NEW YORK STATE OF OPPORTUNITY. | Empire State Development

2025 ANNUAL REPORT

Empire State Development Division of Science, Technology & Innovation (NYSTAR)

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INTRODUCTION

Empire State Development (ESD) is New York's chief economic development agency. The mission of ESD is to promote a vigorous and growing economy, encourage the creation of new jobs and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. Through the use of loans, grants, tax credits and other forms of financial assistance, ESD strives to encourage private business investment and growth to spur job creation and support prosperous communities across New York State.

ESD's Division of Small Business & Technology Development (SBTD) supports the growth of small businesses, generally defined as firms with 100 or fewer employees, providing and implementing programs and services that facilitate access to capital, technical assistance, technology assistance, and venture funding.

ESD's Division of Science, Technology & Innovation (NYSTAR), within SBTD, is tasked with advancing technology innovation and commercialization in New York State. NYSTAR plays an integral role in ESD's economic development strategy through both state and federally funded programs, impacting the overall economic resiliency of the state as well as individual companies, jobs, academic institutions, and communities. This report covers the period of January 2024 through June 2025, unless otherwise noted for specific programs.

Through state funding, NYSTAR oversees grants to university research centers and provides assistance to businesses through NYSTAR's Centers of Excellence, Centers for Advanced Technology, Innovation Hot Spots, New York State Certified Business Incubators, Science + Technology Law Center, and other assets. This $80+ million portfolio of state-supported high-tech assets touches all points of the state's innovation economy, including but not limited to advanced materials, biotech and life sciences, renewable and clean energy, nanotechnology, semiconductors, optics and imaging, software and artificial intelligence, and electronics technologies.

On the federal level, NYSTAR was competitively designated by the National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership (MEP) as the New York MEP (NYMEP). Through this designation, NYSTAR supports manufacturers through 11 statewide centers—granting approximately $10.5 million annually in state and federal funds.

NYSTAR plays four key roles in supporting innovation ecosystem in New York State:

1. Administering programs to ensure they are delivering established goals and purpose;
2. Encouraging collaboration to accelerate technology and company growth;
3. Creating new initiatives to further support innovation and fill gaps in available assistance; and
4. Attracting additional funding into New York State by providing matching grants, assisting with consortium-building, highlighting companies seeking investments and occasionally applying directly for federal funds.

Thanks in part to the efforts of NYSTAR and its partners, New York State ranks highly in most measures of science and engineering strength, the strongest indicators of research and innovation, according to the NSF's Science and Engineering State Profiles.

In addition to this Annual Report, NYSTAR releases reports for three individual programs periodically throughout the year. NYSTAR will be publishing separately issued reports for the following programs:

- Centers for Advanced Technology (CAT) (covering 2023-2024 contract years)
- Centers of Excellence (COE) (covering 2023-2024 contract years)
- Manufacturing Extension Partnership (MEP) (covering 2024)

This report covers NYSTAR's remaining programs, initiatives, and updates not covered in these reports. Information in this report includes: Federal Awards; Requests for Proposals; Innovation Hot Spots & Certified Business Incubators Program; Matching Grants Leverage Program; Innovation Matching Grants Program; Fashion Innovation Center; and the Science + Technology Law Center.

FEDERAL AWARDS

As described above, one of NYSTAR's priorities is attracting federal funding into New York either directly through the Division or funded centers and partners. Below is a summary of federal funding awarded during the timeframe covered in this report.

NIST MEP
During this period, NYSTAR continued work under its MEP designation by NIST MEP. This is the second five-year contract under a 10-year designation, federally funded at $6,877,960 annually and matched by an additional $3,773,000 in state funding. As the NYMEP, NYSTAR supports a network of 11 organizations that provide growth and innovation services to small and mid-sized manufacturers in every corner of the state to help them create and retain jobs, increase profits, and improve efficiency (NYSTAR issued a separate report covering the NY MEP program impacts for the 2022 contract year). NYSTAR has held this designation for over twenty years. The current designation runs through 2025. At the time of this report, NYSTAR is awaiting a NIST solicitation for the program and intends to recompete for a new 10-year contract to begin in 2026.

Department of Defense (DoD)
NYSTAR was awarded a $5,000,000 Defense Manufacturing Communities Support Program grant by the U.S. Department of Defense (DoD), Office of Local Defense Community Cooperation. Under this initiative, The UpState Defense consortium (composed of Fuzehub, Centerstate CEO, Griffiss Institute, and Syracuse University) is leveraging its resources to accelerate the impact of the region's rich microelectronics history by better aligning critical economic and social components and enhancing their capabilities. The goal is to build stronger intra-regional supply chains and leading-edge innovation and technology transfer through defense incubation, acceleration and startup programming, and to fortify the the talent pool that is critical to industry growth and success with key STEM education programs and skill-building opportunities. This five-year grant runs from September 1, 2023 through August 31, 2028.

REQUESTS FOR PROPOSALS

NYSTAR issued one competitive RFP during this reporting period.

Centers for Advanced Technoloy
NYSTAR issued a competitive RFP under the Centers for Advanced Technology (CAT) program with awardees receiving a ten-year designation that includes operating capital grants from NYSTAR. Ten CATs were designated as part of this RFP, including nine redesignations and one new designation. The one newly-designated CAT receives less funding in its initial, ramp-up year, after which it will receive funding consistent with the established centers.

The chart below lists all awardees from this designation round and associated funding level.

School	Name	Technology Area	Existing or New	Funding Level (Yr 1)
SUNY Albany	NYS CAT in Nanomaterials and Nanoelectronics (CATN2)	Nanotechnology	Existing	$903,954
NYU	New York State Center for Advanced Technology in Telecommunications	Artificial Intelligence, Machine Learning, Data Science, Cybersecurity and telecommunications	Existing	$903,954
RPI	Center for Future Energy Systems (CFES)	Energy Systems	Existing	$903,954
RPI	Center for Smart Convergent Manufacturing Systems (Smart-CoMS)	Advanced Manufacturing	New	$500,000
University of Rochester	Center for Emerging and Innovative Sciences (CEIS)	Photonics and imaging science systems	Existing	$903,954
Cornell	Center for Life Science Enterprise (CAT-CLSE)	Life sciences, enabling sciences	Existing	$903,954
SUNY Stony Brook	Center for Biotechnology	Life sciences, enabling sciences	Existing	$903,954
SUNY Stony Brook	Grid Innovation Development and Deployment (GrIDD)	Energy Systems	Existing	$903,954
RIT	AMPrint Center	Advanced Manufacturing	Existing	$903,954
SUNY Binghamton	Integrated Electronics Engineering Center (IEEC)	Semiconductors and Microelectronics	Existing	$903,954

INNOVATION HOT SPOTS & CERTIFIED BUSINESS INCUBATORS

The New York State Certified Business Incubator and Innovation Hot Spot Program provides financial support for certified incubators in the state to expand their services and reach a greater number of early-stage companies. These competitive designations are for five years. The support offered by participating incubators and hot spots varies, but generally includes physical space, shared administrative staff, access to capital, coaching, mentoring, networking connections, prototype development, and access to other technical facilities and services. In addition, Innovation Hot Spots are charged with coordinating regional entrepreneurial ecosystems and can offer certain tax benefits to client businesses. Data on the impact of these programs is gathered after the assistance has been provided to participating companies, creating a delay between expenditures and reported impacts.

2023-2024 NYS Certified Business Incubator & Innovation Hot Spot Program Impacts

New Jobs	Retained Jobs	Total Non-Job*
749	1097	$446,604,075

*Total Non-job impacts includes the following metrics: Increased Revenues; Investments Obtained; Cost Savings; Grants Received; Capital Improvements

Below are detailed impacts from contract years 2023-2024.

Region	Type	Name	Funding Level	Total New Jobs	Total Retained Jobs	Total Non-job impact*
Capital	Hot Spot	Innovate 518	$250,000	1.0	2.0	$1,519,581
Capital	Incubator	Albany Medical College BACC	$125,000	1.0	5.0	$55,000
Capital	Incubator	RPI	$125,000			**
Capital	Incubator	Tech Valley Center of Gravity	$125,000	1.5	4.0	$1,107,096
Central NY	Hot Spot	TechGarden at Centerstate	$250,000	6.0	41.0	$1,459,972
Central NY	Incubator	Hamilton Partnership	$125,000	1.0	30.0	$125,000

Central NY	Incubator	Upstate Medical	$125,000	30.8	28.0	$26,719,504
Finger Lakes	Hot Spot	NextCorp	$250,000	2.3	10.0	$611,757
Finger Lakes	Incubator	Cornell REV	$125,000	63.5	0.0	$41,907,897
Finger Lakes	Incubator	Cornell Food & Ag	$125,000	11.5	15.0	$284,923
Long Island	Hot Spot	Accelerate Long Island	$250,000	0.0	13.0	$25,742
Long Island	Incubator	Hofstra University - IdeaHub	$125,000	4.0	18.0	$1,127,559
Mid-Hudson	Hot Spot	Venture Hub at New Paltz	$250,000	18.5	7.5	$4,421,062
Mid-Hudson	Incubator	Hudson River EATS	$125,000	0.0	27.0	$30,000
Mohawk Valley	Hot Spot	MVCC ThinCubator	$250,000	7.0	2.0	$1,685,114
Mohawk Valley	Incubator	Griffiss	$125,000	5.0	4.0	$899,700
Mohawk Valley	Incubator	SUNY Cobleskill	$125,000	8.0	10.0	$203,884
New York City	Hot Spot	CUNY NYCRIN	$250,000	11.0	12.0	$12,961,018
New York City	Incubator	Downstate Tech Center	$125,000	64.0	241.0	$76,679,571
New York City	Incubator	LaGuardia - NYDesigns	$125,000	39.0	104.0	$10,637,739
New York City	Incubator	NYU FutureLabs	$125,000	142.0	0.0	$16,462,993
New York City	Incubator	QEDC	$125,000	21.0	38.0	$1,434,960
New York City	Incubator	Mt. Sinai	$125,000	4.0	21.0	$3,410,000
New York City	Incubator	Communitas America	$125,000	26.5	35.5	$1,316,147
North Country	Hot Spot	Clarkson Shipley	$250,000	3.0	0.0	$12,100,291
Southern Tier	Hot Spot	Cornell So Tier SA	$250,000	72.5	0.0	$59,566,144
Southern Tier	Incubator	SUNY Binghamton	$125,000	110.0	375.0	$51,608,557
Southern Tier	Incubator	IncubatorWorks - Southern Tier	$125,000	5.7	12.0	$55,802
Western	Hot Spot	Buffalo WIN	$250,000	83.0	39.0	$117,582,064
Western	Incubator	Fredonia	$125,000			$0***
Western	Incubator	InbuatorWorks - Allegany	$125,000	0.0	3.0	$45,000
Western	Incubator	Olean Business Development	$125,000	6.5	0.0	$560,000
Totals				**749**	**1097**	**$446,604,075**

*Total Non-job impacts includes the following metrics: Increased Revenues; Investments Obtained; Cost Savings; Grants Received; Capital Improvements

**RPI is completing a ramp-up period and will submit impacts in its next report.

***Fredonia did not submit impacts for this period. Their designation expired 3/31/2024.

MATCHING GRANTS LEVERAGE PROGRAM

NYSTAR reviews and coordinates requests for New York State matching grants and support letters to strengthen applicants' proposals to federal agencies, foundations, and other grant-making organizations. Higher education and not-for-profit research institutions in New York State are eligible to apply for these state matching funds. The purpose of this program is to attract more federal R&D funding to support technology development and commercialization efforts in New York State. A maximum commitment of $1 million is available through this program and requires at least $2 federal per $1 state funding committed. In the period covered by this report, NYSTAR provided matching grant commitments to the following successful federal awardees:

Awardee	NYSTAR Award	Federal Award	Federal Agency	Fiscal Year
Cornell	$200,000	$1,000,000	National Science Foundation	FY25
Cornell	$1,000,000	$2,000,000	Economic Development Agency	FY25
FuzeHub	$200,000	$1,000,000	National Science Foundation	FY25
Hauptman-Woodward Research Institute	$100,000	$200,000	National Cancer Institute	FY25
Health Research Inc.	$786,593	$3,146,370	National Cancer Institute	FY25
TOTALS	$2,286,593	$7,346,370		

NYSTAR leveraged this program to support two major federal initiatives, NSF Regional Innovation Engines and EDA Tech Hubs, and was instrumental in securing significant awards:

- Up to $160 million from the NSF for the "Upstate New York Energy Storage Engine," awarded to the New Energy New York consortium headquartered in Binghamton, NY.
- $40 million from the EDA for an implementation grant for the "SMART I-Corridor," spanning Buffalo, Rochester, and Syracuse to build out a semiconductor ecosystem including workforce, supply chain, and innovation.

INNOVATION MATCHING GRANTS

In May of 2024, NYSTAR launched its new Innovation Matching Grants (IMG) Program (funded for a total of $12M across the FY2023-2024 and FY2024-2025 New York State budgets), which aims to grow small businesses and support the development of new technologies in New York State by providing matching funds for federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards. The New York State Innovation Matching Grants Program awards:

- Up to $100,000 for Phase I applicants; and
- Up to $200,000 for Phase II applicants.

The funding provided by the IMG Program cannot exceed 50% of the amount of the federal award. A funding commitment made through the IMG Program demonstrates New York State's support for businesses that are awarded competitive federal SBIR/STTR funding and augments the federal awards with funds that support the commercialization of the technology outlined in the proposal. The IMG Program strongly supports the growth of promising small businesses in New York's high-tech sector.

In the period covered by this report, NYSTAR launched 3 Rounds of the Innovation Matching Grants Program, resulting in:

- 139 applications received
- 60 companies awarded, representing 6 of the 10 economic development regions in the state
- $7,791,680 total grants awarded & committed

The forward-looking companies receiving these awards come from a diverse mix of strategic sectors—including artificial intelligence, life sciences, semiconductors, advanced manufacturing, energy systems, and other high-impact fields.

NEW YORK FASHION INNOVATION CENTER

The New York Fashion Innovation Center (NYFIC), created and funded by NYSTAR, is working to expand the use of renewable animal, plant, and bio-manufactured fibers in the fashion industry and to bolster a resilient farm-to-fashion ecosystem throughout New York State, fostering innovation and sustainability in the sector. At the time of this report, a consortium of six universities, businesses, farmers, fashion industry leaders, and non-profit organizations, led by the Rensselaer Polytechnic Institute, has been selected to manage NYFIC. The consortium, headquartered in the Capital Region, will nurture a sustainable fashion industry in the state through two primary objectives:

- Create and operate a Sustainable Fashion Innovation Center Accelerator; and
- Generate substantial opportunities for farmers and local businesses to participate in projects that will boost demand for New York's agricultural products.

The Center launched Round 1 of its Accelerator in September 2024, awarding 8 projects from a highly competitive pool of over 60 applications from across the state. Round 2 opened in April 2025 and closed in June 2025; awardees were not yet announced at time of this report.

SCIENCE + TECHNOLOGY LAW CENTER

NYSTAR is the primary funding source for the New York State Science + Technology Law Center (STLC), housed at Syracuse University College of Law. This organization provides free legal research, education, and information to entrepreneurs and companies to help commercialize new technologies from lab to market. From market/competitive landscape reports, intellectual property protection, and licensing options, to potential funding sources, STLC has helped scores of companies and institutions make their technology vision into a commercial reality. Syracuse University was awarded the competitive STLC 5-year re-designation 2023 by NYSTAR, for a period extending through March 2028.

Typical STLC clients include start-up and established tech companies, as well as entrepreneurs. The STLC also provides services to research centers, technology transfer offices, and incubators. Key areas of service include:

- **Patent landscapes and trademark searches** – STLC's research team performs patent and trademark searches, providing valuable information that can become the groundwork for drafting claims and offering opinions on patentability. STLC also provides general informational literature on intellectual property for prospective inventors seeking to be proactive in protecting their IP rights.
- **Regulatory overviews –** STLC conducts analyses of both state and federal regulations, as well as industry-specific standards and certifications that are critical to market entry. By providing early and accessible regulatory insight, STLC better equips businesses to succeed in New York and remain here to create jobs, and spur innovation.
- **Market research and segmenting –** Clients receive in-depth analysis of prospective customers in their proposed market, and, for innovations with multiple applications, which markets are likely to offer the most rewards. Examples of previous projects include identifying sell points for a specialized gastroenterology therapy within the EU and U.S. medical systems, exploring ideal sub-segments of commercial buyers for cutting edge lawn equipment, and primary market research such as surveys to determine what feature sets and price points appeal to various demographics for marketing new speaker technologies.
- **Competitive landscape –** Entrepreneurs and researchers attempting to commercialize new technology rarely know the full scope of competition in their intended market. STLC's competitive landscape analysis provides clients with a breakdown of potential competitors and identifies significant product differentiators, enabling them to find underserved consumer segments and areas where the prevailing technology is vulnerable to disruption or offers possible licensing opportunities.
- **Commercialization analysis –** Many inventors and entrepreneurs hold valuable patents but are unclear on how to bring a product to market. STLC conducts market research and advises on potential business models, licensing strategies, or the appropriate distribution/go-to-market strategy. Clients receive analysis of competing business models based on market and team factors, enabling to develop an informed strategy.

The STLC at Syracuse University College of Law has continued its intellectual property, regulatory, and market proprietary research reports for developers of new technologies in NYS. The research is key to assessing those technologies with the best prospects for commercialization. Recipients include NYSTAR-funded research centers, tech transfer offices, and startups. During the 2023-2024 period, the STLC produced over 100 research reports for New York State research centers and companies commercializing new technologies. The reports included research on prior art/patent landscapes, market research, and regulatory overviews. The STLC also provides education, information, and outreach through participation in I-Corps, FuzeHub Solutions Forums, conferences, sponsorships, publication of guidebooks, and a website listing New York State patent agents and patent law firms by region, and a monthly newsletter.

IMPACTS METHODOLOGY

The impacts reported above are defined as:

“New jobs” refers to permanent, full-time positions created in the course of business expansion resulting from the NYSTAR’s program efforts.

“Retained jobs” are those that may be at risk when companies consider reducing staff or relocation because of high operating costs, incentives offered by another location, or production contractions. If a company credibly substantiates that jobs were at risk and that the collaboration with a NYSTAR-supported center was a significant reason for their retention, such jobs are counted as retained.

“Economic impact” or “non-job impact” includes the following impacts reported by companies served by CATs, COEs, Innovation Hot Spots, Certified Business Incubators, MEPs or other NYSTAR assets. Note that it does not reflect any increase in paid wages or the multiplier effects of these impacts, and therefore understates total cumulative changes in employment, earnings, and output in New York State attributable to the efforts of these programs. Larger reported impacts are subjected to greater scrutiny by NYSTAR and will require additional confirmation by the reporting asset and/or company. NYSTAR follows a threshold formula for determining the necessary level of evaluation.

- **Increased revenues** realized by the company as a result of a company’s collaboration with a NYSTAR-supported center. NYSTAR-supported assets frequently collaborate in new product development or existing product improvement that directly increases client revenues. In extraordinary circumstances, NYSTAR may credit impact for retained sales with sufficient documentation that, due to the center’s work, the company was able to retain a specific customer that it would have otherwise lost.
- **Cost savings** realized by the company as a result of a company’s collaboration with a NYSTAR-supported center, which typically accrue from production process improvements, the value of accessing specialized equipment, expertise, or analytical testing, and other production/research savings.
- **Grants Received** by the company. These include any non-New York State sources of funds. They may include non-New York State government funds, for example, federal sources like the Small Business Innovation Research program. They may also include venture capital and other business investments. There must be clear evidence that the NYSTAR-supported center played a substantive role in helping the company obtain the funds.

NYSTAR follows documented economic impact review procedures. For most programs, impacts reported to and credited by NYSTAR meet the following conditions:

- Occurred during the reporting period and not previously credited to that center;
- Actual impact rather than projected;
- Occurred within and benefited a company in New York State;
- Resulted from collaboration with a NYSTAR-funded center; and
- Documented with a company letter of attestation and other substantiating materials as noted above.