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Fitch: Higher Ed Federal Aid Blunts Pandemic Impact for Some.

Fitch Ratings-Chicago/New York-04 May 2021: Provisions in the American Rescue Plan (ARP) and President Joseph Biden's proposed American Jobs Plan (AJP) and American Families Plan (AFP) that aim to help higher education are supportive of credit for the institutions targeted by these plans, including public and minority-serving institutions, Fitch Ratings says. Federal aid as a percent of total revenues has increased for public universities over the last five years, which has partially compensated for reduced state appropriations.

Estimates for state support for higher education in fiscal 2021 show an overall decline of 2.7% yoy. However, when federal aid under the Coronavirus Aid, Relief, and Economic Security (CARES) Act is factored in, total support increases to 0.3% yoy. This is still the lowest level since 2012.

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