§ 25.11 Distribution of state aid to a local governmental unit.

Notwithstanding section one hundred twelve of the state finance law, the office is authorized to grant state aid annually to local governmental units in the following manner:

(a) Local governmental units shall be granted state aid by a state aid funding authorization letter issued by the office for approved net operating costs for voluntary agencies to support the base amount of state aid provided to such voluntary agencies for the prior year provided that the local governmental unit has approved and submitted budgets for the voluntary agencies to the office. The voluntary agency budgets shall identify the nature of the services to be provided which must be consistent with the local services plan submitted by the local governmental unit pursuant to article forty-one of this chapter, the areas to be served and include a description of the voluntary agency contributions and local governmental unit funding provided. The local governmental unit shall enter into contracts with the voluntary agencies receiving such state aid. Such contracts shall include funding requirements set by the office including but not limited to responsibilities of voluntary agencies relating to work scopes, program performance and operations, application of program income, prohibited use of funds, recordkeeping and audit obligations. Upon designation by the office, local governmental units shall notify voluntary agencies as to the source of funding received by such voluntary agencies.

(b) State aid made available to a local governmental unit for approved net operating costs for a program operated by a voluntary agency or a local governmental unit may be reduced where a review of such voluntary agency's prior year's budget and/or performance indicates:

(1) that the program operated by a local governmental unit or voluntary agency has failed to meet minimum performance standards and requirements of the office including, but not limited to, maintaining service utilization rates and productivity standards as set by the office provided however, that upon determination that the program is not meeting the minimum standards and requirements, the office shall notify such program operated by a local governmental unit or voluntary agency of their deficiencies, and if appropriate, a corrective action plan that includes specific actions to address any deficiencies and a timetable

for implementation shall be developed. State aid may be reduced if a corrective action plan is not approved by the office or is not implemented in a timely and satisfactory manner;

(2) that the voluntary agency has had an increase in voluntary agency contributions that reduces the approved net operating costs necessary, except where the office has approved an alternative use of such voluntary agency contributions or such voluntary agency contributions are necessary to ensure financial viability.