



NEW YORK STATE SENATOR

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Governor Hochul Announces Launch of New York's First-in-the-Nation \$200 Million Seed Funding Grant for Early-Stage Businesses Impacted by COVID-19

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Provides Assistance to Help Early-Stage Small and Micro-Businesses Recover and Grow in a Post-Pandemic Economy

State's Successful COVID-19 Pandemic Small Business Recovery Grant Program Will Expand Eligibility as it Winds Down Available Funding

More Information on the Seed Funding Grant Program Can Be Found [Here](#)

Governor Kathy Hochul today announced that the applications portal for the first-in-the-nation Seed Funding Grant Program, created as part of the FY2023 budget, will open on September 14. The program provides flexible grants to support early stage, micro and small businesses in a still recovering New York State economy. The program will ensure that small businesses that opened shortly before or during the COVID-19 pandemic will have the funds to continue to operate and grow.

"This first-in-the-nation Seed Funding Grant Program rounds out \$1 billion in flexible funding to support both early-stage, and established small and micro-businesses," **Governor Hochul said.** "New York businesses were among the hardest hit

nationwide at the height of the pandemic, but with this funding, we're extending a lifeline to help them continue to grow and operate. Applications open tomorrow, and I encourage all New York business owners to take full advantage and be a part of New York's remarkable recovery."

This program builds upon New York State's existing \$800 million Pandemic Small Business Recovery Grant Program, which has delivered more than \$639 million to over 35,000 small businesses since it launched last year, with ninety percent of funding having gone to minority and women-owned businesses. Starting today, Empire State Development will expand eligibility for the program, enabling more small businesses to access funding by removing the requirement that businesses show a twenty-five percent loss in annual gross receipts from 2019 to 2020. This expansion of eligibility comes in addition to previous program changes to profitability requirements and revenue thresholds, aimed at serving additional small businesses. The program, which will continue to process applications currently in the pipeline, will close as funding winds down on September 30, 2022.

Empire State Development President, CEO and Commissioner Hope Knight said, "The pandemic has had profound impacts on our economy and our small and micro businesses were among the hardest hit, especially in New York State. Supporting our State's small businesses has been a priority of Governor Hochul's administration and the steps taken to expand eligibility and get funding out the door has helped countless businesses stay on track. The \$800 million Pandemic Small Business Recovery Grant Program and now the new Seed Funding Grant Program marks unprecedented support for New York State's small businesses and for our economic success moving forward."

SEED FUNDING GRANT PROGRAM:

The new Seed Funding Grant Program is designed to support New York State small businesses, micro-businesses and for-profit independent arts and cultural organizations that started operations on or after September 1, 2018 and have been operational for at least six months before an application is submitted. Applicants must have between \$5,000 and \$1 million in gross receipts per year as reflected on their most recent federal business tax return. More detailed guidelines can be found [here](#).

Awards for eligible businesses are based on their 2020 or 2021 tax returns. Businesses with gross receipts ranging from \$5,000 to \$49,999.99 can receive \$5,000 per business. Businesses with \$50,000 to \$99,999.99 in gross receipts may be awarded \$10,000 per business. Businesses with \$100,000 to \$1 million in gross receipts will be awarded ten percent of their gross receipts with a maximum grant amount of \$25,000 per business. Eligible applicants that have not yet filed a federal tax return can receive \$5,000 per business.

PANDEMIC SMALL BUSINESS RECOVERY GRANT PROGRAM:

Businesses that have started but not yet completed their current application for the Pandemic Small Business Recovery Grant Program must submit all necessary information by 5:00 p.m. on September 30, 2022. Recognizing the various challenges that small business owners face, New York State provides one-on-one assistance, webinars, a call center, and materials in fourteen languages to ensure greater access to this critical funding. Additionally, ESD's network of partner organizations that offer support services to entrepreneurs and small businesses will help with pandemic relief grant and loan applications. More information can be found [here](#).

The successful Pandemic Small Business Recovery Grant Program has as strong track record of ensuring critical funding is going towards those eligible businesses most in need: Micro-businesses, defined as companies with ten or fewer employees, have received over 98 percent of the awards. Just over 90 percent of the grants have been awarded to minority- and women-owned business enterprises (MWBEs) and over 47 percent of grant awards went to socially and economically disadvantaged businesses. To date, the average grant award is \$17,783.

State Senator Anna M. Kaplan said, "Small Businesses were hit especially hard during the pandemic and the \$800 million Pandemic Small Business Recovery Grant Program has been a lifeline during a turbulent time. The new Small Business Seed Program will help support newer businesses dealing with unforeseen expenses, and I urge qualified small and micro business to take advantage of this vital program."

Assemblymember Harry Bronson said, "As Chair of the Economic Development Committee, I fought for an inclusive economic recovery plan that will provide our families and business with a helping hand. In the wake of the pandemic, small businesses have struggled, some have closed, and others are still teetering between

closing and remaining open. These small businesses, especially those in economically disadvantaged communities or those owned by people of color, have been even more disproportionately impacted by COVID-19. Assisting these small businesses that have been severely impacted by the pandemic is a top priority for me and I'm encouraged to see the Seed Funding Grant Program launching now. These investments in our small businesses and other industries will help ensure an equitable and inclusive economic recovery for all."

Assemblymember Al Stirpe said, "I can't think of a more challenging time to start a small business than shortly before the COVID-19 pandemic hit and turned everything upside down. The Seed Funding Grant Program is a vital lifeline to our local businesses and I thank Gov. Hochul for her strong leadership on this. I'll keep fighting to boost the small businesses that create jobs and make our communities stronger."

A comprehensive list of all of ESD's COVID-19 business assistance programs can be found [here](#).

About Empire State Development

Empire State Development (ESD) is New York's chief economic development agency (www.esd.ny.gov). The mission of ESD is to promote a vigorous and growing economy, encourage the creation of new job 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 enhance private business investment and growth to spur job creation and support prosperous communities across New York State. ESD is also the primary administrative agency overseeing the New York State Regional Economic Development Councils and the marketing of "I LOVE NY," the State's iconic tourism brand. For more information on Regional Councils and Empire State Development, visit www.regionalcouncils.ny.gov and www.esd.ny.gov.