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**NYPIRG: NEW YORK SHORTCHANGES INDEPENDENT COLLEGES BY
TENS OF MILLIONS OF DOLLARS**

**COLLEGE-SPECIFIC ANALYSIS SHOWS DEEP FINANCIAL ASSISTANCE LOSSES
OVER TIME**

**STATE “BUNDY AID” IN THE 1980s PEAKED AT \$114 MILLION;
TODAY, 4 DECADES LATER, STATE AID IS UNDER \$20 MILLION**

NYPIRG URGES LAWMAKERS TO BOOST AID AS PART OF FINAL BUDGET

(Albany, N.Y.) Decades of state neglect – and worse – has taken its toll on New York’s higher education sector. According to the New York Public Interest Research Group (NYPIRG), the most notable policy has been the state’s decision to nearly divest direct aid to colleges in the *independent* sector. Like their public sector counterparts, independent colleges are an important economic stimulus for local economies – as well as playing an important role in the education of future leaders. The group urged state lawmakers to act to restore at least some of the lost support for independent colleges as part of the final budget. The group released its analysis as state budget negotiations are underway.

NYPIRG reviewed the loss in state support for colleges in the independent sector, specifically “Bundy Aid.” Originally designed to uphold the strength and vitality of *independent* institutions of higher education, Bundy Aid once stood as a testament to the state’s promise. Since the 1980-81 fiscal year, eight institutions that once benefited from Bundy Aid have permanently closed, with an additional 13 currently at risk of shutting down. Today the state funds Bundy Aid at less than \$20 million less than one tenth of what it would have had it kept pace with inflation from the over \$100 million in aid provided in 1980-81.

According to the NYPIRG analysis, for the colleges that received Bundy Aid for the academic year 1980-81, and which do not have current endowments that exceed \$750 million, the state has shortchanged assistance by over \$128 million, if the 1980-81 amount had been adjusted simply by the Consumer Price Index for that period. Generally speaking, higher education inflation tends to be higher than CPI. NYPIRG chose the lower rate in order to base its analysis on a more conservative estimate.

According to NYPIRG, the total amount spent on Bundy Aid to the colleges subject to its analysis was just under \$14 million. There are colleges that currently receive Bundy Aid, but which had not yet been established in 1980. The total amount spent on Bundy Aid last year was \$18.5 million.

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NYPIRG

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Policy Close-Up

An Examination of New York's Slashing Support For Independent Colleges

New York's "Bundy Aid" Assistance

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Summary: Decades of state neglect – and worse – has taken its toll on New York's higher education sector. The most notable policy has been the state's decision to nearly divest direct aid to colleges in the *independent* sector.

This paper examines the loss in state support for colleges in the independent sector, specifically "Bundy Aid." Originally designed to uphold the strength and vitality of *independent* institutions of higher education,¹ Bundy Aid once stood as a testament to the state's promise. Since the 1980-81 fiscal year, eight institutions that once benefited from Bundy Aid have permanently closed, with an additional 13 currently at risk of shutting down. The state funds Bundy Aid at less than \$20 million, less than one tenth of what it would have had it kept pace with inflation from the over \$100 million in aid provided in 1980-81.

Promises Made, Promises Broken – "Bundy Aid": Aid to Certain Non-Public Colleges and Universities, popularly known as Bundy Aid, is a program that provides direct unrestricted financial support to independent postsecondary institutions located in New York State. The program was established in 1968 through a Select Committee charged with "how the State can help preserve the strength and vitality of our private and independent institutions of higher education and at the same time, keep them free." The Committee's report recommended that "the moderate but real level of need calls for direct assistance from New York to private colleges and universities." Distribution of the assistance is based on a formula derived from the number of degrees an institution has granted.²

Once a vital component of independent colleges' finances, the program has been decimated by cuts over the past four decades. The peak state support occurred during the 1989-90 fiscal year, when nearly \$114 million was appropriated.³ The current year's budget continues to eliminate any assistance to independent institutions with endowments consisting of at least \$750 million.⁴

In order to fairly compare individual colleges' financial impacts resulting from New York's cuts to Bundy Aid, we examined data from Academic Year (AY) 1980-81 with AY 2024-25 (the most recent data available). We removed colleges that either received support in 1980-81 but do not exist today, or those which did not exist in 1980-81 but do today. We also removed those institutions with endowments of \$750 million or more. Lastly, we added information about the financial health of private institutions.⁵ The institutions of higher education that have closed within the last few years had a score of C- or worse.⁶ Of course, a lower Forbes "grade" does not necessarily mean that a particular college will close.

As seen below, for the colleges that received Bundy Aid for the academic year 1980-81, and which do not have current endowments that exceed \$750 million, the state has shortchanged assistance by over \$128 million, *if* the 1980-81 amount had been adjusted simply by the Consumer Price Index for that period. Generally speaking, higher education inflation tends to be higher than CPI.⁷ We chose the lower rate in order to come up with more conservative estimates.

The total amount spent on Bundy Aid to the colleges subject to this analysis is just under \$14 million. There are colleges that currently receive Bundy Aid, but which had not yet been established in 1980. The total amount spent on Bundy Aid last year was \$18.5 million.

COMPARISON OF BUNDY AID OVER TIME, COLLEGES WITH ENDOWMENTS UNDER \$750 MILLION AY1980-81, POSSIBLE CPI-ADJUSTED IN AY 2024-25, AND ACTUAL IN AY 2024-25					
Institution Name	Bundy Aid Payment AY 1980-81	Potential Bundy Aid, if CPI AY 24-25	Actual Total Payment, AY 24-25	Difference Actual vs CPI, AY 80-81 vs 24-25	Forbes Financial Grade
Adelphi University	\$3,102,600.00	\$12,668,458.16	\$585,307	\$12,083,151.16	C-
Albany College Of Pharmacy And Health Sciences	\$141,600.00	\$578,177.55	\$168,949	\$409,228.55	C
Alfred University	\$409,800.00	\$1,673,285.04	\$80,235	\$1,593,050.04	B+
Bard College	\$156,000.00	\$636,975.27	\$175,866	\$461,109.27	B-
Barnard College	\$639,600.00	\$2,611,598.61	\$263,624	\$2,347,974.61	A
Canisius University	\$783,300.00	\$3,198,350.83	\$183,772	\$3,014,578.83	C
Clarkson University	\$1,119,000.00	\$4,569,072.61	\$321,800	\$4,247,272.61	C
D'Youville University	\$378,000.00	\$1,543,440.08	\$273,389	\$1,270,051.08	C
Daemen University	\$224,400.00	\$916,264.43	\$257,344	\$658,920.43	D
Dominican University NY	\$231,600.00	\$945,663.29	\$143,947	\$801,716.29	D
Elmira College	\$434,400.00	\$1,773,731.14	\$43,555	\$1,730,176.14	D
Hartwick College	\$349,360.00	\$1,426,497.95	\$62,681	\$1,363,816.95	D
Hobart & Wm Smith Colleges	\$458,400.00	\$1,871,727.33	\$132,163	\$1,739,564.33	B
Iona University	\$1,176,300.00	\$4,803,038.53	\$238,558	\$4,564,480.53	B-
Ithaca College	\$1,197,700.00	\$4,890,418.47	\$400,845	\$4,489,573.47	B-
Keuka College	\$160,800.00	\$656,574.51	\$114,768	\$541,806.51	C-
Long Island University (Bklyn)	\$5,299,300.00	\$21,637,968.26	\$1,124,797	\$20,513,171.26	B
Manhattan University	\$1,259,700.00	\$5,143,575.31	\$243,202	\$4,900,373.31	C-
Manhattan School Of Music	\$189,600.00	\$774,169.94	\$774,169.94	\$0.00	C
Marist College	\$405,900.00	\$1,657,360.65	\$463,356	\$1,194,004.65	B
Mercy University	\$1,328,400.00	\$5,424,089.41	\$571,643	\$4,852,446.41	B
Mount Saint Mary College	\$213,600.00	\$872,166.14	\$128,306	\$743,860.14	C
Nazareth University	\$686,100.00	\$2,801,466.24	\$237,081	\$2,564,385.24	C+
Pace University - NYC	\$3,063,600.00	\$12,509,214.34	\$1,035,339	\$11,473,875.34	C-

Paul Smiths College	\$176,850.00	\$722,109.46	\$39,868	<i>\$682,241.46</i>	C
Pratt Institute	\$1,003,200.00	\$4,096,240.97	\$373,770	<i>\$3,722,470.97</i>	B-
Russell Sage College	\$639,600.00	\$2,611,598.61	\$210,804	<i>\$2,400,794.61</i>	C-
Siena College	\$710,400.00	\$2,900,687.38	\$262,530	<i>\$2,638,157.38</i>	C
Skidmore College	\$664,800.00	\$2,714,494.61	\$204,014	<i>\$2,510,480.61</i>	B+
St Bonaventure University	\$766,800.00	\$3,130,978.44	\$194,121	<i>\$2,936,857.44</i>	C-
St Francis College	\$627,670.00	\$2,562,886.33	\$200,295	<i>\$2,362,591.33</i>	C
St John Fisher University	\$420,000.00	\$1,714,933.42	\$365,684	<i>\$1,349,249.42</i>	C
St Joseph's University	\$585,600.00	\$2,391,107.17	\$345,134	<i>\$2,045,973.17</i>	D
St Thomas Aquinas College	\$242,400.00	\$989,761.57	\$92,157	<i>\$897,604.57</i>	C
The New School	\$678,600.00	\$2,770,842.42	\$785,740	<i>\$1,985,102.42</i>	C+
Touro University	\$146,400.00	\$597,776.79	\$1,183,961	<i>-\$586,184.21</i>	B
Union College	\$732,600.00	\$2,991,333.86	\$143,128	<i>\$2,848,205.86</i>	B-
University Of Mount Saint Vincent	\$278,400.00	\$1,136,755.87	\$322,671	<i>\$814,084.87</i>	C
Utica University	\$1,193,700.00	\$4,874,085.77	\$355,345	<i>\$4,518,740.77</i>	D
Wagner College	\$639,900.00	\$2,612,823.56	\$146,741	<i>\$2,466,082.56</i>	C+
Yeshiva University	\$1,944,900.00	\$7,941,366.68	\$503,978	<i>\$7,437,388.68</i>	B-
Total	\$34,860,880.00	\$142,343,067	\$13,754,638	<i>\$128,588,429.06</i>	

As seen, the erosion in state support has had a significant impact on the finances of many of New York’s colleges. That erosion is likely to have contributed failed educational institutions. Over the past eighteen years, New York has lost twenty independent colleges, universities, and other degree-granting institutions. Fifteen of those twenty shut their doors in only the last few years, throwing their students into educational uncertainty and potentially, entire communities into economic insecurity.⁸

Institutions of Higher Education are Economic Development “Engines” that Produce Real Benefits, Unlike Many of the Highly Touted Projects that in Recent Years Have Produced Little Other than Scandal. As seen above, devastating cuts – both in real and inflation-adjusted dollars – have pushed many independent colleges to the financial brink – some off the cliff. Not only does the broken promise of support to public colleges, as well as independent ones, rob students of educational options, it also hurts the state economically. In addition, it is one of the best vehicles to move New Yorkers to financial stability and grow the “middle class.” In fiscal year 2022-23 independent colleges and universities in New York State contributed an estimated \$97 billion to the state’s economy and supported more than 407,000 jobs.⁹

Recommendation: The State Should Increase Funding for Bundy Aid for the Independent Sector. Originally designed to uphold the strength and vitality of independent institutions of higher education,¹⁰ Bundy Aid once stood as a testament to the state's promise. Today, New York State’s independent higher education sector employs 65% of the state's higher education workforce, contributing \$33 billion in payroll impact.¹¹ However, last year’s cuts to Bundy Aid reduced the state's total investment in independent higher education by 52%, resulting in an \$18.4 million loss for these institutions.¹² Given that Bundy Aid is the only operating aid that Independent Sector campuses receive, this cut has impacted over 236,000 students.¹³ **NYPIRG urges an increase in Bundy Aid to at least its historical level of \$100 million.**

Endnotes:

- ¹ New York State Education Department, New York State Bundy Aid Program, 1969-1981: A Historical Report on New York State Colleges and Universities Receiving State Aid Under Section 6401 of the Education Law (Albany, NY: Cultural Education Center, December 1981).
- ² New York State Education Department, "New York State Bundy Aid Program, 1969-1981," December 1981.
- ³ New York State Education Department, "Fiscal Indicators for Postsecondary Education in New York State, 1986-87 Through 1990-91, August 1993, see: Section IV - Table I.
- ⁴ Commission on Independent Colleges and Universities, "FY 2025 Enacted State Budget Key Takeaways," <https://www.cicu.org/statement-from-cicu-president-lola-w-brabham-on-the-fy-2025-enacted-state-budget/>. Whitford, Emma, Janet Novack, Forbes America's Top Colleges, <https://www.forbes.com/top-colleges/>
- ⁵ Whitford, Emma. "Forbes 2025 College Financial Grades: The Nation's Strongest And Weakest Schools, Forbes, <https://www.forbes.com/sites/emmawhitford/2025/03/07/forbes-college-financial-grades-2025-americas-strongest-and-weakest-schools/>
- ⁶ Whitford, Emma. 2024. "Forbes 2024 College Financial Grades: The Strongest and Weakest Colleges." Forbes, April 26, 2023. <https://www.forbes.com/sites/emmawhitford/2024/08/03/forbes-2024-college-financial-grades-americas-strongest-and-weakest-schools/>
- ⁷ Nietzl, M., "Higher Education Inflation Rate Hit 3.6% For Fiscal Year 2025," Forbes, December 15, 2025, <https://www.forbes.com/sites/michaelt Nietzl/2025/12/15/higher-education-inflation-rate-hit-36-for-fiscal-year-2025/>.
- ⁸ New York State Department of Education, "Closures of Degree-Granting Institutions," <https://www.nysed.gov/college-university-evaluation/closures-degree-granting-institutions>
- ⁹ Commission on Independent Colleges and Universities, "Economic Impact of New York State's Independent Sector, Fiscal Year 2022-23," <https://www.cicu.org/wp-content/uploads/2024/11/Economic-Impact-of-New-York-States-Independent-Sector-FY2022-23.pdf>.
- ¹⁰ New York State Education Department, New York State Bundy Aid Program, 1969-1981: A Historical Report on New York State Colleges and Universities Receiving State Aid Under Section 6401 of the Education Law (Albany, NY: Cultural Education Center, December 1981).
- ¹¹ The Commission on Independent Colleges and Universities, Economic Impact of New York State's Independent Sector, Fiscal Year 2022-23, <https://www.cicu.org/wp-content/uploads/2024/11/Economic-Impact-of-New-York-States-Independent-Sector-FY2022-23.pdf>.
- ¹² The Commission on Independent Colleges and Universities, Stand Up for Student Aid: Restore FY 2025 Cuts to Bundy Aid, Fiscal Year 2024-2025, <https://www.cicu.org/>.
- ¹³ National Center for Education Statistics, College Navigator, U.S. Department of Education, accessed February 13, 2025, <https://nces.ed.gov/collegenavigator/>.