



MARCH TO SUSTAINABILITY

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Executive Summary

Rider stands at a crossroads. The University has navigated through deep and persistent financial hardship following the challenging enrollment and financial impacts of the COVID-19 pandemic as well as demographic and competitive challenges that persist today. While difficult decisions and cost reductions have been made over the last 5 years as part of the implementation of The Path Forward, an extension of Rider's strategic plan, they have not been sufficient in establishing a sustainable business model with operating surpluses by fiscal 2026 as originally intended. In fact, given unforeseen events and the University's then deteriorating financial condition, Rider was at risk of not meeting its financial obligations later this fiscal year *if left unaddressed*.

These events are of significant concern. As of February 2025, Rider is on provisional certification and heightened cash management status with the US Department of Education (USDOE), which administers Title IV (financial aid) funding, given its less than minimal financial composite score. This, in turn, has resulted in its loss of membership with NC-SARA (National Council for State Authorization Reciprocity Agreements), effective June 2025, with significant online enrollment impacts. As required by donors, \$7 million of the \$17 million in unrestricted endowment used as a source of borrowing and collateral over the past few years was paid back and re-restricted by November 1, 2025 (with the remaining amount to be re-restricted as Rider is financially able to do so), and \$4.75 million of the restricted endowment, previously used to fund operations, must be returned by spring 2026. A refund total of \$888,000 is owed to students for account balances related to private loans. A \$5 million line of credit ended in fall 2026 with no viable option to replace it. And a \$34 million balloon bond payment is due in 2031 unless Rider can restructure the bonds, with no ability to do so given its current financial condition and credit ratings.

In addition, since the March to Sustainability plan was unanimously approved by the Board of Trustees at its October 30, 2025 meeting, the Middle States Commission on Higher Education, the University's institutional accreditor, placed Rider on probationary status effective October 30, 2025. The New Jersey Office of the Secretary of Higher Education classified Rider as at Greatest Risk, effective November 18, 2025, following its fiscal 2024 financial assessment and risk monitoring review. Moody's Ratings downgraded the University's credit rating on November 21, 2025 from Caa2 to Caal.

Adding to these circumstances are the institutional impacts of years of cost reductions that have taken their toll on student-facing and support services and revenue-generating operations, severely limiting Rider's ability to attract, support, retain and engage students and invest in a sustainable future. Employee morale is at its lowest and turnover at its highest. Credit ratings continue to trend downward as Rider struggles with severely limited liquidity and almost non-existent borrowing capacity. Not to mention the challenges to the University's resources over the last 8 years as Rider has fought hard to secure Westminster Choir College's legacy.

Taken together, these events and circumstances only underscored the urgency of Rider's financial challenges and the need for immediate, decisive and strategic action via the March to Sustainability plan, the establishment of which was led by President Loyack since his arrival in early July 2025, and the implementation of which was largely completed by December 2025.

The March to Sustainability plan began with a forensic audit of Rider's history and a detailed review of the current forecasts and the outcomes of the fall 2025 recruiting and retention cycles. The information gathered from the audit and reviews, completed in September 2025, informed the actions taken as part of the plan.

The March to Sustainability plan involves the immediate and deep financial and other restructuring Rider has not otherwise achieved in the last 5 years, ensuring the elimination of cash deficits and the building of needed liquidity and borrowing capacity. The plan reduced and froze salaries across all employee groups; reset benefits across all employee groups; includes faculty layoffs, workload increases and other instructional cost reductions; and reduces athletic scholarships and student honoraria.

The plan's success requires great sacrifice on the part of all members of the Rider community, a community defined by resilience, imagination and a shared vision and commitment to preparing students for lives of purpose and success. Confronting the University's challenges with determination and focus will secure a vibrant future – the Rider of tomorrow, an institution standing on solid ground, serving students with excellence and inspiring pride for generations to come.

The support of the Rider community to date has been very encouraging and bodes well for the plan's success. Over 70% of the 425 faculty and staff who responded to a survey in mid-November 2025 indicated their support of the plan. Additionally, the Student Government Association, Alumni Board, the Executive Advisory Council of the Norm Brodsky College of Business and key donors endorsed the plan this past fall.

The narrative that follows provides an overview of the major components of the March to Sustainability as well as an overview of the University's deteriorating financial condition, and an historical overview of The Path Forward cost reductions and revenue generation of the last 5 years.

The March to Sustainability: Restructuring the University

Recent extraordinary unforeseen events

The March to Sustainability was borne of necessity, following the failure of The Path Forward to build a sustainable business model with operating surpluses by fiscal 2026 despite years of modest revenue generation and multi-million-dollar cost reductions.

Adding to this very immediate situation were several extraordinary unforeseen events, listed below, that, *if they had been left unaddressed*, would have jeopardized Rider's ability to meet its financial obligations later this fiscal year.

- The loss of the \$5 million First Bank line of credit this fall with no alternative line of credit currently available.

Lines of credit provide needed liquidity particularly for institutions like Rider with limited cash reserves, affording them the ability to meet their financial obligations when reserves are at their lowest prior to receipt of fall and spring tuition revenue. While Rider still has a \$4 million line of credit in place with US Bank, it is insufficient to meet current liquidity needs. In fact, even with these lines of credit, Rider was still forced to borrow a total of \$6 million of the unrestricted endowment over the past 2 summers to address liquidity needs as discussed in the bullet below.

Cash reserves have been challenged because of years of sustained operating budget cash deficits, from a high of \$17.656 million in fiscal 2022 to \$17.041 and \$13.440 million in fiscals 2023 and 2024 and projected operating budget cash deficits as of October 2025 of \$8.366 and between \$6.3 and \$6.5 million in fiscals 2025 and 2026 respectively.

- The requirement by the donor to re-restrict \$7 million of the unrestricted endowment by November 1, 2025 or upon receipt of the Princeton campus proceeds (discussed on pp. 23-24), whichever comes first.

In fiscals 2023 and 2024, 14 Trustees and/or donors temporarily unrestricted their restricted scholarship endowments for borrowing and/or collateral purposes, for a total of \$12.4 million. That brought the unrestricted endowment at the time from \$5 million to \$20 million (including the \$3 million valuation of the campus back acreage). As required by the donors, this \$12.4 million must be repaid and re-restricted once the University is financially able to do so except for one donor of a \$7 million endowment who required the re-restriction in fall 2025.

As discussed in greater detail on pp. 23-24, \$11 million of the \$20 million unrestricted endowment was used as collateral in fiscals 2024 and 2025 to establish the US Bank line of credit and a short-term loan with Charter Asset Management. Another \$6 million was borrowed in fiscals 2025 and 2026 – \$4 million in summer 2024 and \$2 million in summer 2025 – to provide needed liquidity when cash reserves are at their lowest prior to receipt of fall tuition revenue.

- The requirement by the donor to pay back by spring 2026 \$4.75 million of the restricted endowment previously used to fund operations.

Rider utilized \$4.75 million of the restricted endowment several years ago to fund operations following the impacts of the COVID-19 pandemic. The donor has required that these funds be repaid by spring 2026.

- Following a full internal review of the University's private loan acceptance and refund process, several procedural inconsistencies were discovered in fall 2025 that identified \$888,000 in payables due back to students from across the last 3 years. Rider revised its process to ensure more timely processing of student refunds and to more closely monitor and reconcile refund amounts. Work is also underway to disburse these outstanding funds as appropriate.

- Rider's provisional certification and Heightened Cash Monitoring 1 status with the US Department of Education (USDOE) as of February 2025 as a result of the University's failure to meet USDOE's financial responsibility standards. The University cannot operate without receipt of Title IV (financial aid) funding nor can it afford to increase its letter of credit with the USDOE if its financial composite score continues to fall.

Rider has been unable to maintain the minimum financial composite score required by the US Department of Education (USDOE) for receipt of Title IV (financial aid) funding. The score is based on an institution's equity, primary reserve and net income ratios, the latter two of which Rider has struggled the most coming out of the pandemic. The minimum score is 1.5 (out of a possible 3.0), which Rider last achieved in fiscal 2020. Since then, Rider's scores have been 0.9, 0.4, 0.2 and 0.1 in fiscals 2021 through 2024 respectively. Rider's fiscal 2025 score, to be calculated as part of the audit now under way, is likely to be less than 0.1.

In February 2025, Rider was notified by the USDOE that the University fails to meet USDOE standards of financial responsibility because of its less than minimum financial composite score. In March 2025, Rider posted a \$3.4 million letter of credit with the USDOE, representing 10% of the University's 2024 Title IV funding, placing Rider on provisional certification and Heightened Cash Monitoring 1 status for continued receipt of Title IV funding for up to 3 complete award years. Rider must improve its financial composite score to the minimum required level or face further corrective action, including the potential for further heightened cash monitoring and the provision of additional collateral. Worst case, Title IV funding could be terminated, resulting in the institution's closure.

Rider must begin work now to substantially increase unrestricted net assets and reduce short-term indebtedness to have any chance at improving its financial composite score sufficiently in the next few years such that no further collateral is required for receipt of Title IV funding. This requires the elimination of cash deficits through deep restructuring beginning in the current fiscal year, the building of the unrestricted endowment with future annual cash surpluses, and the restoration of the restricted endowment.

- The loss of membership in the National Council for State Authorization Reciprocity Agreements (NC-SARA), effective June 24, 2025, as a result of the University's financial composite score, and the resulting loss of \$2+ million in online enrollment revenue.

Given that Rider's financial composite score is less than 1, effective June 24, 2025, Rider is no longer a member of the National Council for State Authorization Reciprocity Agreements (NC-SARA) which facilitates the authorization of distance education programs across state lines.

As a result, Rider is severely limited in its ability to recruit, market to and enroll students outside of New Jersey in any of its online degree programs, including bordering states such as New York and Pennsylvania where Rider enjoyed an otherwise solid online presence. In fiscal 2024, the last full year of NC-SARA membership, Rider enrolled

1,800 online credits from students outside of New Jersey, for a total of \$2 million in revenue, representing 33% of the University's total online revenue. This is a significant loss.

Overall brand visibility and awareness also suffers from lack of NC-SARA membership as the University's digital marketing footprint has been scaled back, leading to lower engagement metrics and diminished conversion opportunities from out of state audiences. This is particularly challenging at a time when online learning is increasingly more competitive and nationally targeted.

Since the unanimous approval of the March to Sustainability plan by the Board of Trustees at its October 30, 2025 meeting, the following additional events arose, further underscoring the urgency for the plan's implementation.

- The Middle States Commission on Higher Education, Rider's institutional accreditor, placed Rider on probationary status effective October 30, 2025 because of concerns related to non-compliance with Standard VI: Planning, Resources and Institutional Improvement. As required in follow up to this action, Rider submitted a teach out plan on December 19, 2025 and a monitoring report on January 12, 2026. A monitoring visit is scheduled for January 26 – 27, 2026.
- The New Jersey Office of the Secretary of Higher Education (OSHE) classified Rider as Greatest Risk, effective November 18, 2025, following its fiscal 2024 financial assessment and risk monitoring review. As required in follow up to this classification, Rider submitted a closure/teach out plan and risk mitigation plan on January 12, 2026.
- Moody's Ratings downgraded the University's credit rating on November 21, 2025 from Caa2 to Caa1.
- In early December 2025, CLA, Rider's auditors, issued a going concern opinion as part of its fiscal 2025 audit.

Adoption of the March to Sustainability plan

At its meeting on October 30, 2025, the Board considered these extraordinary unforeseen events in terms of the "economic exigency" exception recognized under the National Labor Relations Act. This exception allows for changes to terms and conditions of employment of represented employees without bargaining with the union where extraordinary unforeseen events have a major impact on the University requiring immediate action. The AAUP bargaining unit includes faculty, librarians, athletic trainers and coaches (except for men's and women's basketball who are contracted employees). The AFSCME bargaining unit includes administrative support staff.

The Board of Trustees ultimately approved the plan at its October 30, 2025 meeting. Senior leadership immediately began communicating the plan with and seeking the support of the broader Rider community in its implementation while affording AAUP and AFSCME leadership the opportunity to make potential modifications to its implementation as long as the total savings remained the same. Following many email communications, individual meetings and campus forums geared specifically for employees, students and parents throughout November 2025, 72% of the 425 faculty and staff indicated their support of the plan in an email survey. The plan was also supported publicly by the Student Government Association, Alumni Board, the Executive Advisory Council of the Norm Brodsky College of Business and key donors.

Major restructuring components

The March to Sustainability plan is comprised of several components with projected annualized savings for each indicated in the table that follows. The total expected savings of \$15.7 million is conservatively offset by the estimated loss of 160 full-time students, representing 20% of Rider's current annual full-time enrollment, expected to either not enroll or return to Rider in fall 2026 as a result of the plan's implementation. This represents a forecasted net tuition loss of approximately \$4 million. It should be noted that spring 2026 registrations have remained at preadjusted levels despite forecasting lower student counts.

It is important to note that no major academic programs were proposed for elimination as part of the plan. There are several reasons for this. First and foremost is the University's intent to minimize the plan's impact on students. While some student impacts could not be helped, they were kept to a minimum. Additionally, it would not be wise to eliminate programs, all of which contribute to some degree to tuition revenue, at a time when every revenue dollar counts. That said, once the institution is on sound financial footing, Rider will work toward offering an academic program mix, including new programs and some, but not all, existing programs, that best supports recruitment and retention.

The plan's ultimate initiatives represent the input of AFSCME and AAUP leadership.

Athletic scholarship and student honoraria reductions

The following scholarships and student honoraria were reduced, some beginning in fiscal 2026, for a total projected annual savings of \$733,000. This will have no impact on students who currently receive these scholarships or honoraria.

- *Athletic scholarship reductions:* A total of \$500,000 of the projected savings will be achieved by reducing 2 full-time scholarship equivalencies in Wrestling and 1 each in Women's Basketball and Lacrosse, for a total of \$255,450, and reducing merit aid for Women's Basketball by \$176,265. These programs have the best ability to absorb these larger reductions with minimal negative impact on enrollment and competitiveness. The remaining amount is achieved by a 5.2% reduction across all other sports. These will take effect with fall 2026 incoming student-athletes.

March to Sustainability Initiatives and Projected Savings

Initiative	Projected Annualized Savings
Athletic scholarship reductions	\$ 500,000
Student honoraria reductions	233,000
Student experience restructuring	275,000
Reducing salaries across all employee groups	6,600,000
Resetting benefits for all employees	
Suspension of TIAA retirement contribution	1,700,000
Elimination of faculty external tuition remission benefit	650,000
Faculty layoffs and retirements	4,500,000
Faculty workload increase	312,000
Elimination of paid faculty development opportunities/benefits	375,000
Freshman composition class cap increase	100,000
Additional academic cost reductions	455,000
TOTAL	\$15,700,000
Anticipated loss of 160 students	(\$4,000,000)
Net Annualized Savings	\$11,700,000

- *Student honoraria reductions:* The fiscal 2026 total for the full contingent of URSA awards and student leadership honoraria is \$233,000.
 - Funding for the Undergraduate Research Scholar Awards (URSA) was reduced from \$25,000 to \$5,000 in fiscal 2026 and the remaining \$5,000 will be eliminated in fiscal 2027. The URSA scholarships support student research beyond the classroom under the supervision of faculty.
 - Honoraria will be eliminated beginning in fiscal 2027 for student leadership positions as follows: 13 Student Government Association (SGA) positions, at least 2 Rider News positions (student newspaper), 2 positions with The Rider University Network (a student organization that produces TV content), and approximately 16 positions with 107.7 The Bronc (Rider’s student-run radio station). The total of these leadership honoraria in fiscal 2026 is \$208,000.

These honoraria are being eliminated for several reasons. Peer institutions in New Jersey do not typically offer such honoraria. If they offer anything at all, they are much smaller stipends. Students in these positions gain valuable leadership and other experience which are rewards in and of themselves and speak to the experiential learning opportunities provided as part of their college

education. Additionally, these honoraria do not support recruitment or retention since it is typically not until a student's junior or senior year that they receive them.

Enhancing the student experience

Student Affairs has been restructured to create a more vibrant student experience under the leadership of the Senior Vice President and Chief of Staff for Student Experience, a new position established in September 2025 by President Loyack. This involves the reorganization of existing staff, a newly formed Retention Task Force, the resurrection of the Student Navigation Office and other changes that will enhance student programming and engagement and support retention with more intentional onboarding of new, transfer and international students. Total expected savings associated with these changes is \$275,000.

Additionally, with a \$50,000 kick off gift, President Loyack recently established the Presidential Hope Fund designed to strengthen retention and degree completion by providing immediate financial support to students at risk of leaving Rider because of financial, family, emergency and other critical challenges. More than \$2 million has been raised to date for the Fund, with full support by the Board of Trustees and senior leadership. Students have already begun receiving funds to support their academic progression.

Salary reductions across all employee groups

The plan originally called for a 14% salary reduction for all employee groups, effective in mid-December 2025, for an expected annualized savings of \$6.6 million. Salaries are to remain frozen at these reduced levels until a sustainable level of financial stability is achieved at which time, upward adjustments will be considered. This salary reduction operates in conjunction with an overarching, university-wide hiring freeze instituted in fall 2025 where only vacated positions affecting accreditation, revenue generation, enrollment, compliance and campus safety are being considered for filling. Faculty promotion and tenure are unaffected by the salary freeze. Promotion of professional athletic staff (coaches and athletic trainers represented by the AAUP) is suspended given that their promotion levels are unique to Rider and are not benchmarked to any market standard. Severance for all employees is also suspended until further notice.

Following subsequent discussions with AFSCME leadership and facilities, auxiliary services, and Public Safety employees, some of the University's lowest paid employees, several modifications were ultimately made to this initiative to keep employee salaries as close to a living wage as possible. This was accomplished while still keeping to the expected annualized savings of \$6.6 million due to the retirement of a senior level position which is not being filled, several other retirements whose positions are not being filled and the shift of some full-time positions to part-time. AFSCME represented employees received a salary reduction of 9%. Facilities, auxiliary service and Public Safety employees with salaries of \$50,000 or more received a 7% salary reduction and those with salaries of \$50,000 or less received a 3.5% salary reduction. Non-bargaining employees with salaries below \$50,000 who are not facilities, auxiliary service or Public Safety staff received a 5% salary reduction.

Resetting benefits across all employee groups

Two key benefits were reset so that they are the same across all employee groups, saving a projected \$2.35 million on an annualized basis.

Rider suspended its 403(b) retirement contribution for all employees effective in mid-December 2025. This is expected to produce annual savings of \$1.7 million.

Effective with the fall 2026 semester, Rider will eliminate external tuition benefits for all AAUP represented employees, for an annual projected savings of \$650,000. An exception was made for those AAUP represented employees currently taking advantage of the benefit for dependents. For those employees, external tuition remission was reduced to 20% of Rider's tuition for the remainder of the dependent's time at an external university. This expense will cost no more than \$150,000 for next fiscal year and will diminish further over two subsequent years. This is more in line with non-bargaining and AFSCME represented employees hired after January 1, 1997 for whom the external tuition remission benefit was eliminated. The University will continue to offer internal tuition remission and tuition exchange benefits for all employees.

Faculty layoffs

A total of 30 faculty were laid off effective December 31, 2025 for a total expected annual labor (wages and benefits) savings of \$3.8 million. Several recent retirements and a resignation add an additional \$700,000 in savings. A total of 24 layoffs were determined according to the Collective Bargaining Agreement with the AAUP which dictates that layoffs occur by reverse seniority, by department, by discipline. An arbitration ruling in late December 2025 allowed for 6 layoffs in the Norm Brodsky College of Business to be determined not solely on reverse seniority but also based on AACSB qualification criteria.

Faculty workload increase

Effective with the fall 2026 semester, the workload for full-time tenured or tenure track faculty will be increased from a 3:3 to a 4:4 load, for lecturers from a 4:4 to a 5:5 load, and department chairs from a 2:2 to a 3:3 load. In order to effect this change, the maximum course preparation per semester, which is currently set in the Collective Bargaining Agreement at no more than 2 course preparations, is suspended.

The workload increase would be expected to result in annual savings of \$1.7 million. The savings is reduced to an estimated \$312,000 when the workload of the laid off faculty are taken into account. The savings could be higher if not all sections are needed that these faculty would have otherwise taught with a higher workload.

Many primarily teaching institutions of Rider's size and scope have 4:4 faculty workloads for tenure-track or tenured faculty as exemplified by such peer institutions as Kean, Rowan and Stockton Universities. Currently, more than half of Rider's full-time faculty teach an overload, defined as an additional course beyond the current 3-course semester load for which they receive additional compensation.

This workload increase is in addition to the workload optimization project currently under way by the Provost's Office that will inform workload submissions for fall 2026 and beyond.

Intended to increase efficiencies and decrease costs, the project focuses on section enrollments, frequency of course offerings, incoming class size, number of majors, courses serving the general core, and seat capacity across all academic departments. The College of Arts and Sciences has been conducting this analysis for the past 9 years, ultimately reducing the number of offered sections by 13% from fiscal 2021 to fiscal 2026 compared to an 8% reduction in the Norm Brodsky College of Business and no reduction in the College of Education and Human Services.

Increase in cap on freshman composition classes

Effective with the spring 2026 semester, the freshman composition class cap will be increased from a maximum of 16 to 20 students, lowering the number of class sections required each semester. This will result in an estimated annual labor savings of \$100,000.

Elimination of paid faculty development opportunities and benefits

Paid faculty development opportunities and benefits were reduced for the spring 2026 semester and will be fully eliminated effective July 1, 2026. While some savings will be realized in FY26 (before June 30), full elimination of this expense is expected to save an estimated \$375,000 on an annual basis beginning in fiscal 2027.

Additional academic related cost reductions

A number of other academic related cost reductions have been identified for a total expected savings of \$455,000. These include a permanent workload reduction, academic department consolidation and a position elimination in the Provost's Office.

Employee furloughs

Given the savings already identified in the plan and their positive impact on the fiscal 2026 cash forecast, furloughs were not considered given the challenging impact it would have on employee morale and turnover. That said, senior leadership will monitor the fiscal 2026 cash forecast on a monthly basis to determine if a furlough is ultimately required to ensure the University meets all its obligations through the end of fiscal 2026 and into the first 3 months of fiscal 2027 (when cash flow is typically at its lowest level before receipt of fall semester tuition payments).

Fiscal 2026 through 2028: Reflecting Rider's severe cash position

The fiscal 2026 through 2028 projection reflects Rider's severe cash position and deteriorating financial condition.

Fiscal 2026 through 2028 at August 20, 2025

Approved by the Board of Trustees in August, the fiscal 2026 budget showed a projected operating budget cash deficit of \$4.681 million, up from the \$286,000 projected only 2 months earlier, as well as projected operating budget cash deficits for fiscals 2027 and 2028 of \$4.618 and \$3.356 million respectively, up from surpluses projected in June 2025 of \$2.598 and \$3.422 million.

Fiscals 2027 and 2028 reflected continuing downward trending assumptions: a 1% further reduction in new student enrollment, retention lowered to 78.3% and 77.6% respectively, and housing projections further adjusted downward.

Of particular concern in the fiscal 2026 budget were reductions made in student employment, an important retention strategy, and the fifth consecutive year of non-bargaining and AFSCME represented position eliminations, a total of 23 positions cut in July 2025 in key areas such as the Academic Success Center, Student Affairs, Career Services, Public Safety, the Teaching and Learning Center, Marketing and Advancement. These are on top of already severely cut areas as discussed in The Path Forward section that follows.

Also of concern is the \$4.5 million swing to the negative that occurred in only 2 months – between the June and August 2025 forecasts, adding further to the University’s unsustainable financial condition. Major variances accounting for this swing are:

- A total of 44 fewer anticipated fall undergraduate students, including 31 fewer new students, and 62 fewer graduate credits, reflecting higher than trend melt through the end of July, as well as a reduction of 0.6% in the anticipated retention rate – from 78.4% to 77.8%. These contributed \$368,000 to the deficit.
- The reduction of 80 residential students despite re-opening Conover Residence Hall this year and selling more doubles as premium singles, both of which ultimately cannibalized other housing options to a greater extent than anticipated. This contributed \$1.456 million to the deficit.
- The \$400,000 reduction in unrestricted giving to \$1.5 million given anticipated donor fatigue following the completion in June 2025 of the capital campaign.
- The \$431,000, or 32%, reduction in NJ state operating aid compared to fiscal 2025.
- The unanticipated increase of \$472,000 in the adjunct/overload budget following a recent analysis completed by the Provost’s Office.
- A reduction in the actual savings generated from the July reduction in force and faculty early retirement program – a total of \$279,000 less than originally anticipated.
- The increased debt service of \$228,000 due primarily to the carrying of the \$10.3 million CAM loan for the full fiscal year. The loan was originally projected to be paid off earlier in the fiscal year.
- A total of \$750,000 was added to the budget in support of recent leadership changes following President Loyack’s arrival in July and in support of Rider’s March to Sustainability work. These incremental funds were needed to ensure access to outside experts as the administration reviewed strategic options, and to bring in additional resources to bolster declining retention rates and create new initiatives to stem the enrollment decline.

Fiscal 2026 at October 1, 2025

As reflected at the October 1, 2025 census, enrollment and retention failed to meet the assumptions reflected in the fiscal 2026 budget approved by the Board in August. At census, Rider confirmed an additional reduction of 30 FTEs, comprising 47 fewer undergraduate FTEs (28 of which are residential students) and offset by 17 additional graduate FTEs. The census reflects a 75% retention rate, down from a budgeted retention rate projection in August of 78.6% and an actual retention level of 80.5% two years ago.

Based on October census enrollment, the University's projected operating budget cash deficit for fiscal 2026 is expected to increase by \$1.5 to \$1.7 million to an estimated \$6.3 to \$6.5 million. Please note, this projection is based solely on the October 1 census data and only considers the enrollment reduction - all other projected revenues and expenses remain the same as presented to the Board in August. Future presentation and analysis of actual operating results and projected fiscal year results (both on the revenue and expense profiles) will be updated in upcoming periods as enhancements to the projection and reporting practices of the Finance Department are implemented.

The Path Forward: A Historical Perspective of the Last Five Years

Overview

Rider implemented modest revenue enhancements and multi-million-dollar cost reductions from fiscal 2021 through 2025 as part of The Path Forward, the extension of its strategic plan originally established in 2015. Despite this work and years of very difficult decisions, Rider fell short of its goal to build a sustainable business model and achieve positive cash flow by fiscal 2026. In fact, Rider continued to sustain operating budget cash deficits, from a high of \$17.656 million in fiscal 2022 to \$17.041 and \$13.440 million in fiscals 2023 and 2024 and projected operating budget cash deficits as of October 2025 of \$8.366 and between \$6.3 and \$6.5 million million in fiscals 2025 and 2026 respectively.

The reasons for this lack of progress are varied. Tuition and fee increases over the years did little to strengthen net tuition and fee revenue given downward trends in enrollment and retention, as reflected in the table on page 17, and increasing discount rates. Retention was negatively affected by the elimination of key student-facing and support services such as the Student Navigation Office and First Year Seminar, the reduction of other academic and student services, and the lack of investment in academic and residential facilities. Cost reductions were offset by inflation, no real increase in net tuition and fee revenue, and high employee turnover. And resources were strained as the University worked hard over the last 8 years to secure Westminster Choir College's legacy.

The Path Forward also addressed liquidity concerns and needed cash reserves through the establishment of short-term lines of credit, loans, and a 5-year taxable bond issue; restructuring of existing bonds; and the collateralization or borrowing of \$17 million of the \$20 million unrestricted endowment, which would not have been possible without the generosity of 14

Trustees and/or donors who agreed to temporarily unrestrict their restricted scholarship endowments for these purposes.

Despite these initiatives, Rider's credit ratings continued to trend downward as did its financial composite score, ultimately resulting in the University's provisional certification and heightened cash management status as of February 2025 with the US Department of Education which administers Title IV (financial aid) funding. This, in turn, added further to the University's strained cash status with the required posting of a \$3.4 million letter of credit, and led to Rider's loss of membership in NC-SARA, negatively affecting online enrollment.

As importantly, the impacts on students and employees have been profound. As mentioned above, retention suffered from the elimination or reduction of key student facing and support services and other personnel and cost reductions. Employee turnover is at its highest and morale at its lowest particularly for non-bargaining and AFSCME represented employees who bore the brunt of years of position and benefit reductions.

Revenue enhancements and cost reductions

The following is a summary of the major revenue enhancements and cost reduction measures implemented in the last 5 years as part of The Path Forward.

Revenue enhancements

- *Tuition and room & board increases*

Rider implemented annual increases to tuition, room and board with the intent to grow net tuition revenue and offset inflationary cost pressures while also trying to maintain affordability and competitiveness relative to peer institutions.

Undergraduate tuition increases were as follows:

Fiscal 2021:	3.20%	~ \$1,400 increase
Fiscal 2022:	2.55%	~ \$1,150 increase (for returning students*)
Fiscal 2023:	2.86%	~ \$1,000 increase
Fiscal 2024:	4.72%	~ \$1,700 increase
Fiscal 2025:	5.31%	~ \$2,000 increase
Fiscal 2026:	5.04%	~ \$2,000 increase

*Launched in fall 2021, the Lifting Barriers initiative was designed to address the obstacles that often prevent students from enrolling and completing their degrees. It included, among other components, a 'sticker price' reduction for new students, helping to reduce their costs.

- *Fee increases*

The parking fee was extended in fiscal 2024 from freshman residents to all residential and commuter students. Rider was one of the last institutions in the region to implement such a fee. The general undergraduate student and graduation fees were also increased \$220 and \$50 respectively in fiscal 2025.

- Digital course material program**
 In fiscal 2024, Rider implemented a digital course material program with Barnes & Noble, its bookstore partner, to facilitate students' electronic access to course material and generate additional commission revenue which had been eroding due to competition with Amazon and Chegg. That year, Rider received \$204,000 in commissions and bonus. This increased to \$195,000 in fiscal 2025 and is projected to be \$210,000 in fiscal 2026.

**Total Fall Enrollment, Retention and Net Tuition & Fee Revenue
 2020 to 2025**

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26 ¹
Undergraduate FTE ²	3,478	3,120	3,061	3,104	3,065	2,998
Undergraduate headcount	3,630	3,232	3,168	3,196	3,143	3,052
Graduate & Professional FTE ²	727	733	663	627	678	627
Graduate & Professional headcount	1,006	1,033	886	832	864	811
Total enrollment FTE ²	4,205	3,853	3,724	3,731	3,743	3,625
Retention	79.1%	77.1%	76.7%	80.5%	78.4%	75%
Net tuition & fee revenue per FTE	\$20,630	\$20,566	\$19,685	\$19,484	est. ⁴ \$20,614	N/A
Net tuition and fee revenue (total) ³	\$86.751	\$79.240	\$73.307	\$72.693	est. ⁴ \$77.157	est. \$77.512

1 These numbers are as of the census taken on October 1, 2025.

2 Full-Time Equivalent (FTE) converts part-time enrollment (based on credit hours) into the equivalent number of full-time students, providing a single figure that reflects total full-time enrollment.

3 FY20 net tuition & fee revenue (total) was \$96.985 million, demonstrating an almost \$20 million drop in net tuition & fee revenue from FY20 to FY26.

5 These are estimates pending the final FY25 audit.

- Mercer County Community College (MCCC) partnership**
 Rider has partnered with MCCC since fall 2018, opening its residences to MCCC students who wish to live on campus. Rider has realized \$745,000 in additional room and board revenue to date as a result of that partnership
- Addition of women's lacrosse**
 Women's lacrosse was added in fiscal 2023 to increase enrollment while also addressing Title IX responsibilities. Players were recruited beginning in the 2022-23 academic year.

With 2 competitive seasons already completed, the program currently has a roster size of 36.

- *New academic programs*
Rider introduced several new academic programs in the last 5 years to build enrollment in response to student demand and industry needs. As of fall 2024, these new programs have attracted a total of 168 enrolled students. Cybersecurity, launched in fall 2020, is a top 15 program with 76 students followed by the rebranded Music Production (68 students) and the Social Work program (11 students) introduced in fall 2024. At the graduate level, the Choral Pedagogy program has enrolled 13 students since its launch in fall 2021.
- *Capital Campaign unrestricted giving*
Rider relied on \$24.7 million in unrestricted giving raised during the capital campaign (Transforming Students – Transforming Lives) from fiscal 2020 to fiscal 2025 to fund current operations in each of those fiscal years. This represented anywhere from 1.8% to 7% of the operating budget in each of those years. While helpful in meeting short term obligations, this approach is unsustainable in the longer term.

Cost reductions

- *Non-bargaining and AFSCME represented position eliminations, furloughs, salary reductions*
Rider significantly reduced its non-bargaining and AFSCME represented workforce over the last 5 years through the elimination of vacant positions, a voluntary separation program in fiscal 2022, involuntary reductions-in-force in each of the past 5 fiscal years, and the outsourcing of Information Technology to Ellucian in fiscal 2023. In total, 179 vacant positions were eliminated, 79 occupied positions eliminated and 5 were reduced from full-time to part-time, resulting across all years in a cumulative savings of \$16,239,250.
- *Stagnant wages*
Non-bargaining employees received no salary increases from fiscal 2021 through fiscal 2024 and a 1.0% increase in fiscal 2025. AFSCME represented employees (clerical and support staff) received a 2.0% increase in fiscal 2021, no salary increases from fiscal 2022 to 2024, and a 1.0% increase in fiscal 2025. AAUP represented employees (unionized faculty, librarians, athletic trainers and coaches) received no salary increases in fiscals 2021, 2023 and 2024 and a 0.25% increase in fiscal 2025. In fiscal 2022, AAUP represented employees received a 1.6% increase for the first 5 months and another 1.4% increase for the remainder of the year.

A total of 116 non-bargaining and AFSCME represented employees were furloughed for 2 months in fiscal 2021 (summer 2020) while all other non-furloughed employees in these categories received a 20% salary reduction during that time. Cabinet received a 10% salary reduction, on top of the 20% reduction that summer, for the remaining 10 months of fiscal 2021 and a 5% salary reduction for 12 months across fiscals 2023 and

2024. The accumulated pandemic related furloughs and salary reductions totaled \$2.213 million.

- *Employer 403(b) retirement contribution reduction*
Rider reduced its 403(b) retirement contribution for all non-bargaining and AFSCME represented employees in fiscal 2024 from 5% to 2.5% where it has remained since.

Medical plan changes have also been made across the 5 fiscal years, reducing costs somewhat during that time.

- *Faculty ERIs and VSP*
Early retirement incentives (ERIs) were offered for faculty in fiscals 2021, 2023 and 2025, resulting in the retirement of 9, 16 and 7 faculty respectively. An additional 3 faculty left the University in fiscal 2025 through a voluntary separation plan.
- *Outsourcing: Information Technology, Facilities and Public Safety*
Rider has either implemented or considered outsourcing a number of key operations as discussed below.

Information Technology: Rider outsourced its Information Technology operations to Ellucian effective in fiscal 2023, saving the University almost \$2 million.

Facilities: Rider conducted analyses and sought bids from 2 companies (C&W Services – Rider’s custodial service provider – and SSC Services) in 2017, 2022, 2024 and 2025 as it considered outsourcing its facilities operations. Despite potential economies of scale and up to \$2 million in signing bonuses, the analyses demonstrated that outsourcing would ultimately be more expensive in the long-run than keeping the operation in-house given the facilities operating budget cuts, staff reductions, and limited salary increases of the past 5 years. The decision was also in keeping with Rider’s philosophy to retain institutional knowledge and control of key operations and not further erode non-bargaining employee morale.

Public Safety: A PricewaterhouseCoopers analysis conducted over 10 years ago of Public Safety, among other operations, and a bidding process conducted over 5 years ago did not offer any financial savings, leading to the decision to keep the Public Safety operation in house while implementing other cost savings, including personnel and operating budget reductions. An analysis will be completed in fiscal 2026 to determine if outsourcing is a viable option going forward.

- *Renegotiated contracts*
Rider renegotiated a number of key contract services over the years to generate savings.

Beverage provider: A bidding process in fiscal 2022 resulted in a 12-year contract with Coke and with it increased sales commissions (35% compared to 30% from the previous provider) and a larger signing bonus/annual marketing contribution total (\$467,000 compared to \$340,000). The contract resulted in other bonuses as well among them

\$5,800 a year in campus products and promotions and new vending machines across campus.

Food services: Rider will be going to bid for its food services in spring 2026. In the meantime, a number of cost saving initiatives in this area have been implemented in the past few years. Daly Dining Hall, the primary residential dining facility, was closed at the end of the spring 2025 semester through the end of that summer, yielding \$230,000 in savings. Summer resident students utilized the Grub Hub app instead. Additionally, Daly and Cranberry's operating hours were reduced and the number of food offerings were reduced in Daly's, resulting in approximately \$75,000 in savings in fiscal 2025 and a projected savings of \$100,000 in fiscal 2026.

Custodial services: Rider negotiated in fiscal 2023 a 15-year contract extension with C&W Services, resulting in \$200,000 in savings and a \$2 million signing bonus. These were in addition to the \$200,000 savings and \$800,000 signing bonus achieved in 2017.

Campus shuttle: Rider discontinued the campus shuttle provided through Stout's effective fiscal 2026, saving \$35,000. The shuttle offered transportation for students between the Lawrenceville and Princeton campuses and to the Hamilton train station and Quakerbridge Mall. Decreasing shuttle ridership and increased student usage of Uber and Lyft contributed to the cost-saving decision. Shuttle costs were as high as \$85,000 three years ago.

Mail, print and packaging services: Rider initiated in 2019 a bid process for its mail, print and packaging services which had been outsourced for 20 years to Collegiate Press. The resulting contract with Ricoh has since been extended twice, to 2030, resulting in \$100,000 in savings.

Trigeneration plant: Rider renegotiated its maintenance contract with Cummins for the trigeneration plant turbine that provides the campus' supplemental electricity, providing annual savings of \$73,000 over the course of the 5-year contract.

- *Operating budget reductions*

Rider reduced non-contractual operating budgets across the institution as follows: \$3 million in fiscal 2021; \$7 million in fiscal 2022; \$2.9 million in fiscal 2023, \$3.4 million in fiscal 2024. An across the board operating budget cut was not feasible in fiscal 2025 due to many inflationary cost increases – see below for other operating cuts that were ultimately achieved. A total of \$700,000 is projected to be cut in fiscal 2026.

A total of \$242,000 was saved in fiscal 2025 by eliminating some technology expenses including redundant software, cable television services, office and cellphone services and data fiber lines.

A total of \$300,000 was reduced in the University's advertising and marketing spend in fiscal 2025.

Rider saved \$300,000 in fiscal 2025 and projects another \$100,000 in savings in fiscal 2026 through a campus-wide energy efficiency initiative with PSE&G. More than 4,000 lights were recently replaced in 7 campus buildings with more efficient LED lighting.

- *Student employment budget reductions*

A total of 10 graduate assistant positions were eliminated across campus and hours were reduced for undergraduate student workers in fiscal 2025, saving approximately \$500,000. Emphasis going forward is to maintain sufficient budget and hours for college work-study students who demonstrate the most financial need, keeping the student employment budget to the work-study dollars received from the federal government each year.

Princeton campus disposition: challenging Rider's resources

For more than 8 years, Rider has navigated a prolonged and costly effort to responsibly divest its Princeton campus, which had been home to Westminster Choir College (WCC) before its move to the Lawrenceville campus in 2020. What began in 2017 as a strategic decision to ensure the University's long-term financial sustainability as well as to preserve WCC's enduring legacy evolved into a protracted legal and operational ordeal, one that drained resources, eroded value, and contributed significantly to Rider's financial challenges.

In 2017, Rider faced intensifying financial pressures. Years of enrollment volatility and stagnating net tuition revenue were placing a strain on operations. Fixed costs continued to rise, and the University's structural deficits were growing despite sustained cost-reduction efforts. Maintaining two separate campuses—a primary campus in Lawrenceville and the Westminster Choir College campus in Princeton—was no longer viable. Though only seven miles apart, the duplication of infrastructure, facilities, staffing and compliance responsibilities made the arrangement financially untenable.

The Princeton campus, while historic and revered, carried significant deferred maintenance and required substantial capital investment simply to remain operational. It also lacked the physical space and amenities necessary to support the broad range of programs and services central to Rider's mission. Faced with these realities, the University made the difficult but necessary decision to pursue the sale of the Princeton campus and the WCC academic programs.

The objectives were clear and responsible: consolidate academic operations, allow a third party to continue WCC's legacy, reduce fixed costs, and realize capital from the sale of the Princeton property that could be reinvested into academic programs, student services and long-term financial stabilization.

Shortly after announcing its intent and conducting an RFP process, Rider entered into negotiations with Beijing Kaiwen Education Technology Co., a Chinese-based education company. In early 2018, the University finalized an agreement to sell the Princeton property to Kaiwen, which pledged to continue WCC's academic offerings and preserve its legacy. The proposed sale, which carried a purchase price of approximately \$40 million, offered a lifeline,

one that would resolve decades of structural inefficiency and allow Rider to reinvest in its core operations.

Unfortunately, the sale was immediately met with legal action intended to block the transaction. The most consequential was the lawsuit filed by the Princeton Theological Seminary (PTS), which claimed that, based on the terms of a 1935 land gift containing a deed restriction, ownership of the Princeton property would shift to PTS if it were no longer used for the training of “ministers of music” in Princeton. In addition, a group of faculty, alumni, donors and supporters who opposed the sale and questioned Rider’s authority to relocate WCC to the Lawrenceville campus filed a lawsuit followed by an almost identical one filed by a group of students.

As litigation and public scrutiny intensified, Kaiwen withdrew from the agreement in mid-2019. What had been a clear strategic plan was now mired in legal uncertainty. Rider was left holding a property it no longer had use for, unable to sell or fully utilize it, and forced to continue funding its upkeep and defense.

Despite these setbacks, Rider continued moving forward with its plan to consolidate operations. WCC’s academic programs were relocated to the Lawrenceville campus, beginning with the 2020-21 academic year, leaving the Princeton campus unoccupied except for operation of the Westminster Conservatory of Music, a community-based music school, which generated modest revenue and required ongoing subsidy. The University invested almost \$13 million to support the move. Additionally, between 2020 and 2025, Rider was responsible for all carrying costs associated with the Princeton campus including round-the-clock security, fire protection systems, insurance coverage for dozens of unoccupied buildings, utilities and ongoing maintenance to meet municipal and safety codes.

These operational expenses were compounded by continuous legal costs. For 5 years, Rider had to fund an aggressive and complex legal defense involving outside counsel, document discovery, expert testimony, and court hearings. Every dollar spent defending the University’s right to act in its own best interest was a dollar diverted from student support, faculty hiring, classroom technology and institutional advancement.

In June 2023, the New Jersey Superior Court issued a ruling that ownership of the Princeton property had shifted to the Princeton Theological Seminary based on the terms of the deed restriction contained in the land gift of the property to WCC. Although the Court subsequently issued a stay to allow for further negotiation and/or an appeal, the damage was done: the ruling substantially impaired Rider’s litigation position and its ability to negotiate a favorable settlement. Lacking sufficient resources to continue to fund very expensive litigation, and with the emerging possibility that the Municipality of Princeton might want to acquire the property, Rider reduced its settlement demand and negotiated a settlement agreement with the Seminary.

Thereafter, the Municipality of Princeton did move to acquire the Princeton property via eminent domain for the appraised fair market value of the property of \$42 million. On April 1, 2025, the Municipality filed a Declaration of Taking causing legal title to transfer to the Municipality.

As a result of the Seminary's prevailing legal claim and the negotiated terms of the settlement, Rider will only receive approximately \$13 million in net proceeds (with another \$7 million from the settlement with the title company). This is despite being the sole party responsible for operating WCC since the merger of the two institutions on July 1, 1992, when WCC was otherwise likely to close, until December 31, 2024. This includes approximately \$15.5 million in capital expenditures and \$36.9 million in operating and maintenance expenditures during that time.

The proceeds are already spent. A total of \$2.5 million, already received from the title company in fiscal 2025, was used to fund operations. As discussed in the section that follows, \$5 million will be used to pay off the First Bank line of credit as required and \$7 million will be used to re-restrict a donor's restricted endowment. In addition, the bond documents for Rider's 2024 borrowing require the University to pay 10% (\$1.3 million) of the net proceeds actually received to be held as additional security for the indebtedness. The remainder of the proceeds are needed for fiscal 2026 working capital.

Addressing liquidity and cash reserves

Through *The Path Forward*, Rider addressed liquidity concerns and needed cash reserves through a variety of initiatives: short-term lines of credit or loans with First Bank, US Bank and Charter Asset Management; a 5-year taxable bond issue; restructuring of the 2012 Series A Bonds; and the collateralization or borrowing of \$17 million in unrestricted endowment. Despite these initiatives, Rider's financial condition remains precarious with no further borrowing capacity currently within reach.

First Bank line of credit and the 2021 taxable bond issue

A \$15 million line of credit with First Bank was established in December 2017, collateralized by the Princeton campus, with an original maturity of December 2019. The line had not been drawn on until the pandemic and was extended several times from December 2019 through September 2023.

The line was paid down in May 2021 as part of a \$67 million taxable bond issue to refund the University's outstanding 2012 Series A Bonds and increase available liquidity and bolster cash reserves with an additional \$10 million of borrowing. This was particularly important during the pandemic when campus operations and revenue were severely affected. The intent at the time was to refinance the bond issue before 2031 when a balloon payment of \$34 million is due.

The 2021 bond issue is in addition to a 2017 \$41 million bond issue which primarily funded academic and residential renovations and new construction designed to increase enrollment and residential revenues as part of *Our Path Forward*.

In December 2023, First Bank lowered the availability on the line of credit to \$5 million, still collateralized by the Princeton campus. Rider added at that time undeveloped acreage at the back of the Lawrenceville campus as additional collateral. The line will be paid down upon the University's receipt of the Princeton campus proceeds. First Bank will not renew the line of credit once paid down. This significantly impacts liquidity.

US Bank, Charter Asset Management (CAM) and the unrestricted endowment

Rider established a \$4 million line of credit with US Bank, the University's endowment custodial bank, in February 2024. The line of credit was collateralized by \$6 million of unrestricted endowment of a total of \$12.4 million that 14 Trustees and/or donors had unrestricted in fiscals 2023 and 2024 to address liquidity and working capital needs. This increased the unrestricted endowment at that time from \$5 million to almost \$20 million, including the valuation at \$3 million of the Lawrenceville campus back acreage.

A failed effort later that spring to increase the US Bank line of credit to \$10 million led instead to the establishment of a \$4.9 million short-term loan with Charter Asset Management (CAM) in June 2024 to bridge cash needs before the Princeton campus proceeds are realized. This short-term loan was extended another year in June 2025 and increased to \$5 million, collateralized by \$5 million of unrestricted endowment.

In June 2025, Rider established a \$10.3 million short-term loan with CAM, collateralized by the Lawrenceville campus on parity with the existing bond holders, as an additional bridge until the Princeton campus proceeds are received. The loan was particularly important as \$3.4 million of it was utilized as collateral for the letter of credit provided to the US Department of Education as part of Rider's provisional status requirement.

Rider borrowed a total of \$6 million of the unrestricted endowment – \$4 million in summer 2024 and \$2 million in summer 2025 – to provide the needed liquidity when cash reserves are at their lowest prior to receipt of fall tuition revenue. The intent was to restore the \$6 million upon receipt of the Princeton campus proceeds.

Over the course of the past few years, Rider has depleted the unrestricted endowment except for the \$3 million valuation of the campus back lands. Of immediate concern is the fact that \$7 million of the unrestricted endowment used as collateral must be re-restricted, as per the donor, on November 1, 2025, or upon receipt of the Princeton campus proceeds, whichever comes first. In addition, \$4.75 million of the restricted endowment, used to fund operations in fiscal 2025, must be returned, as per the donor, by spring 2026.

5-year taxable bond issue

In October 2024, Rider established a 5-year taxable bond issue in the amount of \$4.7 million to further support the University's cash needs while awaiting receipt of the Princeton campus proceeds. The bond issue is collateralized by the Lawrenceville campus on parity with the existing bond holders.

Rider's endowment and annual endowment spending

Rider's endowment does not significantly support the operating budget. Almost all of the endowment (99%) is comprised of donations that support scholarships, academic programs and athletics. The University balances endowment growth with the need to preserve operating cash reserves by adhering, where possible, to a 5% annual spending policy as outlined in the University's Investment Policy. This spending policy is set by the Board each year as per the Policy.

Given the more pressing operating cash reserve needs of the past 5 years, Rider has implemented elevated endowment spending percentages since fiscal 2021 at the expense of longer-term growth. The rate in fiscals 2021 and 2022 was 7%. This was lowered to 6.75% in fiscals 2023 and 2024. The percentage was again raised in fiscals 2025 and 2026 to 7%. Annual dollars generated from the spending rule ranged from a low of \$2.95 million in fiscal 2021 to a high of \$4.16 million in fiscal 2022. The fiscal 2026 draw is \$3.89 million.

The Path Forward: Impacts

Implementation of The Path Forward resulted in major student and employee impacts. And despite its implementation, Rider's financial composite score and credit ratings continue to trend downward with serious implications for the University's financial condition.

Student impacts

With The Path Forward cost reductions have come some significant student impacts, particularly for the growing numbers of underprepared students who require academic, personal and social support and resources to successfully navigate their transition to college and make the most of their Rider experience in the classroom and beyond. Taken together, the loss of these critical services has contributed to Rider's declining retention.

Rider closed its Student Navigation Office (SNO) in 2024 following several rounds of position eliminations and resignations. Originally established in 2020, SNO was designed as a holistic support system for new, and particularly underprepared, students, providing resources and individualized support. The program addressed a growing need and was an important component of Our Path Forward, Rider's strategic plan at the time.

Another important component of Our Path Forward, the First Year Seminar (FYS) is also no longer in existence. Piloted in fall 2022, FYS was a credit-bearing first-year seminar course offered each fall and designed to provide a foundation for the essential skills and habits required of first-year students to become successful college students. With the elimination of these programs, through position and operating budget cuts, Rider no longer offers a first-year experience of any kind, considered a best practice in higher education.

A full-time STEM (Science, Technology, Engineering and Mathematics) success coach was eliminated in summer 2024 and the number of professional and supplemental instruction tutors has been reduced within the Academic Success Center, again limiting the type of academic support so critical to student success in the classroom.

Additionally, staff reductions in Student Affairs have severely limited key student-facing functions in the areas of campus life, student engagement and involvement, Greek life, community service, Title IX (including any claims of discrimination and harassment), mental health counseling, and the Dean of Students support services. These are particularly critical given students' growing mental health and other challenges.

Also of note are the reductions in student on-campus employment, an important retention strategy.

A workforce under strain

Turnover of all employees reached its highest level in 2024, a staggering 21.9%, up from 5.8% in 2011. Non-bargaining and AFSCME represented employees account for a large portion of this turnover. Their numbers fell from 544 in 2011 to just 350 in 2024, a 36% reduction while faculty decreased more modestly, from 282 to 219, or 22%, during that time.

Non-bargaining and AFSCME represented employees have been disproportionately affected by the cost cutting of the last 5 years as a result of reductions in force, eliminated positions, pandemic related furloughs and salary reductions, stagnant wages, and benefit reductions. Those who remain have had to take on more work with fewer colleagues and resources, particularly in more student-facing and revenue-generating functions.

Student services have been cut as a result, recruitment efforts have proceeded without the staffing and tools once considered standard, marketing initiatives have been scaled back and fundraising capacity has been constrained. These are not abstract operational losses – they represent very real limitations on Rider’s ability to sufficiently attract, support and engage students, generate revenue and sustain the University’s future.

Rider’s credit ratings: a continuing downward trend

Rider’s credit ratings by Moody’s Investors Service (Moody’s) and Standard and Poor’s (S&P) have been downgraded in the past 5 years, reflecting the lack of progress achieved by The Path Forward and reinforcing the need to immediately address the University’s financial challenges to ensure its survival. The agencies have cited in particular declining enrollments, lingering COVID impacts, continuing deep operating deficits, a less flexible labor environment, Princeton property litigation, and a highly competitive market.

Moody’s and S&P use core financial ratio analyses to assess the financial strength of a substantial number of higher education institutions with independence and thoroughness. While there are subtle differences in their precise methodology, both evaluate annual operating margins and the adequacy of financial resources to repay debt and fund operating expenses as key aspects of their assessment. Additionally, both agencies evaluate demand statistics such as the number of admission applications and the proportion of admitted students who choose to attend the institution.

Moody’s and S&P provide bondholders with information on the financial strength of bond issuers in the form of ratings. Their ratings group assigns bond issuers into groups with letter ratings that measure the degree of risk that the issuer will not pay principal and interest in a timely fashion. To establish or reassess a rating, they undertake an extensive review of financial and operating data of rated credits on an annual basis.

Moody’s downgraded Rider from Baa2 with a negative outlook to Ba1 with a negative outlook in April 2020. That downgrade was followed by a downgrade in July 2021 to Ba2 with a

negative outlook, reflecting Rider's continuing financial challenges at the time. Moody's last evaluated Rider in 2023 with a downgrade to B2 in April and then again to B3 in June.

S&P downgraded the University's rating from BBB- to BB+ with a negative outlook in August 2020. That was followed in August 2022 with an additional downgrade to BB, but with a stable outlook. Common weaknesses cited by S&P at the time included declining enrollments, significant full-accrual deficits that are expected to continue, elevated endowment draws, and limited ability to cut expenses quickly given its collective bargaining agreement with the faculty. S&P maintained the University's overall rating at BB, but downgraded the outlook to negative in December 2023, followed by a downgrade to BB- with a stable outlook in April 2025.

Conclusion

Rider's financial condition, while still fragile, has been stabilized to position Rider for a strong recovery and ultimately, long-term sustainability with the implementation of the March to Sustainability plan, largely completed in December 2025; the widespread support of the Rider community; and the improvement initiatives under way that have been identified in this report.

Along with the exploration of several strategic alternatives and/or partnerships and the work under way to further strengthen the student experience and Rider brand, the University has a very real chance at success – at achieving the foundational renewal that will continue building on Rider's 160-year legacy and tradition of outcome-based education with a proud tradition of transforming student lives through the power of engaging and experiential learning opportunities as Rider prepares students to not just make a living but also a life.