

STATE OF NEW YORK

11184

IN ASSEMBLY

May 1, 2026

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 and the state finance law, in relation to overhauling the opioid settlement fund

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

1 Section 1. Subparagraphs (vii) and (viii) of paragraph 1 of subdivi-
2 sion (a) of section 25.18 of the mental hygiene law, as amended by chap-
3 ter 171 of the laws of 2022, are amended and a new subparagraph (ix) is
4 added to read as follows:

5 (vii) to provide programs for pregnant women and new parents who
6 currently or formerly have had a substance use disorder and newborns
7 with neonatal abstinence syndrome; [~~and/or~~]

8 (viii) to provide vocational and educational training for individuals
9 with or at risk for a substance use disorder[~~-~~]; and/or

10 (ix) to provide services and supports for grieving families, those
11 caring for loved ones with substance use disorders and the children left
12 behind. Such services and supports shall include funding for grief coun-
13 seling, trauma support, and long-term services and supports for those
14 bearing the ongoing emotional and psychological impacts of the overdose
15 epidemic.

16 § 2. Paragraph 1 of subdivision (b) of section 25.18 of the mental
17 hygiene law, as amended by chapter 171 of the laws of 2022, is amended
18 to read as follows:

19 1. The legislature shall appropriate funds to be used for eligible
20 expenditures that are consistent with the approved uses and terms of the
21 statewide opioid settlement agreement, provided that funds shall be made
22 available for the board to retain legal and administrative staff to
23 support their work. Such expenditures shall be distributed regionally
24 and in accordance with the statewide opioid settlement agreements to
25 ensure adequate geographic disbursement across the state.

26 § 3. Paragraph 3 of subdivision (b) of section 25.18 of the mental
27 hygiene law, as amended by chapter 171 of the laws of 2022, is amended
28 to read as follows:

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

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1 3. Each New York subdivision shall provide a detailed accounting of
2 how the funds were used as well as an analysis and evaluation of the
3 services and programs funded. Such information shall be included in the
4 report provided pursuant to paragraph ten of subdivision (c) of this
5 section. All such accountings shall be subject to review and approval
6 by the attorney general.

7 § 4. Paragraph 5 of subdivision (c) of section 25.18 of the mental
8 hygiene law, as amended by chapter 171 of the laws of 2022, is amended
9 to read as follows:

10 5. Every effort shall be made to ensure a balanced and diverse board,
11 representing the geographic regions and racial and ethnic demographics
12 of the state as well as those with lived experiences of a substance use
13 disorder. Appointed members shall have an expertise in public and behav-
14 ioral health, substance use disorder treatment, harm reduction, criminal
15 justice, public finance, or drug policy. Further, the board shall
16 include individuals with personal or professional experience with
17 substance use and addiction issues and co-occurring mental illnesses as
18 well as providing services to those that have been disproportionately
19 impacted by the enforcement and criminalization of addiction. At least
20 four board members shall have lived experience. For the purposes of this
21 paragraph "lived experience" shall mean an individual who has lost a
22 child, sibling, parent, or a close family member to substance use disor-
23 der.

24 § 5. Paragraph 7 of subdivision (c) of section 25.18 of the mental
25 hygiene law, as amended by chapter 171 of the laws of 2022, is amended
26 to read as follows:

27 7. Members of the board shall not take any action to direct funding
28 from the opioid settlement fund to any entity in which they or their
29 family members have any interest, direct or indirect, or receive any
30 commission or profit whatsoever, direct or indirect. Before any vote of
31 the board, members shall be required to affirm whether they have a
32 direct or indirect interest in the matter under consideration. Members
33 of the board shall recuse themselves from any discussion or vote relat-
34 ing to such interest.

35 § 6. Paragraph 10 of subdivision (c) of section 25.18 of the mental
36 hygiene law, as amended by section 1 of part II of chapter 57 of the
37 laws of 2025, is amended to read as follows:

38 10. On or before November first of each year, beginning one year after
39 the initial deposit of monies in the opioid settlement fund, the rele-
40 vant commissioners shall provide a written report to the governor,
41 temporary president of the senate, speaker of the assembly, chair of the
42 senate finance committee, chair of the assembly ways and means commit-
43 tee, chair of the senate alcoholism and substance use disorders commit-
44 tee, chair of the assembly alcoholism and drug abuse committee, and the
45 opioid settlement advisory board. Such report shall be presented as a
46 consolidated dashboard and be made publicly available on the respective
47 offices' websites. The report shall, to the extent practicable after
48 making all diligent efforts to obtain such information, include the
49 following: (i) the baseline funding for any entity that receives funding
50 from the opioid settlement fund, prior to the receipt of such funds;
51 (ii) how funds deposited in the opioid settlement fund had been utilized
52 in the preceding calendar year, including but not limited to: (A) the
53 amount of money disbursed and the award process used for such disburse-
54 ment, if applicable; (B) the names of the recipients, the amounts
55 awarded to such recipient and details about the purpose such funds were
56 awarded for, including what specific services and programs the funds

1 were used on and what populations such services or programs served; (C)
2 the main criteria utilized to determine the award, including how the
3 program or service assists to reduce the effects of substance use disor-
4 ders; (D) an analysis of the effectiveness of the services and/or
5 programs that received opioid settlement funding in their efforts to
6 reduce the effects of the overdose and substance use disorder epidemic.
7 Such analysis shall utilize evidence-based uniform metrics when review-
8 ing the effects the service and/or program had on prevention, harm
9 reduction, treatment, and recovery advancements; (E) any relevant infor-
10 mation provided by the New York subdivisions pursuant to this section;
11 and (F) any other information the commissioner deems necessary to help
12 inform future appropriations and funding decisions, and ensure such
13 funding is not being used to supplant local, state, or federal funding.
14 Recipients of funding shall be required to submit to the contracting
15 state agency clear and detailed information explaining their use of such
16 funding. Failure to provide such information will make that recipient
17 ineligible to receive future settlement funds until such information is
18 provided. The attorney general may appoint an independent monitor or
19 trustee to manage the settlement funds should the relevant commissioners
20 fail to provide the written report required by this paragraph.

21 § 7. Subdivision 3 of section 99-nn of the state finance law, as
22 amended by chapter 171 of the laws of 2022, is amended to read as
23 follows:

24 3. Money expended from such fund shall be used consistent with the
25 terms of any statewide opioid settlement agreements as defined in
26 section 25.18 of the mental hygiene law. Moneys of the fund shall be
27 used to supplement and not supplant or replace any other funds, includ-
28 ing federal or state funding, which would otherwise have been expended
29 for substance use disorder prevention, treatment, recovery or harm
30 reduction services or programs. Moneys of the fund shall be available
31 for the board to retain legal and administrative staff to support the
32 work of the board.

33 § 8. Subdivision 5 of section 99-nn of the state finance law, as
34 amended by chapter 171 of the laws of 2022, is amended to read as
35 follows:

36 5. Notwithstanding subdivision eleven of section four of this chapter,
37 or subdivision sixteen of section sixty-three of the executive law,
38 moneys from the opioid settlement fund shall be available following
39 appropriation by the legislature and shall only be expended on eligible
40 expenditures as defined in section 25.18 of the mental hygiene law for
41 prevention, treatment, harm reduction and recovery services related to
42 substance use disorders and co-occurring mental illnesses in New York
43 state pursuant to the terms of the statewide opioid settlement agree-
44 ments as defined in section 25.18 of the mental hygiene law. Funding
45 shall be distributed regionally and to ensure adequate geographic
46 disbursement across the state in accordance with the statewide opioid
47 settlement agreements. In addition to programs and services overseen by
48 the office of addiction services and supports, funding may also be
49 expended on programs and services overseen by the department of health,
50 the office of mental health, the division of housing and community
51 renewal or any other agency that may oversee an appropriate program or
52 service that is considered an eligible expenditure as provided under
53 section 25.18 of the mental hygiene law. Funding decisions shall
54 include an emphasis on supporting programs that are culturally, linguis-
55 tically and gender competent, trauma-informed, evidence-based and, where
56 appropriate, employ individuals with lived experience as part of the

1 services provided. Funding decisions shall ensure equitable distrib-
2 ution of funds to organizations of all operating budget levels. Funding
3 decisions shall include the dedication of a percentage of funding, as
4 established by the board, to be provided to organizations led by people
5 with lived experience and to communities most impacted by the epidemic.
6 At least fifty percent of all funds appropriated shall be expended to
7 provide harm reduction services and all harm reduction funds shall be
8 allocated for distribution to the department of health, AIDS institute,
9 and the office of drug user health. For the purposes of this subdivi-
10 sion, the term "lived experience" shall mean an individual who has lost
11 a child, sibling, parent, or a close family member to substance use
12 disorder.

13 § 9. This act shall take effect one year after it shall have become a
14 law.