STATE OF NEW YORK

9855--A

IN SENATE

April 8, 2026

Introduced by Sens. MAYER, WEBB -- read twice and ordered printed, and when printed to be committed to the Committee on Procurement and Contracts -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the state finance law, in relation to requirements associated with contracts between state agencies and not-for-profit organizations

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

Section 1. Section 179-u of the state finance law, as added by chapter 166 of the laws of 1991, is amended to read as follows:

§ 179-u. Advance payments. 1. **When a state agency administering a contract enters a new contract with a not-for-profit organization and funds have been appropriated, the agency shall provide within thirty days of executing the contract an advance payment of an amount equal to twenty-five percent of the total award to cover expenses incurred and services provided in the first quarter.**

2. When a state agency administering a contract [~~shall advise~~] **advises** the not-for-profit organization of the agency's intention to renew **or extend** the contract, [~~the not-for-profit organization, may, upon receipt of a written directive, be entitled to an~~] **and the funds have been appropriated, the agency shall either fully execute such contract or shall issue a written directive prior to the commencement date of the succeeding contract. In either case, the agency shall issue, prior to the commencement date of the succeeding contract, an** advance payment **of an amount equal to twenty-five percent of the total award to cover expenses incurred and services provided in the first quarter** pending execution of the renewal **or extension** contract [~~if such contract is not fully executed by the commencement date of the succeeding contract; the written directive shall specifically set forth the dollar amount and the period of time covered by the advance payment~~]. Such advance [~~payment~~] **payments** shall offset future payments due to the organization for services provided during the term of the prospective renewal **or exten-**

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

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sion contract and shall not exceed the maximum contract amount set forth in said renewal **or extension** contract.

[~~2.~~] **3.** A state agency providing an advance payment pursuant to subdivision one **or two** of this section shall submit a written directive, a voucher and such other documents as may be required to the comptroller for approval.

4. Such advance payments shall not be required if funding for such contract includes federal funding and the terms or conditions of such federal funding prohibit such advance payments.

§ 2. Subdivision 3 of section 179-ee of the state finance law, as added by section 38 of part L of chapter 55 of the laws of 2012, is amended and a new subdivision 4 is added to read as follows:

3. A modification to a contract that would result in a transfer of funds among program activities or budget cost categories but does not affect the amount, consideration, scope or other terms of such contract shall not, by itself, require such contract and modification to be submitted to the comptroller for review; provided, however, where the amount of such modification is, as a portion of the total value of the contract, equal to or greater than ten percent for contracts of less than five million dollars, or five percent for contracts of more than five million dollars, the comptroller may require that such modification be submitted to [~~him or her~~] **such comptroller** for review. **All modifications that do not require comptroller review shall be approved within sixty days, and all modifications that require comptroller review shall be approved within ninety days. When a contractor submits their final vouchers or invoice, if such voucher or invoice would result in a modification between budget categories of, as a portion of the total value of the contract, equal to or lesser than ten percent for contracts of less than five million dollars, or five percent for contracts of more than five million dollars, then the agency may consider the voucher or invoice a request for contract modification and may process the modification as such.**

4. Notwithstanding any other provisions of this article, de minimus indirect costs shall be included in all not-for-profit organization contracts with state agencies. Provided, however, such de minimus indirect costs shall not be included if funding for such contract includes federal funding and the terms or conditions of such federal funding prohibit the inclusion of such costs.

§ 3. This act shall take effect on the one hundred eightieth day after it shall have become a law.