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of New York State, Inc.**

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**Marc Alessi**  
*Executive Director*

March 17, 2025

Governor Kathy Hochul  
New York State Capitol Building  
Albany, NY 12224

Speaker Carl Heastie  
New York State Assembly  
LOB 932, Albany, NY 12248

Majority Leader Andrea Stewart-Cousins  
New York State Senate  
LOB 907, Albany, NY 12247

Dear Governor Hochul, Speaker Heastie, and Majority Leader Stewart-Cousins,

I write to you today on behalf of New York's startup ecosystem and the countless entrepreneurs, investors, universities, and incubators working to drive innovation and economic growth across the state. As budget negotiations enter the final stages, I urge you to include the Catalyst program in the final budget. Doing so will ensure that New York remains a leader in fostering high-growth startups, creating jobs, and strengthening our state's economy.

With the impending expiration of START-UP NY, New York State faces a pivotal moment. We can either build upon the successes of a proven program or allow one of the state's most effective economic development initiatives to disappear without a replacement. Catalyst presents a crucial opportunity to refine and enhance the START-UP NY model, addressing past challenges while preserving the key benefits that have driven economic activity, research collaboration, and business growth throughout the state.

**A Proven Model for Economic Growth**

START-UP NY, launched in 2014, facilitated partnerships between businesses and New York's colleges and universities, offering tax-free incentives that catalyzed entrepreneurship and technological advancement. This program resulted in nearly 400 businesses forming and the creation of 2,801 new jobs across the state. Moreover, a state-commissioned analysis by PFM Group Consulting found that START-UP NY generated a return of \$1.58 for every \$1.00 of foregone tax revenue, underscoring its success in driving economic value.

Beyond job creation, START-UP NY strengthened New York's academic institutions by fostering research opportunities, workforce development, and commercial innovation. Universities such as



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the University at Buffalo, Cornell, NYU, and Stony Brook have all benefited from partnerships enabled by this program. It is critical that we maintain and enhance these relationships through the Catalist initiative.

### **Why Catalist Must Be Included in the Final Budget**

The proposed Catalist program provides a necessary path forward but must be structured in a way that ensures broad participation and long-term success. To be most effective, Catalist must:

- **Eliminate Regulatory Barriers, Not Just Caps** – One of the primary challenges of START-UP NY was the administrative burden on participating companies and institutions. Catalist must streamline bureaucracy to facilitate growth, rather than restrict it.
- **Cut Red Tape for Universities and Incubators** – Some institutions struggled with START-UP NY's complex application and reporting processes. A reformed Catalist should simplify these requirements to ensure that universities and incubators can fully leverage the program.
- **Expand Eligibility for High-Growth Industries** – To align with New York's long-term economic development goals, Catalist must prioritize industries such as climate tech, life sciences, and artificial intelligence. These sectors offer immense growth potential and will be key to maintaining New York's competitive edge.
- **Ensure Long-Term Commitment** – Stability is vital for businesses considering participation in Catalist. A short-term or uncertain renewal timeline will deter investment and limit impact. A multi-year commitment will instill confidence in startups and investors alike.

### **The Cost of Inaction**

Failing to include Catalist in the final budget would be a costly mistake. Without a replacement for START-UP NY, New York risks losing its hard-earned momentum in fostering a thriving startup ecosystem. Competing states are actively attracting businesses with aggressive tax incentives, and without a comparable program, New York will fall behind.

The data speaks for itself: START-UP NY worked. A well-structured Catalist program will work even better. New York's leaders have the opportunity to take a program with a proven return on investment and refine it to be even more impactful.

For the sake of our entrepreneurs, universities, and the future of our state's economy, I urge you to ensure that Catalist is included in the final budget—without arbitrary limitations, excessive red tape, or unnecessary restrictions. The stakes are too high to let this moment pass. Let's make the right choice for New York's economic future.

Thank you for your leadership and dedication to advancing New York's economic prosperity. I welcome the opportunity to discuss this matter further and look forward to your support.

Respectfully Yours,

A handwritten signature in blue ink, appearing to read "Marc Alessi".

Marc Alessi  
Executive Director