§ 159-l. Decertification and reduction of entity shares. 1. Any eligible entity that received funding in the previous federal fiscal year through a community services block grant made under this article shall not have its funding terminated under this article or reduced below the proportional share of funding the entity received in the immediately preceding federal fiscal year, as determined pursuant to section one hundred fifty-nine-i of this article, unless, after providing notice and an opportunity for a hearing on the record, the state determines that cause exists for such termination or such reduction, subject to review by the secretary of the United States department of health and human services. For purposes of making a determination that cause exists for:

(a) a funding reduction, the term "cause" shall include

(1) a statewide redistribution of funds provided through a community services block grant under this article to respond to

(A) the results of the most recently available census or other appropriate data;

(B) the designation of a new eligible entity; or

(C) severe economic dislocation; and

(2) the failure of an eligible entity to comply with the terms of an agreement or a state plan, or to meet a state requirement, as described in this section; or

(b) a termination, the term "cause" includes the failure of an eligible entity to comply with the terms of an agreement or a state plan, or to meet a state requirement, as described in this section.

2. If the state determines, on the basis of a final decision in a review pursuant to this article, that an eligible entity fails to comply with the terms of an agreement or the state plan to provide services under this article or to meet appropriate standards, goals, and other requirements established by the state (including performance objectives), the state shall:

(a) inform the entity of the deficiency to be corrected;

(b) require the entity to correct the deficiency;

(c) (1) offer training and technical assistance, if appropriate, to help correct the deficiency, and prepare and submit to the secretary of the United States department of health and human services a report

stating the reasons for the determination; or

(2) if the state determines that such training and technical assistance are not appropriate, it shall prepare and submit to the secretary of the United States department of health and human services a report stating the reasons for the determination;

(d) (1) at the discretion of the state (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), allow the entity to develop and implement and submit to the state, within sixty days after being informed of the deficiency, a quality improvement plan to correct such deficiency within a reasonable period of time, as determined by the state; and

(2) not later than thirty days after receiving from an eligible entity a proposed quality improvement plan pursuant to subparagraph one of this paragraph, either approve such proposed plan or specify the reasons why the proposed plan cannot be approved; and

(e) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce the funding under this article of the eligible entity unless the entity corrects the deficiency.

3. A determination to terminate the designation or reduce the funding of an eligible entity pursuant to subdivision two of this section is reviewable by the secretary of the United States department of health and human services, pursuant to the processes set forth in the federal community services block grant act of 1981, as amended.