

# STATE OF NEW YORK

9831

## IN ASSEMBLY

April 19, 2022

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:

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

4 (a) In accordance with the provisions of this article, and within  
5 appropriations made available, the office may provide state aid to a  
6 program operated by a local governmental unit or voluntary agency [~~up to~~  
7 ~~one hundred per centum of the approved net operating costs of such~~  
8 ~~program~~] based on a payment for services model developed by the office,  
9 in consultation with operators of funded programs, for programs operated  
10 by a local governmental unit or voluntary agency, and state aid may also  
11 be granted to a program operated by a local governmental unit or a  
12 voluntary agency for capital costs associated with the provision of  
13 services at a rate of up to one hundred percent of approved capital  
14 costs. Such state aid shall not be granted unless and until such program  
15 operated by a local governmental unit or voluntary agency is in compli-  
16 ance with all regulations promulgated by the commissioner regarding the  
17 financing of capital projects. Such state aid [~~for approved net operat-~~  
18 ~~ing costs~~] shall be made available by way of advance or reimbursement,  
19 through either contracts entered into between the office and such volun-  
20 tary agency or by distribution of such state aid to local governmental  
21 units through [~~a grant~~] the process pursuant to section 25.11 of this  
22 article.

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

26 (a) Local governmental units shall be granted state aid by a state aid  
27 funding authorization letter issued by the office [~~for approved net~~  
28 ~~operating costs~~] based on a payment for services model developed by the

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

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1 office, in consultation with operators of funded programs, for voluntary  
2 agencies [~~to support the base amount of state aid provided to such~~  
3 ~~voluntary agencies for the prior year~~] provided that the local govern-  
4 mental unit has approved and submitted budgets for the voluntary agen-  
5 cies to the office. The voluntary agency budgets shall identify the  
6 nature of the services to be provided which must be consistent with the  
7 local services plan submitted by the local governmental unit pursuant to  
8 article forty-one of this chapter, the areas to be served and include a  
9 description of the voluntary agency contributions and local governmental  
10 unit funding provided. The local governmental unit shall enter into  
11 contracts with the voluntary agencies receiving such state aid. Such  
12 contracts shall include funding requirements set by the office including  
13 but not limited to responsibilities of voluntary agencies relating to  
14 work scopes, program performance and operations, [~~application of program~~  
15 ~~income, prohibited use of funds,~~] recordkeeping and audit obligations.  
16 Upon designation by the office, local governmental units shall notify  
17 voluntary agencies as to the source of funding received by such volun-  
18 tary agencies.

19 (b) State aid made available to a local governmental unit [~~for~~  
20 ~~approved net operating costs~~] based on a payment for services model  
21 developed by the office, in consultation with operators of funded  
22 programs for a program operated by a voluntary agency or a local govern-  
23 mental unit may be reduced where a review of such voluntary agency's  
24 prior year's budget and/or performance indicates[~~+(1)~~] that the  
25 program operated by a local governmental unit or voluntary agency has  
26 failed to meet minimum performance standards and requirements of the  
27 office including, but not limited to, maintaining service utilization  
28 rates and productivity standards as set by the office provided however,  
29 that upon determination that the program is not meeting the minimum  
30 standards and requirements, the office shall notify such program oper-  
31 ated by a local governmental unit or voluntary agency of their deficien-  
32 cies, and if appropriate, a corrective action plan that includes specif-  
33 ic actions to address any deficiencies and a timetable for  
34 implementation shall be developed. State aid may be reduced if a correc-  
35 tive action plan is not approved by the office or is not implemented in  
36 a timely and satisfactory manner[+

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

42 § 3. This act shall take effect January 1, 2023 and shall apply to  
43 program budgets developed on or after such date.