

BE LIMITED TO, ANY PAYMENT TO AN INELIGIBLE RECIPIENT, ANY PAYMENT FOR AN INELIGIBLE SERVICE, ANY DUPLICATE PAYMENT, PAYMENTS FOR SERVICES NOT RECEIVED AND ANY PAYMENT THAT DOES NOT ACCOUNT FOR CREDIT FOR APPLICABLE DISCOUNTS.

3. "PAYMENT" MEANS ANY PAYMENT, INCLUDING A COMMITMENT FOR FUTURE PAYMENT, THAT IS MADE BY AN AGENCY, A STATE CONTRACTOR, OR A GOVERNMENTAL OR OTHER ORGANIZATION ADMINISTERING A STATE PROGRAM OR ACTIVITY, AND WHICH DERIVED FROM STATE FUNDS OR OTHER STATE RESOURCES, OR THAT WILL BE REIMBURSED FROM STATE FUNDS OR OTHER STATE RESOURCES.

S 57. IDENTIFICATION OF SUSCEPTIBLE PROGRAMS AND ACTIVITIES. THE HEAD OF EACH AGENCY SHALL, IN ACCORDANCE WITH GUIDELINES PROMULGATED PURSUANT TO SECTION FIFTY-EIGHT OF THIS ARTICLE, ANNUALLY REVIEW ALL PROGRAMS AND ACTIVITIES THAT IT ADMINISTERS, AND IDENTIFY ALL SUCH PROGRAMS AND ACTIVITIES THAT MAY BE SUSCEPTIBLE TO IMPROPER PAYMENTS.

S 57-A. ESTIMATION OF IMPROPER PAYMENTS. WITH RESPECT TO EACH PROGRAM AND ACTIVITY IDENTIFIED IN SECTION FIFTY-SEVEN OF THIS ARTICLE, THE HEAD OF THE AGENCY SHALL:

1. ESTIMATE THE ANNUAL AMOUNT OF IMPROPER PAYMENTS; AND

2. REPORT SUCH ESTIMATE TO THE PUBLIC, AND THE CHAIRS OF THE SENATE FINANCE COMMITTEE AND THE ASSEMBLY WAYS AND MEANS COMMITTEE ON OR BEFORE JANUARY FIRST OF THE SUCCEEDING CALENDAR YEAR, AND SHALL BE POSTED ON THE AGENCY'S INTERNET WEBSITE AND ANY OTHER WEBSITE ESTABLISHED PURSUANT TO SECTION FIFTY-EIGHT OF THIS ARTICLE.

ALL AGENCIES SHALL USE THE SAME METHOD OF REPORTING, AS PRESCRIBED BY SECTION FIFTY-EIGHT OF THIS ARTICLE.

S 57-B. REPORTS ON ACTIONS TO REDUCE IMPROPER PAYMENTS. WITH RESPECT TO ANY PROGRAM OR ACTIVITY OF AN AGENCY WITH IDENTIFIED IMPROPER PAYMENTS PURSUANT TO SECTION FIFTY-SEVEN OF THIS ARTICLE, THE HEAD OF THE AGENCY SHALL INCLUDE WITH THE ESTIMATE PURSUANT TO SECTION FIFTY-SEVEN-A OF THIS ARTICLE A REPORT ON WHAT ACTIONS THE AGENCY IS TAKING TO REDUCE THE IMPROPER PAYMENTS, INCLUDING:

1. A DISCUSSION OF THE CAUSES OF THE IMPROPER PAYMENTS IDENTIFIED, ACTIONS TAKEN TO CORRECT THOSE CAUSES, AND RESULTS OF THE ACTIONS TAKEN TO ADDRESS THOSE CAUSES;

2. A STATEMENT OF WHETHER THE AGENCY HAS THE INFORMATION SYSTEMS AND OTHER INFRASTRUCTURE IT NEEDS IN ORDER TO REDUCE IMPROPER PAYMENTS TO MINIMAL COST-EFFECTIVE LEVELS;

3. IF THE AGENCY DOES NOT HAVE SUCH SYSTEMS AND INFRASTRUCTURE, A DESCRIPTION OF THE RESOURCES THE AGENCY HAS REQUESTED IN ITS BUDGET SUBMISSION TO OBTAIN THE NECESSARY INFORMATION SYSTEMS AND INFRASTRUCTURE; AND

4. A DESCRIPTION OF THE STEPS THE AGENCY HAS TAKEN TO ENSURE THAT AGENCY MANAGERS (INCLUDING THE AGENCY HEAD) ARE HELD ACCOUNTABLE FOR REDUCING IMPROPER PAYMENTS.

S 58. IMPROPER PAYMENT ESTIMATE GUIDANCE GROUP. 1. THERE SHALL BE ESTABLISHED, WITHIN THE EXECUTIVE BRANCH, THE IMPROPER PAYMENT ESTIMATE GUIDANCE GROUP. SUCH GROUP SHALL BE COMPOSED OF THE DIRECTOR OF THE BUDGET WHO SHALL CHAIR THE GROUP, THE STATE INSPECTOR GENERAL, THE INSPECTOR GENERAL OF THE METROPOLITAN TRANSPORTATION AUTHORITY AND THE WELFARE INSPECTOR GENERAL.

2. WITHIN ONE HUNDRED EIGHTY DAYS OF THE EFFECTIVE DATE OF THIS ARTICLE, THE IMPROPER PAYMENT ESTIMATE GUIDANCE GROUP SHALL MEET AND, IN CONSULTATION WITH THE STATE COMPTROLLER, PRESCRIBE GUIDELINES FOR THE IMPLEMENTATION OF THE PROVISIONS OF THIS ARTICLE. ALL AGENCIES SHALL COOPERATE WITH SUCH GROUP TO ASSIST IT AS NECESSARY IN THE DEVELOPMENT

1 AND PROMULGATION OF GUIDELINES. THE GUIDELINES SHALL INCLUDE, BUT NOT BE
2 LIMITED TO:

3 A. THE MANNER IN WHICH AGENCIES SHALL REVIEW PROGRAMS AND ACTIVITIES,
4 AND IDENTIFY THOSE WHICH ARE SUSCEPTIBLE TO IMPROPER PAYMENTS;

5 B. THE MANNER IN WHICH AGENCIES SHALL CALCULATE STATISTICALLY VALID
6 ESTIMATES OF THE ANNUAL AMOUNT OF IMPROPER PAYMENTS IN PROGRAMS AND
7 ACTIVITIES;

8 C. THE MANNER IN WHICH AGENCIES SHALL IMPLEMENT PLANS TO REDUCE
9 IMPROPER PAYMENTS; AND

10 D. THE MANNER IN WHICH AGENCIES SHALL REPORT ESTIMATES OF THE ANNUAL
11 AMOUNT OF IMPROPER PAYMENTS IN PROGRAMS AND ACTIVITIES, AND PROGRESS IN
12 REDUCING THEM.

13 3. THE IMPROPER PAYMENT ESTIMATE GUIDANCE GROUP SHALL THEREAFTER MEET
14 AT ANY TIME AT THE CALL OF EITHER THE DIRECTOR OF THE BUDGET OR THE
15 STATE COMPTROLLER; PROVIDED THAT SUCH GROUP SHALL MEET NO FEWER THAN
16 ONCE EVERY FOUR YEARS TO REVIEW THE GUIDELINES.

17 S 59. APPLICATION OF ARTICLE. THE PROVISIONS OF THIS ARTICLE SHALL:

18 1. APPLY TO THE ADMINISTRATION OF PROGRAMS AND IMPROPER PAYMENTS MADE
19 IN STATE FISCAL YEARS COMMENCING ON OR AFTER APRIL FIRST, TWO THOUSAND
20 TWELVE; AND

21 2. REQUIRE THE INCLUSION OF THE ESTIMATES, REPORTED PURSUANT TO
22 SECTION FIFTY-SEVEN-A OF THIS ARTICLE, IN THE AGENCY BUDGET SUBMISSIONS
23 FOR STATE FISCAL YEARS COMMENCING ON OR AFTER APRIL FIRST, TWO THOUSAND
24 THIRTEEN.

25 S 2. This act shall take effect immediately.