



# Office of the President

## Financial Impact of Administration Directives

**From:** Nariman Farvardin, President

**To:** Stevens Faculty and Staff

As we come to the close of the fiscal year, we have much of which to be proud. Our students and faculty have received numerous prestigious awards and honors, including from the White House and the Goldwater Scholarship program; we successfully implemented our pioneering core curriculum aimed at “future-proofing” our graduates; research awards and expenditures have reached record levels; we were ranked No. 9 in the country for ROI; philanthropic support is at an all-time high; and Stevens was named a Great Place to Work for the third year in a row.

We are a university that has been on a steep, upward trajectory by all important metrics for more than a decade. The progress we have made and the recognition we have gained are due to our relentless pursuit of excellence, the strong technology differentiation a Stevens education provides, our location’s “unfair advantage” and the innovative spirit and talent of our entire community.

As we celebrate our successes of the past, we also look toward the future — a future that includes uncertainty and potential challenges in a number of important areas resulting from federal directives impacting the higher education sector, particularly in the areas of research, international enrollment and federal student aid. Of particular concern are: federal budget proposals that could significantly reduce research funding from federal agencies such as the National Science Foundation (NSF) and the National Institutes of Health (NIH); proposed reduction of indirect research cost recovery rates to 15%; suggestions of significant restrictions in the number of international students permitted to receive visas to pursue their education in the United States; a generally unwelcoming posture by federal authorities toward international students; and proposed reductions in federal student aid funding, which often helps to close the gap to make a Stevens education affordable for students in need.

If these changes are enacted and our government’s posture toward international students does not become more favorable, we anticipate that there will be a substantial financial impact on Stevens. We are not alone — many institutions across the country are already implementing significant measures in response to these challenges. We must prepare accordingly.

In light of these developments and consistent with discussions at the recent Conversation with the President and the May 20, 2025 Board of Trustees meeting, the university will begin the new fiscal year

with a provisional FY26 budget to support continued operations while we await greater clarity. This provisional budget is designed to address our current structural budget problem, in which expenses have outpaced revenue. As you will recall, we experienced a surge in international enrollment during the pandemic which necessitated a commensurate increase in staffing levels. In recent years, however, international graduate student enrollment returned to pre-pandemic levels, and we must now also adjust accordingly.

Our provisional FY26 budget will include compensation funding for **currently filled positions and 50% of materials and services (M&S) funding**. We expect to finalize the FY26 budget in early fall, once we have a better sense of the scope of the federal actions and enrollment of international students and their financial impact on Stevens. In the meantime, we are actively working to respond to both current and future conditions. As part of these efforts, we have formed a Working Group on Expense Management, comprised of representatives from across the university. This group is exploring various strategies to ensure financial stability on both a short- and long-term basis. University leadership is also exploring a variety of opportunities to increase revenue, such as a capital campaign; increasing online enrollment through our College of Professional Education (CPE); increasing domestic graduate enrollment; increasing undergraduate enrollment; and expanding corporate-sponsored research grants and corporate education programs.

To be prudent, effective immediately, we are implementing the following cost containment measures:

- A hiring freeze, with extremely limited exceptions requiring approval by the divisional vice president and the president
- A moratorium on food and alcohol at all employee meetings
- A moratorium on all non-local travel and hospitality, except for admissions, fundraising, athletics and expenses paid for by sponsored accounts or gift agreements. Note: Faculty travel that has been **pre-approved** for FY26 will be honored through the respective school's identified operational budget, while **pre-approved** FY26 graduate student conference travel will be honored through funds from the Office of Graduate Education. Going forward, no further approvals will be granted, except for the purposes noted above.
- A moratorium on out-of-pocket expenses for discretionary professional development; only cost-neutral platforms such as LinkedIn Learning, Academic Impressions or externally funded programs will be allowed.

Questions about how these restrictions apply in specific cases should be directed to department chairs, deans or divisional vice presidents.

About the Provisional FY26 Budget:

- Finance will load provisional budgets for compensation for existing, currently filled positions and 50% of the FY25 budget for all other expense lines
- Blanket purchase orders will be limited to six months rather than the full fiscal year
- Certain annual payments (e.g., subscriptions, vendor contracts) will need to be paid in installments, not lump sums, wherever possible

I and the leadership team fully understand the challenges and discomfort presented by these measures. We continue to meet regularly to monitor the dynamic environment we are facing, and we are leaving no

stone unturned to mitigate the negative impacts that are within our control. Additional actions may become necessary once we have more clarity about the future. We are committed to keeping the community informed as we learn more and will provide updates as additional information becomes available.

Thank you for your understanding and continued dedication during this time of uncertainty.

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