

# STATE OF NEW YORK

2075

2025-2026 Regular Sessions

## IN SENATE

January 15, 2025

Introduced by Sens. MAYER, BAILEY, COONEY, FERNANDEZ, HARCKHAM, HOYLMAN-SIGAL, MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Procurement and Contracts

AN ACT to amend the state finance law, in relation to state agency contracts with not-for-profit corporations

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

1 Section 1. Section 179-q of the state finance law is amended by adding  
2 a new subdivision 15 to read as follows:

3 15. "Noncompliant state agency" means a state agency that has failed  
4 to execute certain contracts within required time frames.

5 § 2. Section 179-t of the state finance law is amended by adding a new  
6 subdivision 4-a to read as follows:

7 4-a. A state agency shall be deemed to be noncompliant if, for six of  
8 the last twelve preceding months, it has (a) failed to submit any  
9 renewal contracts to the attorney general within the time frame required  
10 by subdivision four of this section when not-for-profit organizations  
11 are parties to such contracts and a written directive has been issued,  
12 (b) failed to submit any renewal contracts to the attorney general prior  
13 to commencement when not-for-profit organizations are parties to such  
14 contracts, and/or (c) in any other manner failed to fully execute a  
15 contract before its start date.

16 § 3. Section 179-bb of the state finance law is amended by adding a  
17 new subdivision 4 to read as follows:

18 4. (a) A noncompliant state agency shall prepare and transmit to the  
19 office of the state comptroller, by the end of every month for which it  
20 is noncompliant, a report addressing those renewal contracts which have  
21 not been submitted to the attorney general within the time frame  
22 required by subdivision four of section one hundred seventy-nine-t of  
23 this article. In addition, such agency shall provide notification  
24 regarding the submission of such report to the not-for-profit organiza-

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

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1 tion it is contracting with. Such report shall (i) describe the  
2 contracts that have not been submitted, (ii) detail the reasons the  
3 contract has not been submitted, (iii) detail the steps the agency is  
4 taking to submit and fully execute the contract, and (iv) provide an  
5 estimate of when it shall submit and fully execute the contract. The  
6 agency shall also make such reports publicly accessible on its website.

7 (b) Within six months of becoming a noncompliant state agency, such  
8 agency shall prepare and transmit to the office of the state comp-  
9 troller, the temporary president of the senate, and the speaker of the  
10 assembly, a report describing its efforts to become compliant with the  
11 requirements of section one hundred seventy-nine-t of this article. Such  
12 report shall describe in detail efforts to revise internal policies and  
13 procedures, identify bottlenecks and other barriers to efficient  
14 contracting, retrain staff and management, incorporate improved manage-  
15 ment practices, reform procurement processes, and any other factor which  
16 will enable the agency to meet the requirements of section one hundred  
17 seventy-nine-t of this article as related to not-for-profit organiza-  
18 tions. The agency shall also prepare and deliver updated reports every  
19 six months after the delivery of the first report describing the  
20 progress it has made. Such reports shall also be posted on the agency's  
21 website.

22 § 4. Subdivision 14 of section 179-q of the state finance law, as  
23 added by chapter 166 of the laws of 1991, is amended to read as follows:

24 14. "Written directive" means a written request by a state agency to a  
25 not-for-profit organization authorizing such organization either to  
26 begin providing services during the negotiation of a contract or to  
27 continue providing services during the negotiation of a renewal  
28 contract. All written directives shall state that payment for the  
29 services provided is subject to the availability of appropriations[  
30 ~~execution of either the contract or renewal contract, and approval of~~  
31 ~~the contract or renewal contract by the comptroller and the attorney~~  
32 ~~general]. All written directives shall also include the state's payment~~  
33 ~~schedule, which will remain in effect until a contract is approved. Any~~  
34 ~~late payments from the state based on the schedule will be subject to~~  
35 ~~interest.~~

36 § 5. This act shall take effect immediately.