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:

Section 1. Subparagraphs (vii) and (viii) of paragraph 1 of subdivision (a) of section 25.18 of the mental hygiene law, as amended by chapter 171 of the laws of 2022, are amended and a new subparagraph (ix) is added to read as follows:

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

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

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

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

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

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

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

LBD15640-01-6

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

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

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

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

7. Members of the board shall not take any action to direct funding from the opioid settlement fund to any entity in which they or their family members have any interest, direct or indirect, or receive any commission or profit whatsoever, direct or indirect. **Before any vote of the board, members shall be required to affirm whether they have a direct or indirect interest in the matter under consideration.** Members of the board shall recuse themselves from any discussion or vote relating to such interest.

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

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

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

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

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

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

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

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

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