§ 36-b. Local flexibility incentive pilot program. 1. The department, in cooperation with the department of labor, is authorized to establish the local flexibility incentive pilot program to enable social services districts or groups of social services districts, at local option, to demonstrate innovations and efficiencies to aid public assistance recipients in attaining self-sufficiency.

2. Upon application of a social services district, the department, in cooperation with the department of labor, is authorized to approve funding for pilot programs subject to the approval of the director of the budget, separate from state aid that said social services district or social services districts would otherwise be eligible to receive, and to waive state regulations that would impede the successful completion of a project, provided that the demonstration project is consistent with applicable state and federal statutes and will not impair the general health or welfare of the people receiving services under such project or others receiving services in the applying social services district. The department is authorized, in consultation with the department of labor where appropriate to impose appropriate alternative standards in place of any waived requirements.

3. Applications for pilot project approval shall include, but not be limited to, the name of the applying social services district or group of social services districts, the population, size of its welfare-related programs including medical assistance, family assistance, safety net assistance, emergency assistance to families or its successor programs; size of the population to be subject to the pilot project, the project proposed, with quantified cost savings and an explanation of how such project, if approved, would result in cost containment of the amounts described in the application or improvements in the delivery of services and benefits; the start date and completion date of the project; whether, if successful, the project would require funding in future years; and identification, as necessary, of any rules, regulations or statutory requirements that could impede the successful completion of the project.

4. If a project is approved, then, notwithstanding any inconsistent

provision of law, the department shall provide funding of the project within amounts available by appropriation therefor, provided that no social services district or group of social services districts shall receive more than twenty-five percent of the funds available in any single year. No payment will be made until thirty days after the agreement has been executed. An approved applicant that shall achieve its cost-savings goal shall receive full reimbursement for the costs of such project as such amount shall have been approved by the department in cooperation with the department of labor. In no case shall the state or any of its agencies require remission or repayment of funds saved by any applicant. Reimbursement for successful applicants pursuant to the provisions of this section shall not take place until the department shall have been satisfied as to the savings levels actually achieved.

5. Each social services district or group of social services districts implementing a pilot project under this section shall establish an on-going program evaluation and assessment program employing objective measurements and systematic analysis to determine the manner and extent to which the project is achieving the intended primary objective of the project. Each evaluation and assessment program shall include an annual performance plan with goals which establish target levels of performance expressed as tangible, measurable objectives against which actual achievement can be compared, including a goal expressed as a qualitative standard, value or rate. Each participating social services district or group of social services districts shall submit an annual program performance report for the prior fiscal year to the department, the department of labor and to the governor, the speaker of the assembly and the majority leader of the senate documenting the performance achieved compared with the performance goals established for the pilot project, improvements in the quality of services provided and any cost savings; an explanation if a performance goal was not met and an assessment of the effectiveness in achieving performance goals.

6. Notwithstanding any provision of law to the contrary, state reimbursement for expenditures made by a social services district for administration of any project, including expenditures made in connection

with the development, if performed by a county employee or employees, implementation and operation thereof, shall not be subject to any limitations on administrative expenditures, ceilings or caps which otherwise would apply to the reimbursement of such administrative expenditures.