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S&P U.S. Not-For-Profit Public College And University Fiscal 2022 Medians And Ratios: Road To Recovery Is Paved With Federal Funding; Hazards Remain

Key Takeaways

- Despite most institutions returning to full on-campus operations in fall 2021, S&P Global Ratings' rated U.S. public colleges and universities experienced a 1.9% decline in median full-time-equivalent (FTE) enrollment.
- Demand metrics softened across nearly all rating categories in fall 2021, indicative of an increasingly competitive marketplace and growing number of students questioning higher education's value proposition.
- A healthy rebound of auxiliary revenues, together with continued federal relief funding, helped offset rising expenses and slowing net tuition revenue growth, yielding a median full-accrual operating surplus of 2.9% in fiscal 2022.
- Market volatility throughout the fiscal year pared back some of the unprecedented investment gains recorded in fiscal 2021, while the return to campus and macroeconomic pressures pushed operating expenses up, softening certain financial resource metrics.
- State cash windfalls stemming from successful pandemic recoveries and significant federal relief funding have, in many cases, already bolstered support for higher education, demonstrated by a 10.2% increase in median state appropriations per FTE enrollment from fiscal 2021-2022.

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