

7446

I N S E N A T E

May 2, 2016

Introduced by Sen. AMEDORE -- read twice and ordered printed, and when printed to be committed to the Committee on Alcoholism and Drug Abuse

AN ACT to amend the mental hygiene law, in relation to authorizing the office of alcoholism and substance abuse services to provide funding to substance use disorder and/or compulsive gambling programs operated by for profit agencies

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 25.01 of the mental hygiene law, as added by chap-
2 ter 471 of the laws of 1980, paragraphs 1, 2, 3 and 4 as amended and
3 paragraphs 5, 6, 7 and 8 of subdivision (a) as added by section 3 of
4 part G of chapter 56 of the laws of 2013, is amended to read as follows:
5 S 25.01 Definitions.
6 [(a)] As used [herein] IN THIS ARTICLE:
7 1. "Local governmental unit" shall have the same meaning as that
8 contained in article forty-one of this chapter.
9 2. "Operating expenses" shall mean expenditures approved by the office
10 and incurred for the maintenance and operation of substance use disorder
11 and/or compulsive gambling programs, including but not limited to
12 expenditures for treatment, administration, personnel, and contractual
13 services. Operating expenses do not include capital costs and debt
14 service unless such expenses are related to the rent, financing or refi-
15 nancing of the design, construction, acquisition, reconstruction, reha-
16 bilitation or improvement of a substance use disorder and/or compulsive
17 gambling program facility pursuant to the mental hygiene facilities
18 finance program through the dormitory authority [of the state of New
19 York] (DASNY; successor to the Facilities Development Corporation), or
20 otherwise approved by the office.
21 3. "Debt service" shall mean amounts, subject to the approval of the
22 office, required to be paid to amortize obligations including principal
23 and interest, assumed by or on behalf of [a voluntary] AN agency or a
24 program operated by a local governmental unit.
25 4. "Capital costs" shall mean the costs of a program operated by a
26 local governmental unit or [a voluntary] AN agency with respect to the

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

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1 acquisition of real property estates, interests, and cooperative inter-
2 ests in realty, their design, construction, reconstruction, rehabili-
3 tation and improvement, original furnishings and equipment, site devel-
4 opment, and appurtenances of a facility.

5 5. "State aid" shall mean financial support provided through appropri-
6 ations of the office to support the provision of substance use disorder
7 treatment, compulsive gambling, prevention or other authorized services,
8 with the exclusion of appropriations for the purpose of medical assist-
9 ance.

10 6. ["Voluntary agency"] "AGENCY contributions" shall mean revenue
11 sources of [voluntary] agencies exclusive of state aid and local tax
12 levy.

13 7. "Approved net operating cost" shall mean the remainder of total
14 operating expenses approved by the office, less all sources of revenue,
15 including [voluntary] agency contributions and local tax levy.

16 8. ["Voluntary agency"] "AGENCY" shall mean a corporation organized or
17 existing pursuant to the not-for-profit corporation law for the purpose
18 of, OR ANY BUSINESS ENTITY providing substance use disorder, treatment,
19 compulsive gambling, prevention or other authorized services.

20 S 2. Section 25.03 of the mental hygiene law, as amended by chapter
21 223 of the laws of 1992, subdivisions (a) and (b) as amended and subdivi-
22 sion (d) as added by section 4 of part G of chapter 56 of the laws of
23 2013, is amended to read as follows:

24 S 25.03 Financial support and disbursement of funds.

25 (a) In accordance with the provisions of this article, and within
26 appropriations made available, the office may provide state aid to a
27 program operated by a local governmental unit or [voluntary] AN agency
28 up to one hundred per centum of the approved net operating costs of such
29 program operated by a local governmental unit or [voluntary] AN agency,
30 and state aid may also be granted to a program operated by a local
31 governmental unit or [a voluntary] AN agency for capital costs associ-
32 ated with the provision of services at a rate of up to one hundred
33 percent of approved capital costs. Such state aid shall not be granted
34 unless and until such program operated by a local governmental unit or
35 [voluntary] AN agency is in compliance with all regulations promulgated
36 by the commissioner regarding the financing of capital projects. Such
37 state aid for approved net operating costs shall be made available by
38 way of advance or reimbursement, through either contracts entered into
39 between the office and such [voluntary] agency or by distribution of
40 such state aid to local governmental units through a grant process
41 pursuant to section 25.11 of this article.

42 (b) Financial support by the office shall be subject to the approval
43 of the director of the budget and within available appropriations.

44 (c) All federal financial assistance granted or allocated to the
45 office by the United States shall only be paid out on the audit and
46 warrant of the comptroller on the certificate of the commissioner or his
47 authorized representative.

48 (d) Nothing in this section shall be construed to require the state to
49 increase such state aid should a local governmental unit choose to
50 remove any portion of its local tax levy support of [voluntary] agen-
51 cies, although the state may choose to do so to address an urgent public
52 need, or conversely, may choose to reduce its state aid up to the same
53 percentage as the reduction in local tax levy.

54 S 3. Section 25.05 of the mental hygiene law, as amended by section 5
55 of part G of chapter 56 of the laws of 2013, is amended to read as
56 follows:

1 S 25.05 Reimbursement from other sources.

2 The office shall not provide [a voluntary] AN agency or a program
3 operated by a local governmental unit with financial support for obli-
4 gations incurred by or on behalf of such program or agency for substance
5 use disorder and/or compulsive gambling services for which reimbursement
6 is or may be claimed under any provision of law other than this article.

7 S 4. Section 25.07 of the mental hygiene law, as amended by section 7
8 of part G of chapter 56 of the laws of 2013, is amended to read as
9 follows:

10 S 25.07 Non-substitution.

11 [A voluntary] AN agency or a program operated by a local governmental
12 unit shall not substitute state monies for cash contributions, federal
13 aid otherwise committed to or intended for use in such program or by
14 such agency, revenues derived from the operation of such program or
15 agency, or the other resources available for use in the operation of the
16 program or agency.

17 S 5. Section 25.09 of the mental hygiene law, as amended by section 8
18 of part G of chapter 56 of the laws of 2013, is amended to read as
19 follows:

20 S 25.09 Administrative costs.

21 Subject to the approval of the director of the budget, the office
22 shall establish a limit on the amount of financial support which may be
23 advanced or reimbursed to [a voluntary] AN agency or a program operated
24 by a local governmental unit for the administration of a program.

25 S 6. This act shall take effect immediately.