§ 616. Limitations on state aid. 1. The total amount of state aid provided pursuant to this article shall be limited to the amount of the annual appropriation made by the legislature. In no event, however, shall such state aid be less than an amount to provide the full base grant and, as otherwise provided by subdivision two of section six hundred five of this article, no less than thirty-six per centum of the difference between the amount of moneys expended by the municipality for eligible public health services pursuant to an approved application for state aid during the fiscal year and the base grant provided pursuant to subdivision one of section six hundred five of this article.

2. No payments shall be made from moneys appropriated for the purpose of this article to a municipality for contributions by the municipality for indirect costs.

3. Administrative policy changes relating to state aid shall not be implemented without reasonable and statewide advance written notice to municipalities.

4. Moneys appropriated for the purposes of this article to a municipality may include reimbursement of a municipality's fringe benefits, including but not limited to employee retirement funds, health insurance and federal old age and survivor's insurance. However, costs submitted under an application for state aid must be consistent with a municipality's documented fringe benefit costs and shall not exceed fifty per centum of the municipality's eligible personnel services.