



August 11, 2022

Mr. Jason Kroll
Acting President
New Jersey City University
2039 Kennedy Boulevard
Jersey City, NJ 07305

SENT VIA EMAIL: jkroll@njcu.edu

Dear President:

As the Middle States Commission on Higher Education (MSCHE or the Commission) staff liaison to New Jersey City University, I am writing in response to recent coverage in the media concerning the state's request for an investigation into the institution's finances. A copy of the information that came to the Commission's attention is attached.

Pursuant to the [Accreditation Review Cycle and Monitoring Policy and Procedures](#) and federal regulation 34 CFR § 602.19, the Commission conducts ongoing monitoring activities and reevaluates institutions to assess ongoing compliance with the Commission's standards for accreditation, requirements of affiliation, policies and procedures, and applicable federal regulatory requirements. The Commission may make a request for information at any time or conduct reviews or visits outside of regularly scheduled accreditation activities as deemed necessary.

The recent media report requires the Commission to receive additional information so that it can substantiate any media information and evaluate the institution's continued compliance with the Commission's standards for accreditation, requirements of affiliation, policies and procedures, and applicable federal regulatory requirements.

Therefore, the New Jersey City University should respond to this request for information in a supplemental information report (SIR) by August 25, 2022, addressing these recent developments, providing any documentation that may be relevant to substantiating or correcting the information presented in the media report, and actions planned or taken by the institution to ensure ongoing compliance with Standard VI: Planning, Resources, and Institutional Improvement. In addition, the institution is required to inform the Commission about any and all significant developments related to any internal or external investigations surrounding these concerns.

Note that an action will appear on the Statement of Accreditation Status reflecting this request.

You are required to submit the SIR by upload through the MSCHE Institution Portal by 4:30 pm on the due date. Should you have any questions or concerns about the information that should be included within the report, I invite you to contact me by email at tpeavy@msche.org or by phone at 267-284-5074. If you have any difficulty uploading the SIR, please contact support@msche.org.

We look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Peavy", is written over a light blue horizontal line.

Terence L. Peavy
Vice President for Institutional Field Relations

cc: Dr. Nurdan Aydin, Accreditation Liaison Officer, naydin@njcu.edu

<https://www.nj.com/hudson/2022/08/gov-murphy-calls-for-investigation-into-njcu-finance.html&subscribed=db87a8f811d949e9ae6c79960f5e90ce>

Gov. Murphy calls for investigation into NJCU finances

NJ.com, Aug. 05, 2022

Gov. Phil Murphy is calling on the Office of the State Comptroller to investigate New Jersey City University's finances and how the Jersey City school turned an \$108 million surplus into a \$67 million deficit in eight years.

The governor cited [reporting by The Jersey Journal](#) in a news release calling for the probe. The ambitious expansion projects, undertaken to attract and retain students, have not been successful for the most part, school officials told The Jersey Journal in a report that tracked NJCU's path to financial instability.

"New Jersey prides ourselves on offering a high-quality education to anyone seeking a postsecondary degree in our state," Murphy said in a statement. "A university facing significant financial challenges will struggle to continue providing the high-quality education its students deserve — if it can remain open at all.

"As a public university, NJCU is accountable to our state government and the residents of New Jersey. In light of serious reports about NJCU's financial situation, I firmly believe an independent investigation into the school's finances and operations would be in the best interests of the public at this time."

NJCU officials declined to comment on the prospect of a probe, a spokesman said Friday afternoon.

NJCU President Sue Henderson announced her resignation in late June, and hours later the school board of trustees [declared a "financial emergency,"](#) noting that the school had less than 30 days of cash on hand. Layoffs of [some non-union employees ensued](#) and interim school President Jason Kroll announced a series of austerity measures, such as barring employees from using their university-issued credit cards.

NJCU officials say they are lobbying state Sen. Brian Stack, D-Union City, and other state legislators [to provide at least \\$10 million](#) in addition aid. Stack has not responded to calls for comment on the school's request.

Nine months prior to Henderson's resignation, the faculty senate gave her a vote of no-confidence, claiming she turned a \$101 million surplus into a \$67 million deficit. Henderson served 10 years as president.

"By declaring a financial emergency, NJCU is publicly acknowledging what faculty and staff have been saying for more than two years — that NJCU is losing money," Anne Mabry, a professor of English as a Second Language at NJCU, told The Jersey Journal in June.

"The leadership with Sue Henderson at the helm and with the blessing of the board of trustees, created an unsustainable business model, knowing full well that its ambitious plans for the West Campus and Fort Monmouth campuses depended on growing enrollment."

Board of Trustees Chairman Joe Scott did not return a call for comment.

"Mayor (Steve) Fulop called the governor back in June to advocate for an appropriation to help NJCU, and we are hopeful there will be support from the state," Jersey City spokeswoman Kimberly Wallace-Scalcione said. "NJCU is an invaluable community asset providing meaningful educational opportunities that many Hudson County residents may not otherwise have access to while also serving as a critical lifeline for children with special needs through the A. Harry Moore School, now celebrating its 100th year.

"It is our hope that this audit will help NJCU get back on track to ensure the university's survival and financial stability for generations to come."

Stack and Assemblyman Raj Mukherji, who told The Jersey Journal he is working on getting the school more aid, could not be reached for comment.

Insiders close to the school, who asked not to be identified, said if the state agrees to providing additional funds it likely will come with conditions of strict state oversight of NJCU's finances.

"I personally am in favor of a full and transparent investigation into the university's finances," said Max Herman, an associate psychology professor at NJCU. "I think it will be good for the university. "I am concerned ... that the governor's letter impacts on our ability to receive desperately needed state funding."

Enrollment at the school has been in steady decline for the past seven years. Enrollment has shrunk from 7,761 in 2012 to 5,158 for the fall 2022 semester. NJCU spokesman Ira Thor expects that number to increase before the fall session starts.

Under New Jersey law, the Office of the State Comptroller is responsible for conducting assessments of the performance and management of programs of the Executive branch of State government, including public institutions of higher education. The Office exercises its oversight functions independently.

The school has invested heavily in its expansion plans over the past eight years. It opened a business school on the Jersey City waterfront, a satellite campus at the former Fort Monmouth in Oceanport, and construction on a \$400 million campus village on the city's West Side is underway. The school has also upgraded its athletic programs.

Some faculty members criticized the expansion plans by pointing out that Anthony Bastardi, the CEO of Strategic Development Group, the developer for business school Downtown and the West Side project, is a former trustee on the NJCU board.

A higher education consulting firm hired by the school found NJCU had twice as many managers as other institutions its size and that significant sums were being spent on athletics, enrollment management and the business school.