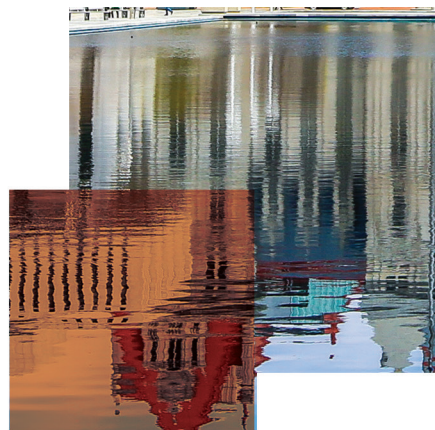


The New York State Assembly
Annual Report



**20
25**



Committee on
Small Business

Speaker Carl E. Heastie
Marianne Buttenschon, CHAIR



MARIANNE BUTTENSCHON
Assemblywoman 119th District

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIR
Small Business
COMMITTEES
Agriculture
Education
Higher Education
Veterans' Affairs

December 15, 2025

Honorable Carl E. Heastie, Speaker
New York State Assembly
Legislative Office Building, Room 932
Albany, New York 12248

Dear Speaker Heastie:

I am pleased to submit the 2025 Annual Report of the Assembly Standing Committee on Small Business. It has been an honor to lead the Committee during my inaugural Legislative Session as Chairwoman, working on policy and budget solutions for small businesses struggling through tough economic times due to the COVID-19 pandemic, supply chain disruptions, and employee shortages.

The Enacted State Fiscal Year 2025-26 Budget invests in programs that support small businesses and encourages innovation to help rebuild New York's economy. The following is included in the enacted budget: \$15 million in total support for the Centers for Advanced Technology and \$14.5 million in total support for each of the Centers of Excellence; \$12 million for the new Small Business Innovation Research (SBIR) program grants; and \$4.6 million for the Entrepreneurial Assistance Program (EAP).

I join my colleagues in commending you for your continued commitment to supporting small businesses. The Committee looks forward to a productive legislative session so we can continue to rebuild and create a healthy environment for small businesses to thrive across New York State.

Sincerely yours,

A handwritten signature in cursive script that reads "Marianne Buttenschon".

Marianne Buttenschon
Assembly member of the 119th District

**2025
ANNUAL REPORT**

**NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON SMALL BUSINESS**

**Marianne Buttenschon
Chairwoman**

Committee Members

Majority

Monique Chandler-Waterman
Sarah Clark
Landon Dais
Manny De Los Santos
Emily Gallagher
Chantel Jackson
Rebecca Kassay
Jenifer Rajkumar
Kalman Yeger
John Zaccaro, Jr.

Minority

Scott Bendett
Ari Brown
Jeffery Gallahan
Daniel Norber
Michael Novakhov

Staff

Fletcher Whyland, Assistant Secretary for Program and Policy
Paige Pomerantz, Analyst
Carrie Kucia, Program and Counsel Secretary
Daimon Brown, Committee Clerk

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I. COMMITTEE JURISDICTION AND ACTIVITY

The Assembly Standing Committee on Small Business is responsible for legislation that relates to businesses employing 100 or fewer people and supporting economic development of small businesses. The Committee works closely with several State agencies and entities to ensure they serve the needs of the small business community. This includes the Department of Economic Development and the Empire State Development Corporation, which are the State's chief economic development entities.

According to the 2023 Empire State Development Annual Report on the State of Small Business, New York State small businesses comprise 98 percent of the State's established firms and an estimated 40 percent of the state workforce. Just about all industries in the state are represented by small businesses, including trade, professional services, leisure activities, construction, financial services, health care, manufacturing, transportation, information, and education.

New York's small businesses are integral to the State's economy, but the effects of pandemic, supply chain disruptions, and inflation are proving to be difficult for many businesses across the State. In the 2024 and 2025 enacted budget, the State Legislature created funding programs to help small businesses through various funding programs and statutory changes. The Committee continues to promote budget programs and legislation that will improve access to credit, financial programs and technical assistance services for all small businesses, including minority, women, and veteran-owned businesses.

This annual report reflects the Committee's continuing efforts to help New York's small businesses.

II. SFY 2025-2026 SMALL BUSINESS BUDGET OUTCOME

In the most recently enacted state budget, the Committee on Small Business supported key initiatives to boost New York's economy, create jobs, and facilitate opportunities for small businesses and entrepreneurs. The following are budget highlights that affect small businesses in New York State:

The enacted State Budget provided an All-Funds appropriation of \$106.6 million, an increase of \$5.7 million over the Executive proposal, for the Department of Economic Development. Further, the budget provided an All-Funds appropriation of \$2.2 billion, an increase of \$358.9 million over the Executive proposal, for the Urban Development Corporation. The following are some highlights of the programs funded to promote economic development and businesses in New York via the State Fiscal Year 2025-2026 Budget:

- **Highlighted Economic Initiatives**

- \$250 million to support the redevelopment of underutilized sites for housing development (NY-RUSH);
- \$50 million in total funds for County Partnership grants program;
- \$90 million for Launch NY AI Consortium program;
- \$335 million for Championing Albany's Potential Initiative; and
- \$100 million to the Promote Opportunities with Electrical Readiness for Underdeveloped Properties Initiative.

- **Workforce Development**

- \$191,360 million to support the Office of Workforce and Economic Development at Empire State Development to provide resources to: leverage Empire State Development's relationships with employers to help identify employer needs; develop tailored regional training strategies; support programs to train New Yorkers in the skills necessary to succeed in in-demand fields; make targeted investments in teachers, healthcare workers, apprenticeships and internships, mental health professionals, and caregivers; and the other training initiatives.

- **University-Based Programs:**

- \$15 million in total support for the Centers for Advanced Technology (CATs). The CATs collaborate with New York companies on the development of new technologies and products and create new businesses and high-quality jobs throughout the State; and
- \$14.5 million in total support for each of the Centers of Excellence (CoEs). The CoEs collaborate with New York companies in commercializing scientific discoveries in fields such as nanoelectronics, bioinformatics,

photonics, environmental systems, wireless applications, and information technology. Also, several CoE programs received funding as follows:

- \$1 million to the University at Albany CoE in data science in atmospheric and environmental prediction and innovation;
- \$1 million to New York Medical College to create and operate a CoE in Precision Responses to Bioterrorism and Disaster;
- \$1 million to the Clarkson - SUNY ESF CoE in Healthy Water Solutions;
- \$250,000 for the SUNY Orange County Community College;
- \$250,000 for an Eastern NY satellite for Cornell's CoE in Agricultural Innovation;
- \$250,000 for a new CoE in RNA Research and Therapeutics at the University of Rochester;
- \$5 million for Pace University Performing Arts Center;
- \$1.503 million for SUNY Polytechnic Institute College of Nanoscale Science and Engineering;
- \$1.503 million for Rensselaer Polytechnical Institute Focus Center;
- \$1 million University of Rochester Laser Energetics Program;
- \$1 million for Stony Brook Medicine's National Cancer Institute;
- \$500,000 for the Broome County Community Charities; and
- \$250,000 for Rensselaer Polytechnical Institute's Seed to City Initiative.

- **General Economic Development:**

- \$400 million for the New York Works Economic Development Fund;
- \$100 million for FAST-NY shovel ready site program;
- \$50 million for the Restore New York Communities Initiative;
- \$47 million for economic development initiatives of the State for promoting tourism and expanding business investment and job creation and retention;
- \$26.18 million for the Empire State Economic Development Fund;
- \$5 million for Arts and Cultural Venues of ALIVE! Downtowns;
- \$3.45 million for local tourism promotion matching grants;
- \$15 million for the Market New York Program; and
- \$7.5 million for retention of professional football in western New York.

- **Business Assistance:**

- \$14 million for the Manufacturing Extension Partnership Program;
- \$12 million for the High Technology Matching Grants Program which includes Security Through Advanced Technology (START) initiative, the Small Business Innovation Research (SBIR) program, and the Small Business Technology Transfer (STTR) program;
- \$5 million for the New York State Innovation Hot Spots/ New York State Incubators;

- \$4.6 million for the Entrepreneurial Assistance Program (EAP);
- \$4 million for the Global Entrepreneurs in Residence program;
- \$1.382 million for the Technology Development Organizations (TDO);
- \$1.495 million for the Community Development Financial Institutions (CDFI) Program;
- \$885,000 total for the Minority- and Women-Owned Business Development and Lending Program and for Minority- and Women-Owned Business Development;
- \$921,000 for the Industrial Technology Extension Service Program;
- \$343,000 for the Science and Technology Law Center; and
- \$3.404 million for the Urban and Community Development Program.

- **Reginal Economic Development Councils**

The 10 Regional Economic Development Councils (REDCs) of New York State, which include community, business, academic leaders, and members of the public in each region, use their knowledge and understanding of local priorities and assets to help direct state investment in support of job creation and economic growth. REDCs have developed and implemented comprehensive Strategic Plans for their respective regions, and regularly issue updated plans. These Strategic Plans play an important role in determining how millions of dollars in existing economic aid are awarded through the State's Consolidated Funding Application (CFA). The budget provides funding to support REDCs as follows:

- \$150 million for REDC grants program;
- \$200 million for a seventh round of the Downtown Revitalization Initiative (DRI) to be used to revitalize downtowns areas in each of the 10 economic regions of the State. The funds are to be distributed as follows:
 - \$100 million for main street redevelopment programs; and
 - \$100 million for the NY Forward grant program to support redevelopment in smaller and more rural areas.

Article VII – Economic Development

In the 2025-2026 enacted State budget:

- The Legislature modified the Executive proposal to extend the general loan powers of the Urban Development Corporation by providing a one-year extension to July 1, 2026.
- The Legislature modified the Executive proposal to extend the authorization of the Urban Development Corporation to administer the Economic Development Fund by providing a one-year extension to July 1, 2026.

- The Legislature modified the Executive proposal related to increasing the maximum amount of permitted investment by the State Comptroller for the Linked Deposit Program.
- The Legislature modified the Executive proposal to extend the Excelsior Jobs Program for five years, provide enhanced program benefits for semiconductor supply chain and manufacturing projects, sunset the current Employee Training Incentive Program, establish a new Semiconductor Workforce Training Program and Research Development Program, add enhanced reporting, and expand Empire State Job Retention Program benefits to small businesses, as well as to clarify job retention, restoration or creation as an eligibility criterion to receive program benefits.

III. ISSUES BROUGHT THROUGH COMMITTEE IN 2025

- **Promotion of Historic Local Small Businesses** (A.432 Woerner; Chapter 16 of the Laws of 2025)

This law amends Chapter 635 of the Laws of 2024 to make clarifying and technical changes to the "I Love NY Historic Small Business" niche brand program.

- **Small Businesses Environmental Support Office** (A.8474 Buttenschon; Rules)

This bill would provide small businesses with ombudsman services on issues relating to pollution prevention and compliance with environmental conservation laws free of charge and confidentially.

IV. PUBLIC OUTREACH

Oversight of Economic Programs funded in the enacted 2025-2026 State Budget

On October 9, 2025, the Committees on Economic Development and Small Business held a hearing to examine the impact and effectiveness of the economic development programs funded in the enacted 2025-2026 State Budget.

This hearing sought to provide Committee Members with information related to the effectiveness of State funded economic development programs as they relate to promoting an equitable and inclusive economy and ensuring that such programs are meeting the needs of businesses, the workforce, and communities historically or currently disproportionately impacted by economic pressures. The hearing also examined how programs can be improved to provide a greater economic impact across the State and enhance their impact in promoting equitable and inclusive policies.

V. OUTLOOK FOR 2026

The Small Business Committee's support for New York's small businesses is unwavering. The Committee will continue to address the needs of small businesses, minority- and women-owned business enterprises (MWBE), and veteran-owned businesses, creating a supportive environment that encourages their growth, expansion, and stability here in New York.

The priorities of the Committee include ensuring that the state pursue policies and funding that promote long-standing New York businesses as well as the smallest of small businesses – those with ten or fewer employees. In addition, the Committee focuses on increasing access to capital and the expansion of MWBEs while supporting the development and commercialization of innovative new technology, adoption of alternative energy and energy conservation, and workforce and economic development. Key to the Committee's efforts are improving contracting opportunities with State and local governments, veterans' business assistance, immigrant-owned business assistance, continuing to help small businesses recover from the effects of the COVID-19 pandemic and persistent inflation concerns, and supporting the economic growth of small businesses through New York's rich history and tourism attractions.

APPENDIX A

2025 SUMMARY OF ACTION ON ALL BILLS REFERRED TO THE COMMITTEE ON SMALL BUSINESS

TOTAL NUMBER OF COMMITTEE MEETINGS HELD 2

<u>2025 Summary Sheet</u>			
<u>BILLS REPORTED FAVORABLE TO:</u>			
<u>BILLS REPORTED FAVORABLE TO:</u>	<u>Assembly Bills</u>	<u>Senate Bills</u>	<u>Total</u>
<u>Codes</u>	0	0	0
<u>Judiciary</u>	0	0	0
<u>Ways and Means</u>	1	0	1
<u>Rules</u>	1	0	1
<u>Floor</u>	0	0	0
<u>TOTAL</u>	2	0	2
<u>COMMITTEE ACTION</u>			
<u>Held For Consideration</u>	1	0	1
<u>Defeated</u>	0	0	0
<u>Enacting Clause Stricken</u>	0	0	0
<u>REMAINING IN COMMITTEE</u>	11	3	14
<u>BILLS REFERENCE CHANGED TO</u>			
<u>Ways and Means</u>	0	0	0
<u>TOTAL</u>	0	0	0

APPENDIX B

COMMITTEE ON SMALL BUSINESS Chapters/Vetoes of 2025

CHAPTER	ASSEMBLY BILL (SPONSOR)	SENATE BILL (SPONSOR)	DESCRIPTION
Chapter 16	A.432 (Woerner)	S.798 (Ryan)	This law amends Chapter 635 of the Laws of 2024 to make clarifying and technical changes to the "I Love NY Historic Small Business" niche brand program.

APPENDIX C

COMMITTEE ON SMALL BUSINESS Additional Bills Reported in 2025

ASSEMBLY BILL (SPONSOR)	LAST ACTION	DESCRIPTION
A.8474 (Buttenschon)	Rules	This bill would provide small businesses with ombudsman services on issues relating to pollution prevention and compliance with environmental conservation laws free of charge and confidentially.

APPENDIX D

NYS Assembly Resolution: Small Business Week - Sponsored by Assemblywoman Marianne Buttenschon, Chair of the Small Business Committee

MEMORIALIZING Governor Kathy Hochul to proclaim May 4-10, 2025, as Small Business Week in the State of New York.

WHEREAS, From Montauk to Buffalo, Plattsburgh to Binghamton and every community in-between, small businesses are the heart of our communities and the American economy, employing more than half of our Nation's workers; and

WHEREAS, Whether it is the diverse cuisine in the Mohawk Valley, the unique wineries in the Finger Lakes, the artful breweries in the Southern Tier, or the family owned businesses of New York City, our small businesses display the innovation and passion of New Yorkers; and

WHEREAS, When we support small businesses, jobs are created, and local communities preserve their unique culture; and

WHEREAS, According to the 2024 Annual Small Business Report prepared by Empire State Development, small businesses continue to be a significant economic driver in New York State with an estimated 98 percent of New York businesses having fewer than 100 employees, employing more than 38 percent of the workforce; and

WHEREAS, The Upstate New York District offices of the U.S. NY Small Business Association, which services 34 counties in New York State with offices in Syracuse, Elmira and Albany, facilitated nearly 670 loans in Fiscal Year 2024, with a value of \$270 million dollars; and

WHEREAS, New York State continues to actively support minority and women-owned business enterprises and veteran-owned and service-disabled veteran-owned businesses; and

WHEREAS, Small businesses of all kinds, from family-owned restaurants and farmers markets to antique stores and landscapers, are crucial to the health of our communities and to the State's economy overall, but have been greatly tested during these past few years; and

WHEREAS, The innovation, diversity, competitive strength, job creation, and quality of life that small businesses bring to our economy are vital elements for our State's long-term economic health; and

WHEREAS, The entrepreneurial spirit of New York residents has led to the creation and growth of emerging agricultural industries in New York, such as craft beverages, artisanal foods, and the production of hemp, hops and adult-use cannabis; and

WHEREAS, Small businesses showed great ingenuity and resilience by adapting quickly to pandemic related restrictions and weathered economic hardship; and

WHEREAS, The future welfare of our State depends on the continued development of small businesses; and

WHEREAS, By renewing our commitment to supporting small businesses, we can maintain our global competitiveness and build a stronger Nation where everyone can succeed; and

WHEREAS, When we join National Small Business Week, celebrated since 1963, we join in our country's recognition of the contributions of small businesses to the American economy and their importance in ensuring our local communities remain as vibrant as tomorrow as they are today; and

WHEREAS, The members of the New York State Legislature wish to proclaim their recognition of small businesses as a crucial element in the economy of New York State; now, therefore, be it

RESOLVED, That this Legislative Body pause in its deliberations to memorialize Governor Kathy Hochul to proclaim May 4-10, 2025, as Small Business Week in the State of New York; and be it further

RESOLVED, That a copy of this Resolution, suitably engrossed, be transmitted to The Honorable Kathy Hochul, Governor of the State of New York.