

Testimony of Sonya Smith, State Director, New York Small Business Development Center (NYSBDC)

Before the Assembly Standing Committees on Economic Development and Small Business- February 26, 2026

Thank you Chair Stirpe, Chair Buttenschon, and members of the Committees, for the opportunity to share testimony on the impact and effectiveness of New York's economic development programs. I appreciate your continued leadership and your focus on ensuring that our programs promote equitable growth and reach all New Yorkers.

Who We Are and What We Do

The New York Small Business Development Center administered by SUNY in partnership with the U.S. Small Business Administration, has served New York's entrepreneurs for over forty years. This is a true definition of public/private partnership to serve all communities.

We operate 20 regional centers and 70+ satellite locations across all 62 counties, providing free, one-on-one business advisement, training, and market research to more than 23,000 clients annually, with educational programming that reaches an additional 15,000 entrepreneurs statewide.

***Each dollar invested in our program returns \$3.07 in tax revenue and leverages \$27 in private capital, a multiplier that benefits every region of the state**

Our Collaborative Role in State Economic Development

Although the NYSBDC is federally funded at \$7.8M and state-supported at \$2.67M, it is not directly funded through the state's economic development appropriation.

Yet our work directly complements and amplifies programs administered by Empire State Development (ESD), the Department of Economic Development (DED), and local partners.

Through partnerships with ESD divisions, we help New Yorkers navigate the ecosystem of state programs, from RESTORE-NY and FAST-NY to Global NY and the Office of Strategic Workforce Development.

One of our strongest collaborations is with the Division of Minority and Women's Business Development (DMWBD). The Division receives 70–80 MWBE certification applications each week, and the NYSBDC assists with roughly 40% of the statewide output, ensuring that businesses are not only certified but contract-ready to compete for procurement opportunities. **From 2023-2025 on average, the NYSBDC has assisted 366 clients with procurement and contracting advisement, and/or training provided on these topics. Assisting with over 28 contracts secured totaling \$79M.**

Beyond MWBE support, we also partner with some Entrepreneur Assistance Centers (EACs) and community organizations to create a seamless pipeline from entrepreneur training to business growth.

Results That Reflect Impact and Equity

From 2023 to 2024, NYSBDC clients secured over **\$485 million in capital**, created and saved **10,000 jobs**, and launched **1,900+ new businesses**.

Our client base remains highly diverse—**53% women-owned, 41% minority-owned, 15% rural, 6% veteran, and 2% disabled**—ensuring the state's economic growth is truly inclusive.

These numbers represent real people, each represents New York SBDC's commitment to empowering small businesses as engines of resilient growth.

Opportunities to Build on Our Success

Despite these outcomes, New York continues to rank among the lowest states in direct funding for its SBDC network. Over the past two budget years (2024–2025 to 2025–2026), the NY SBDC has experienced significant cost pressures due to sustained inflation, rising wages, and increased expenses for technology, travel, and program delivery. These factors have resulted in a **14.6% decrease in staffing and service capacity**, and a corresponding **30% reduction in clients served and measurable impact metrics**.

Additional state investment—such as a **\$5 million direct appropriation**—would help offset these cost increases, sustain federal SBA matching funds, and strengthen New York's ability to align SBDC programs with state-funded initiatives. This would also expand our reach in underserved communities and ensure continuity of high-quality business assistance statewide.

This is not just a budget request; it is an opportunity to strengthen an already proven partnership. With deeper integration between the NYSBDC, Empire State Development (ESD), and the Department of Economic Development (DED), we can scale the MWBE certification and procurement pipeline, expand support for food and accommodation industries, grow rural and manufacturing programs, and advance initiatives in A.I. and workforce readiness.

Benefits of this collaborative model include:

- Improved client results and satisfaction.
- Efficient distribution of workload and resources across partner organizations.
- Stronger performance metrics and accountability, enhancing justification for both state and federal funding.

Closing

New York’s economic development ecosystem is strongest when we leverage each partner’s expertise and data to create a continuum of support, from idea stage, to growth, to global competitiveness.

The NYSBDC stands ready to continue as a strategic partner to the State, helping small businesses start, succeed, and stay in New York.

Thank you for the opportunity to share our impact and vision for continued collaboration. I welcome any questions from the Committee.

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New York SBDC

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Additional Data:

Metric	NYSBDC	EACs
Clients Served	29,000+ (FY2024)	2,600 enrollments (FY2022–23)
Capital Secured	\$485M (FY2024)	\$18M (FY2022–23)
New Businesses	1,900+ (FY2024)	97 (FY2022–23)
Jobs Created/Saved	10,000+ (FY2024)	478 jobs created; 1,740 retained (FY2022–23)
Diverse Clients	17,000+ women, veterans, immigrants, rural (FY2024)	2,249 MWBE; 76 veteran clients (FY2022–23)

**Sources: NYSBDC 2024 Annual Report; ESD EAC Annual Reports from FY2020–2023*

Collaboration Opportunity

EACs provide vital early-stage mentorship, training, and MWBE preparation, while NYSBDC brings the scale, federal leverage, and statewide expertise to help businesses grow, access capital, expand internationally, and create jobs. By formalizing funding collaboration with

ESD/EACs and NYSBDCs can:

- Amplify state investment with federal SBA dollars.
- Create stronger client pipelines

- Scale support for high-need sectors including childcare, agribusiness, AI, manufacturing, resiliency, and succession planning.
- Position New York as a national leader in coordinated entrepreneurial support.