



April 19, 2025

Dear Colleagues,

The New York State Office of Mental Health (OMH) is sharing some important updates related to the ongoing litigation New York has undertaken against the current federal administration, as well as other items of concern to New York's public mental health system.

As you know, in February 2025, the federal government announced unexpected and damaging cuts to supplemental block grant funds related to the COVID-19 pandemic which impacted an array of mental health programs across New York State.

On April 17, 2025, New York, and other plaintiff states argued our case in the United States District Court in Rhode Island regarding the motion for a preliminary injunction for the 3 grants. The judge ordered the temporary restraining order to remain in place until at least April 29, 2025, but has not yet ruled on the preliminary injunction being sought by New York and other plaintiffs. We will continue to closely track developments in this case and communicate with both impacted providers and other system stakeholders.

OMH is also monitoring developments related to the upcoming federal FY2026 budget. We are aware of rumored, significant cuts across the United States Department of Health and Human Services and related federal agencies, which were contained in leaked documents obtained by the media earlier this week. OMH is deeply concerned about reductions in federal funding of critical mental health services and the effects this would have upon the health and wellbeing of those we serve. The White House announced that the proposed federal FY2026 budget is scheduled to be released by the end of May 2025, with the possibility of summary outline documents being shared earlier. Needless to say, we have and will continue to closely monitor and review any proposed changes to longstanding federal support of New York's mental health services and share information in a timely manner across our system.

Thank you for your ongoing efforts to ensure that New Yorkers have access to the mental health services and supports necessary to support their hope, resilience, and recovery. If you should have any questions or concerns related to federal developments, please contact [CBFM-FederalUnit@omh.ny.gov](mailto:CBFM-FederalUnit@omh.ny.gov)

Thank you,

A handwritten signature in blue ink that reads "Joe Katagiri".

Joe Katagiri, DrPH, MPA, CPH  
Deputy Commissioner and Chief Financial Officer  
NYS Office of Mental Health