§ 21. Welfare management system. 1. The department shall design and implement a welfare management system which shall be capable of receiving, maintaining and processing information relating to persons who have applied for or been determined eligible for benefits under any program for which the department has supervisory responsibilities under this chapter, for the purpose of providing individual and aggregate data to such districts to assist them in making eligibility determinations and basic management decisions, to the department to assist it in supervising the local administration of such programs, and to the governor and the legislature as may be necessary to assist in making major administrative and policy decisions affecting such programs. Such system shall be designed so as to assist local districts and the state in achieving the following goals:

a. reducing mismanagement in the administration of such program, detecting fraudulent practices, and helping identify policies or conditions that will reduce or deter fraud;

b. promoting efficiency in local district determinations of eligibility for public assistance and care and other programs supervised by the department, to expedite such determinations and to reduce unauthorized or excessive payments;

c. achieving compliance with federal laws and regulations and maximizing utilization of federal funds;

d. improving data collection and retention techniques and developing uniform reporting forms and procedures;

e. initiating implementation of such a system for districts other than the district comprising the city of New York, in a manner compatible with expansion of such system to the district comprising the city of New York;

f. being developed and implemented in each social services district, to the extent possible consistent with statewide uniformity, in a manner compatible with maximum utilization of existing data processing systems

and capabilities of such district and with minimum local participation by such district in administrative expenditures directly attributable to the design and implementation of such system; and

g. achieving such other goals consistent with this chapter and other laws as are desirable for improving the administration of such programs.

2. The department shall promulgate regulations, specifying the types of information to be collected and transmitted by each social services district to the department, the methods for collection and transmittal of such information, and the procedures for utilization by social services districts of the data maintained by the welfare management system. Any such regulations shall be published for comment at least thirty days in advance of their promulgation and shall be filed with the secretary of state at least sixty days in advance of the effective date of any such requirement.

3. Information relating to persons applying for or receiving benefits under programs pursuant to this chapter shall be considered confidential and shall not be disclosed to persons or agencies other than those considered entitled to such information in accordance with section one hundred thirty-six of this chapter, when such disclosure is necessary for the proper administration of such programs.

4. The commissioner of labor and his or her designees shall be entitled to access to the welfare management system and the information contained therein for the purpose of administration of the programs for public assistance recipients set forth in title nine-B of article five of this chapter. Use of the information relating to persons applying for or receiving benefits under such programs by the department of labor will be in accordance with the provisions of this chapter.

5. The commissioner of health and his or her designees shall be entitled to access to the welfare management system and the information contained therein for the purpose of administration of the program of medical assistance for needy persons set forth in title eleven of article five of this chapter. Use of the information relating to

persons applying for or receiving benefits under such program by the department of health will be in accordance with the provisions of section one hundred thirty-six of this chapter.

6. By no later than forty-five days following the end of each calendar quarter after the second quarter of calendar year nineteen hundred seventy-six, the department shall, until full implementation has been achieved in all social services districts, report to the governor and the legislature regarding the current status of the welfare management system, summarizing the progress achieved during the previous quarter and the anticipated major achievements of the succeeding two calendar quarters. The report shall include the current and anticipated overall expenditure and staffing levels for functions relating to the system, and shall specify each district affected or anticipated to be affected during the succeeding two calendar quarters and summarize the manner in which each such district is, or is anticipated to be, affected.

7. (a) The full cost of expenditures by the state for the design, development and implementation of the welfare management system shall be borne by the state, utilizing any federal funds made available for such purposes. Social services districts shall not be responsible for participating in state expenditures for any of the following: acquisition, installation, maintenance and operation of a state computer; acquisition, installation and maintenance of the telecommunications network and equipment; development and provision of state mandated forms; modification of existing data processing operations determined by the department to be necessary to assure systems compatibility; and development and provision of training materials and equipment, and costs of staff for training provided by the state.

(b) Expenditures by a social services district for data entry operators determined necessary by the department during the period of conversion to full operation of the welfare management system for such district shall be subject to reimbursement by the state in accordance with section one hundred fifty-three of this chapter to the extent of one hundred percentum of such expenditures after first deducting therefrom any federal funds properly received or to be received on

account of such expenditures.

(c) Expenditures by a social services district other than those set forth in this section shall be subject to state reimbursement as administrative costs in accordance with section one hundred fifty-three of this chapter to the extent of fifty percentum thereof, after first deducting therefrom any federal funds properly received or to be received on account of such expenditures.

(d) The department is hereby authorized to enter into written agreements, subject to the approval of the director of the budget, with not more than three social services districts by which such districts agree to undertake additional administrative functions relating to design, development and testing of the welfare management system, subject to one hundred percent state reimbursement for administrative costs attributable to such functions, after first deducting therefrom any federal funds properly received or to be received on account of such expenditures.

8. The department may enter into the case file of each applicant for or recipient of benefits under the programs of food stamps, aid to dependent children, home relief, veteran assistance, emergency assistance to adults, or medical assistance for whom a case file has been established on the welfare management system information it receives from the appropriate governmental agency concerning a client who has applied for or has been determined to be eligible for workers' compensation benefits, unemployment insurance benefits, and benefits being paid pursuant to titles two and sixteen of the federal social security act (including supplemental state payments). The department may rebudget any case for which it makes an entry where the information received indicates that rebudgeting is appropriate. The department shall immediately notify the appropriate social services district that an applicant or recipient's case has been rebudgeted or of any other direct entry of information into a case file. A social services district shall not be held responsible for any costs incurred as a result of data erroneously entered by the department into the welfare management system.