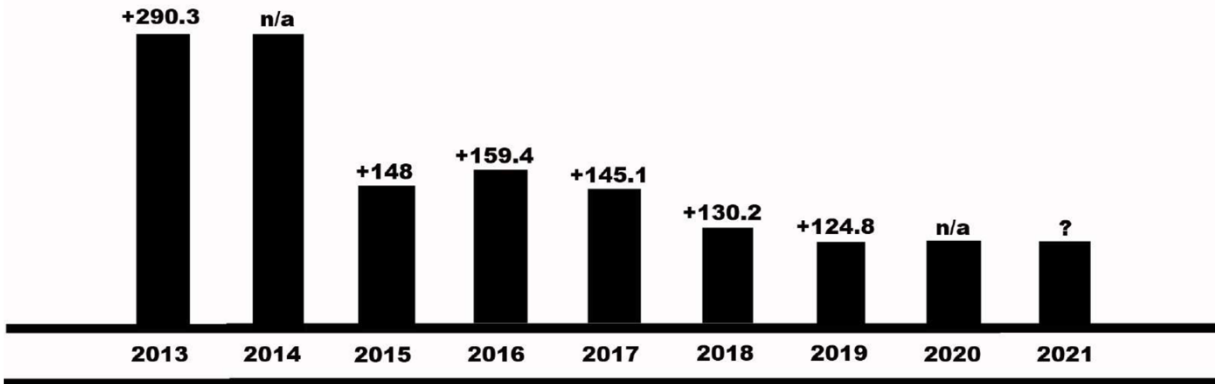
<https://www.kean.edu/media/fy-2018-financial-statement>. (p. 5, 2016-2018)

<https://www.kean.edu/media/financial-statement-2020> (page 5, 2018-2020)

PATERSON FINANCIAL DATA

* ALL DATA PUBLICLY AVAILABLE ON WILLIAM PATERSON UNIVERSITY WEBSITE

Net position at end of year
(in millions of dollars)



** GRAPH FOR ILLUSTRATIVE PURPOSES

Source: <https://wpunj.edu/office-of-the-controller/audited-financial-statements/WPU%20Issued%20Financial%20Statements%20FY19-revisedJan2020.pdf>