§ 41.18 Local services plan; state aid.

(a) A local services plan is a plan for the rendition of local services. Such a plan must have been developed by the local governmental unit with the involvement of consumers, consumer groups, voluntary agencies and other providers of services, in accordance with the regulations of the commissioner and must be approved by the commissioner in order to be eligible for state aid. A local services plan shall contain a comprehensive proposal for annual and intermediate range plans and expenditures by the local governmental unit and by voluntary agencies pursuant to contract with such local governmental unit. A local services plan shall contain provisions to assure that there is planning and coordination with the delivery of community support services to mentally ill persons, in accordance with section 41.47 of this article. An annual plan must be supported by specific budgets.

(b) (i) Local governments shall be granted state aid, in accordance with the provisions of this subdivision, for approved net operating costs pursuant to an approved local services plan at the rate of fifty percent of the amount incurred during the local fiscal year by such local governments and by voluntary agencies pursuant to contract with such local governments; provided, however, that a local government having a population of less than two hundred thousand shall be granted state aid at the rate of seventy-five percent for the first one hundred thousand dollars of its approved net operating costs. Notwithstanding the foregoing, local governments shall be granted state aid of one hundred percent of the net operating costs expended by such local governments and by voluntary agencies pursuant to contract with such local governments for services to people with developmental disabilities who were patients in a state facility for a continuous period of five or more years following the first day of January, nineteen hundred sixty-nine, provided that such services are rendered in accordance with an approved local services plan. Such one hundred percent state aid for services to such persons shall be also provided to a voluntary agency pursuant to a direct contract between such agency and an office of the department whenever such services provided pursuant to such direct contract are rendered in accordance with an approved local services plan for servicing such clients. For purposes of determining whether a person

has been a patient in such a facility for a continuous period of five years or more, if a person who has been discharged or released from such a facility is thereafter returned to such a facility within ninety days of the discharge or release, the period of time between such discharge or release and such return shall not constitute an interruption of, and shall be counted as part of, the continuous period.

(ii) Notwithstanding the foregoing, local governments shall be granted state aid of one hundred percent of the net operating costs expended by such localities and by voluntary agencies pursuant to contract with such local governments for approved demonstration projects, not to exceed three years, for the purpose of conducting alcoholism and alcohol abuse preventive, rehabilitative and treatment services; provided, however, that the commissioner of alcoholism and substance abuse services may extend the demonstration project for one additional year if it is determined that such extension is necessary and would serve the public interest.

(iii) Notwithstanding the foregoing, local governments and voluntary agencies shall be granted state aid of one hundred percent of the net operating costs expended by such localities and by voluntary agencies pursuant to contracts with such local governments or with the office of alcoholism and substance abuse services for alcohol crisis centers, chemical dependency programs for youth, residential services for recovering alcoholics and substance abusers and for alcoholism AIDS coordinators. Such state aid may also be granted to programs transferred from the task force on integrated projects for youth and chemical dependency. Such state aid shall also be granted for non-residential services determined to be necessary to serve the public interest by the commissioner of alcoholism and substance abuse services provided by local governments having a population of one hundred twenty-five thousand or less as determined by the last preceding federal census, or by voluntary agencies pursuant to contracts with such local governments.

(iv) The commissioner shall file a written explanation for action taken pursuant to paragraphs (ii) and (iii) of this subdivision with the director of the division of the budget, the chairman of the senate finance committee and the chairman of the assembly ways and means committee. Such one hundred percent state aid for approved demonstration projects, alcohol crisis centers, chemical dependency programs for

youth, and non-residential rural alcoholism programs, shall also be provided to a voluntary agency pursuant to a direct contract between such agency and the office of alcoholism and substance abuse services whenever such services provided pursuant to such direct contract are rendered in accordance with an approved local services plan for alcoholism and alcohol abuse preventive, rehabilitative and treatment services. Upon completion of the approved demonstration project under paragraph (ii) of this subdivision such program shall be eligible for transitional funding so that the percentage of local contribution for such project does not exceed twenty percent of the cost of such project during the first year of transition, thirty-five percent of such costs during the second year of transition, or fifty percent of such costs during the third year of transition.

For purposes of this section, "chemical dependency program for youth" shall mean a voluntary drug free setting for persons between the ages of twelve and eighteen certified by the office of alcoholism and substance abuse services.

(v) Notwithstanding the foregoing, local governments and voluntary agencies may be granted state aid of up to one hundred percent of the net operating costs expended by such localities and by voluntary agencies pursuant to contracts with the office of mental health for programs transferred from the task force on integrated projects for youth and chemical dependency established pursuant to chapter eight hundred twelve of the laws of nineteen hundred eighty-seven. Such aid may include funds transferred from such task force to the office of mental health.

(c) Local governments and voluntary agencies shall be granted state aid for capital costs pursuant to an approved local services plan at a rate not to exceed fifty percent of the amount eligible for state aid; provided, however, that state aid for capital costs for that portion of a general hospital which provides inpatient psychiatric services to the mentally ill pursuant to an approved local services plan shall be reimbursed at the rate of thirty-three and one-third percent.

(d) The liability of the state in any state fiscal year for state aid pursuant to this section shall exclude chemical dependence services, which are subject to article twenty-five of this chapter, and shall be

limited to the amounts appropriated for such state aid by the legislature for such state fiscal year.

(e) In order to qualify for the state aid available as described in subdivisions (b) and (c) of this section, a local services plan must include provisions for the development of appropriate residential accommodations, consistent with the present and anticipated needs of the mentally disabled with the jurisdiction of the local governmental unit.

(f) No voluntary agency receiving state funds pursuant to this article shall expend any state moneys except for value received and shall not make any charitable contribution of state funds or use any state funds to pay above market value for any goods or services, except as authorized by the offices of the department.