§ 841. Regional and demonstration projects. 1. Demonstration projects. (a) The state unit shall conduct statewide projects and demonstration programs to address the needs of distressed industries and to provide for projects that would lead to the development of innovative strategies to meet the needs of dislocated workers.

(b) Such projects shall emphasize retraining, and include counseling and assessment components.

(c) Funding for such projects shall be allocated through a contract process subject to the state plan and in coordination with the substate grantees affected.

(d) Funding for projects and programs shall be made available in annual rounds, by December thirty-first of each fiscal year beginning in nineteen hundred eighty-nine. The department shall, by rule, establish a solicitation and award evaluation process for funds made available for this purpose. Such rules shall specify the criteria by which the department shall evaluate proposals and determine which shall receive funding. The evaluation process shall consider the ability of the provider to accomplish the proposal based on past performance, administrative capability and fiscal responsibility, the innovativeness of the proposal, the expected improvement in the delivery of services within the area served by the substate grantee, the extent to which elements of the proposal may be replicated in other service areas within the state, and such other factors as the commissioner shall, by rule, prescribe.

2. Regional projects. The state unit shall provide extended retraining and basic readjustment services directly through the department, through awards to substate grantees or through awards by the department to service providers. Substate grantees shall have preference in receiving such grants. Such grants shall be made available from funds allocated to the state pursuant to paragraph (e) of subdivision four of section eight hundred forty-seven of this article and shall be subject to such requirements as are imposed by section eight hundred forty-seven of this article.