STATE OF NEW YORK

1269

2025-2026 Regular Sessions

IN ASSEMBLY

January 9, 2025

Introduced by M. of A. STECK -- read once and referred to the Committee on Alcoholism and Drug Abuse

AN ACT to amend the mental hygiene law, in relation to funding for services of the office of addiction services and supports

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision (a) of section 25.03 of the mental hygiene law, as amended by section 4 of part G of chapter 56 of the laws of 2013, is amended to read as follows:

(a) In accordance with the provisions of this article, and within appropriations made available, the office may provide state aid to a program operated by a local governmental unit or voluntary agency [~~up to one hundred per centum of the approved net operating costs of such program~~] **based on a payment for services model developed by the office for programs** operated by a local governmental unit or voluntary agency, and state aid may also be granted to a program operated by a local governmental unit or a voluntary agency for capital costs associated with the provision of services at a rate of up to one hundred percent of approved capital costs. Such state aid shall not be granted unless and until such program operated by a local governmental unit or voluntary agency is in compliance with all regulations promulgated by the commissioner regarding the financing of capital projects. Such state aid [~~for approved net operating costs~~] shall be made available by way of advance or reimbursement, through either contracts entered into between the office and such voluntary agency or by distribution of such state aid to local governmental units through [~~a grant~~] **the** process pursuant to section 25.11 of this article.

§ 2. Subdivisions (a) and (b) of section 25.11 of the mental hygiene law, as added by section 9 of part G of chapter 56 of the laws of 2013, are amended to read as follows:

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD03376-01-5

(a) Local governmental units shall be granted state aid by a state aid funding authorization letter issued by the office [~~for approved net operating costs~~] **based on a payment for services model developed by the office** for voluntary agencies [~~to support the base amount of state aid provided to such voluntary agencies for the prior year~~] provided that the local governmental unit has approved and submitted budgets for the voluntary agencies to the office. The voluntary agency budgets shall identify the nature of the services to be provided which must be consistent with the local services plan submitted by the local governmental unit pursuant to article forty-one of this chapter, the areas to be served and include a description of the voluntary agency contributions and local governmental unit funding provided. The local governmental unit shall enter into contracts with the voluntary agencies receiving such state aid. Such contracts shall include funding requirements set by the office including but not limited to responsibilities of voluntary agencies relating to work scopes, program performance and operations, [~~application of program income, prohibited use of funds,~~] recordkeeping and audit obligations. Upon designation by the office, local governmental units shall notify voluntary agencies as to the source of funding received by such voluntary agencies.

(b) State aid made available to a local governmental unit [~~for approved net operating costs~~] **based on a payment for services model developed by the office** for a program operated by a voluntary agency or a local governmental unit may be reduced where a review of such voluntary agency's prior year's budget and/or performance indicates[~~: (1)~~] that the program operated by a local governmental unit or voluntary agency has failed to meet minimum performance standards and requirements of the office including, but not limited to, maintaining service utilization rates and productivity standards as set by the office provided however, that upon determination that the program is not meeting the minimum standards and requirements, the office shall notify such program operated by a local governmental unit or voluntary agency of their deficiencies, and if appropriate, a corrective action plan that includes specific actions to address any deficiencies and a timetable for implementation shall be developed. State aid may be reduced if a corrective action plan is not approved by the office or is not implemented in a timely and satisfactory manner[~~;~~

~~(2) that the voluntary agency has had an increase in voluntary agency contributions that reduces the approved net operating costs necessary, except where the office has approved an alternative use of such voluntary agency contributions or such voluntary agency contributions are necessary to ensure financial viability~~].

§ 3. This act shall take effect on the one hundred eightieth day and shall apply to program budgets developed on or after such date.