



Aligning Expenses with Revenue

From: Nariman Farvardin, President

To: Stevens Faculty and Staff

Following my [June 9 message regarding the financial impact of federal directives](#), I write to provide you with an important update on additional measures we are implementing to ensure that our university remains on sound financial footing and appropriately adjusts to the new federal policies and the related funding environment.

Current Financial Reality

Like many institutions, including some of the most prestigious and highly-endowed universities, we are confronting strong headwinds that are affecting our revenue and expenses. Governmental policy changes that have negatively impacted enrollment and research funding, as well as current economic conditions and demographic trends, have created unprecedented uncertainty in our financial forecast. Key contributing factors include:

- Significant reductions in international graduate student enrollment, precipitated by disruptions and delays in visa processing as well as perceptions of an unwelcoming environment for international students
- Federal budget proposals that could significantly reduce research funding from agencies such as the National Science Foundation (NSF), the National Institutes of Health (NIH) and other federal agencies
- Proposed reductions in indirect research cost recovery rates
- Proposed reductions in federal student aid funding, including student loan programs
- Rising operational costs due to inflation and anticipated tariff impacts
- Broader market and demographic pressures, such as the “enrollment cliff,” affecting higher education nationwide

Difficult but Necessary Reductions

As discussed during our spring *Conversation with the President*, Stevens increased our faculty and staff counts during the pandemic when we experienced a surge in enrollment. Despite the cost containment measures we have instituted in recent months — including a 5% budget reduction during FY25, a hiring

freeze, travel and hospitality restrictions and provisional budgeting for FY26 — it has now become necessary to take the additional difficult step of reducing our workforce. This action is in addition to continuation of FY25 budget reductions and further reductions in materials and services expenses being implemented across the university.

The decision to reduce our workforce was not made lightly. We have carefully reviewed all possible options to reduce expenses and increase efficiency with the overarching goal of preserving those roles that directly support our students, our faculty research enterprise and our academic mission. These are extremely painful but necessary actions.

This week, Stevens implemented a reduction in force affecting 45 colleagues. Affected employees have been contacted directly by their supervisors and Human Resources. We are committed to treating all affected colleagues with dignity, fairness and respect, providing appropriate separation packages and transition support.

We will continue monitoring the financial impact of federal policies on the higher education sector in general and on Stevens in particular. More specifically, we will be tracking our enrollment numbers and research awards, which are likely to impact our finances in the short term. We will continue to respond to this dynamic situation and update the campus community accordingly.

Moving Forward Together

These are undeniably difficult times for higher education nationwide. Stevens is one of many institutions implementing similar measures to ensure long-term viability. These decisions bring uncertainty and concern, and I understand and respect that our community will need time to process these changes.

I and the leadership team are truly heartbroken to have to eliminate positions held by valued colleagues. They, and all of you, have contributed to the steep upward trajectory that Stevens has experienced in recent years. However, the budget reduction actions described in this memorandum are necessary to stabilize the university's finances and ensure Stevens' long-term viability. We must continue to adapt and innovate, drawing on the entrepreneurial spirit that has always defined our institution.

Our goal remains unchanged: to position Stevens for continued advancement while maintaining our commitment to student success, to the creation of new knowledge and to academic excellence. I am confident we will get through this difficult time and weather the storm.

I am deeply grateful for your understanding, resilience and continued dedication to Stevens during this challenging period. Your commitment to our students remains the foundation of everything we will accomplish together.

Per aspera ad astra.