

**New York State Joint Legislative Budget Hearing on Mental Hygiene
February 4, 2026**

Testimony submitted to the Joint Legislative Budget Hearing on Mental Hygiene
by the Drug Policy Alliance

The Drug Policy Alliance (DPA) appreciates the opportunity to submit testimony to the Joint Legislative Budget Hearing on Mental Hygiene. The Drug Policy Alliance (DPA) addresses the harms of drug use and drug criminalization through policy solutions, organizing, and public education. We advocate for a holistic approach to drugs that prioritizes health, social supports, and community wellbeing. DPA opposes punitive approaches that destabilize people, block access to care, and drain communities of resources. We believe that the regulation of drugs should be grounded in evidence, health, equity, and human rights. In collaboration with other movements, we change laws, advance justice, and save lives.

We write **in support of the Substance Use Prevention, Education, and Recovery (SUPER) Package**, ([S8637](#), [S4595](#), [S7641](#) *Fernandez*/[A9653](#), [A9318](#), [A9311](#) *Levenberg*) a legislative package that will help to ensure sufficient, transparent, and dedicated funding for substance use care amidst the backdrop of federal funding cuts and an ongoing overdose crisis. In addition, **we support the Drug Checking Services Act** ([S56](#) *Fernandez*/[A808](#) *Kelles*), which will expand a groundbreaking public health tool across New York State.

The Overdose Crisis and Threats to Funding in New York

Across the country and in New York, overdose deaths are down, demonstrating that investments in care are working. Due to a combination of strategies – expanded access to medication for opioid-use disorder, naloxone, drug checking, and education on safer drug use – drug overdose deaths in New York have declined by 31% in the past year, [from 6,123 in April 2024 to 4,220 in April 2025](#). While this decline is relieving and importantly represents lives saved, lifesaving services have yet to see equal impact among all communities and substance use-related health harms extend beyond overdose deaths.

Black, Latine and Indigenous people continue to die at disproportionately high rates both statewide and nationwide. Historical and systemic disinvestment in low-income, Black and Brown neighborhoods combined with hyper-policing and criminalization, has led to increasingly vast disparities in access to care and health outcomes. Punitive responses, stigma, housing instability and homelessness, and lack of access to trusted, culturally responsive health care are contributing to these disparities. This is not a depiction of a crisis abating. The overdose crisis is now most severe for our underserved and criminalized communities.

To ensure overdose deaths continue to decline for all New Yorkers, the state needs a clear and intentional plan to invest in communities with the highest needs. Overdose prevention strategies and substance use treatment must be adequately funded and equitably implemented so that they reach populations most in need. For service providers, hospitals, and healthcare agencies to keep their strategies and services accessible, protecting dedicated funding is essential. Stable funding and sustained investments into healthcare infrastructures for people who use drugs ensures that lifesaving services – such as preventative care, access to medications for opioid use disorder, street outreach, syringe services, naloxone initiatives, and on-demand treatment – can reach those who need them most.

As New York faces steep cuts to Medicaid and other federally funded programs, millions of New Yorkers risk losing access to life-saving services. Given this funding instability, the state must act to strengthen and stabilize our healthcare infrastructure with intentional investments to prevent backsliding on progress. New York is still in a crisis.

New York State's Dedicated Funding for Substance-Use Care

New York's opioid settlement funds – which amount to over \$3 billion – are critical and present an opportunity to provide services and prevent deaths where the need is greatest. This past fall, the Drug Policy Alliance released a [report](#) that examines the current state of New York's overdose crisis and details how opioid settlement funds have been managed and distributed during their first three years. We found that incomplete and inconsistent data and reporting, lack of coordinated planning, and low levels of funding for community-developed and community-based programs are hindering the impact of these funds.

The report makes the following recommendations for how the state can ensure future spending reaches communities where the overdose crisis is most severe:

- Establish a measurable, data-informed statewide plan to reduce overdose death rates, with a focus on communities hardest hit by the crisis.
- Invest in community-based services that focus on overall well-being.
- Expand programs that are designed to serve communities at highest risk of overdose death. This includes Black and Brown, rural, and other underserved communities.
- Report regularly and accurately on where and how funds are spent and which communities are served.
- Train and support community-based workers with lived experience.
- Support small, community-based organizations to apply for funding.
- Provide a virtual testimony option at Opioid Settlement Fund Advisory Board meetings.

In addition to opioid settlement funds, the Drug Treatment and Public Education Fund provides another important funding stream for substance use-related care. In 2021, New York State enacted the Marihuana Regulation & Taxation Act (MRTA). This landmark legislation legalized adult-use cannabis, [brought relief](#) to people previously criminalized, and laid the groundwork for a more

equitable and inclusive cannabis industry. The Drug Policy Alliance led the work to pass the expansive provisions in the MRTA that provide much-needed relief to our community members through restitution for prior criminalization, the elimination of cannabis as a tool for racial profiling, and intentional reinvestment of cannabis tax revenue into communities most impacted by the drug war.

After reasonable state costs, the MRTA dedicates 20% of adult-use cannabis tax revenue to the Drug Treatment and Public Education Fund (DTPEF). The DTPEF aims to support substance use disorder treatment and drug education programs for youth and adults with an emphasis on programs that are culturally and gender-competent, trauma-informed, and evidence-based. The FY27 Executive Budget allocates \$24 million in cannabis tax revenue to the DTPEF. As with the opioid settlement funds, the DTPEF must be transparent and impactful, with a clear plan for its use, and prioritize programs and services that reach communities most harmed by the war on drugs. Thus, we can apply lessons from the first years of opioid settlement fund spending to the DTPEF.

The Substance Use Prevention, Education, and Recovery (SUPER) Package will strengthen and grow the DTPEF, creating sustained funding to support the stability of the substance use continuum of care. The package includes:

Strengthen the Drug Treatment and Public Education Fund ([S8637 Fernandez/A9653 Levenberg](#)): Updates allowable spending under the Drug Treatment and Public Education Fund created by the Marijuana Regulation and Taxation Act to include drug user health, culturally competent treatment, and recovery services. Strengthens transparency through an annual public report on expenditures, and remaining fund balances.

Add Alcohol Excise Tax ([S4595 Fernandez/A9318 Levenberg](#)): Establishes a 5% excise tax on alcoholic beverages sold at retail or on premise with revenue directed to the New York State Drug Treatment and Public Education Fund. Generates \$254-339 million per year.

Redirect the Opioid Excise Tax ([S7641 Fernandez/A9311 Levenberg](#)): Redirects the Opioid Excise Tax from the General Fund to the Drug Treatment and Public Education (DTPE) Fund created in the Marijuana Regulation and Taxation Act. Generates \$20 million per year.

In addition to securing sufficient funding across the substance use continuum of care, we need to pay particular attention to the parts of the care system that are most vulnerable to federal attacks and funding cuts.

Protecting Harm Reduction Programs

In July 2025, the Trump administration issued the “[Ending Crime and Disorder on America’s Streets](#)” Executive Order, which has serious implications for how addiction, mental health, and homelessness are addressed. The Order calls for increased civil commitment and institutionalization for people with substance use disorder and/or mental health disabilities, ending

housing first programs, excluding people with substance use disorder from receiving federal housing and homelessness assistance, impeding the operations of overdose prevention centers, and more.

On January 7th, in response to the White House executive order and other hostile actions against prevention, harm reduction, treatment, and recovery programs, the Senate Finance Committee Democrats released a [memo](#) warning that the Trump administration is "mounting a sweeping assault on Americans living with mental health conditions and substance use disorders (SUD)... **These cuts ignore overwhelming evidence that harm-reduction programs save lives, reduce overdose deaths, and lower health care spending,**" writes the group. Rather than investing in care, the Trump administration has taken steps to defund proven harm reduction strategies, such as overdose prevention centers (OPCs), opting for criminalization and involuntary commitment.

Less than a week later, on January 13th, the Substance Abuse and Mental Health Services Administration terminated approximately \$2 billion in grants to over 2,000 organizations, gutting mental health services, overdose and suicide prevention programs, medication for opioid use disorder, outreach, recovery programs, and more, across the nation. By Thursday, January 15th, after swift and broad outcry, this decision was reversed and grants were restored. However, this callous action, which was carried out in defiance of congressional rejection of the Trump Administration's desire to rapidly dismantle and reorganize the Department of Health and Human Services, signals the willingness to repeat efforts to cut critical programs, with a particular eye toward cuts to harm reduction services. New York has a robust harm reduction infrastructure that includes Syringe Service Programs, Drug User Health Hubs, community-based drug checking, overdose prevention centers, and distribution to naloxone, drug testing strips, and more.

New York's Community Drug Checking Program was established by the New York State Department of Health (DOH) in 2023, following announcement of the program in Governor Hochul's 2023 State of the State address. This public health intervention was established to reduce overdose deaths and other harms and to establish a feedback loop of regular data about the changing unregulated drug supply. Distinct from the more broadly accessible fentanyl or xylazine testing strips – which only confirm if a sample is positive or negative for these substances – drug checking technology offers a granular level of information on the various substances that may be present in a sample.

The Community Drug Checking Program [provides data](#) on the unregulated drug supply that our state has never had before. This new information is critical to our understanding of the supply and its impact on consumers and is key to informing our public health and policy responses. For example, the community drug checking data provides more than the results of the drug sample analysis. The program also captures data on what participants expect their drug sample to contain. According to the State Department of Health (DOH) website, between May 1, 2025 and October 31, 2025, heroin and/or fentanyl were present in 89 percent of the samples in which an opioid was expected. Of all samples during this time period, 57 percent of samples were expected to contain

fentanyl and/or heroin and of the remaining 43 percent of samples, expected substances included methamphetamine, xylazine, cocaine, MDMA, and ketamine. Understanding what substances a person is expecting their supply to contain is critical to reducing harmful, unintended consequences, including overdose.

The Community Drug Checking Program is also enabling the DOH to provide earlier and more contextual public health alerts than was previously available. In June 2024, DOH issued an alert after identifying medetomidine - a synthetic sedative used in veterinary medicine that is more potent than xylazine. Medetomidine was found in 37% of opioid samples in October 2025.

New York State Community Drug Checking Programs are currently operating at 13 harm reduction provider sites across the state at Drug User Health Hubs in Buffalo, Syracuse, Utica, Watertown, Glen Falls, Albany, Schenectady, Hauppauge, Ithaca, Johnson City, Norwich, and the Bronx. In addition, New York City is operating services at five Syringe Service Programs across the city. As of October 31, 2025, 3,519 community drug samples have been tested.

The Drug Checking Services Bill ([*S56 Fernandez/A808 Kelles*](#)) will codify the New York Health Department's Community Drug Checking Program, allowing it to expand to more communities. This will strengthen New York's surveillance of the street drug supply. The bill extends legal immunity to all parties involved in the drug checking infrastructure, an important assurance for providers and participants. This bill also protects the anonymity of participants and ensures the results of any drug checking cannot be entered as evidence in any civil, criminal, or administrative proceedings.

The Legislature can save lives by:

Passing the Substance Use Prevention, Education, and Recovery (SUPER) Package:

*Strengthen the Drug Treatment and Public Education Fund ([*S8637 Fernandez/A9653 Levenberg*](#)):* Updates allowable spending under the Drug Treatment and Public Education Fund created by the Marijuana Regulation and Taxation Act to include drug user health, culturally competent treatment, and recovery services. Strengthens transparency through an annual public report on expenditures, and remaining fund balances.

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Pass the Drug Checking Services Bill ([S56 Fernandez/A808 Kelles](#)): Codifies the New York Health Department's Community Drug Checking Program, strengthens New York's surveillance of the street drug supply, and extends legal immunity to all parties involved in the drug checking infrastructure. This bill also protects the anonymity of participants and ensures the results of any drug checking cannot be entered as evidence in any civil, criminal, or administrative proceedings.

Protecting Opioid Settlement Funds and Increasing Transparency: New York State's opioid settlement funds are a dedicated funding stream for substance use related treatment and uniquely positioned to address the overdose crisis and other drug-related harms at statewide and local levels. We oppose the supplantation of these funds for other gaps in funding and call for increased transparency around the management and distribution of opioid settlement funds to ensure they are strengthening New York's current care infrastructure.

Now is the time for legislators to act to strengthen and stabilize our healthcare infrastructure with intentional investments.

The Drug Policy Alliance urges the Legislature and Executive to pass the SUPER Package and the Drug Checking Services Bill.