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 | ADMINISTRATIVE DIRECTIVE |  
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TRANSMITTAL: 98 ADM-1

TO: Commissioners of  
 Social Services

DIVISION: Temporary  
 Assistance

DATE: February 3, 1998

SUBJECT: Local Flexibility Incentive Pilot Programs

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 SUGGESTED

DISTRIBUTION: | Income Maintenance Directors  
 | Food Stamp Directors  
 | Medical Assistance Directors  
 | CAP Coordinators  
 | Employment Coordinators  
 | Directors of Administrative Services  
 | Staff Development Coordinators

CONTACT

PERSON: | Region I (518) 473-0332; Region II (518) 474-9344;  
 | Region III (518) 474-9307; Region IV (518) 474-9300;  
 | Region V (518) 473-1469; Region VI (212) 383-1658  
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 | Fiscal: (Regions I-IV) Roland Levie at 1-800-343-8859,  
 | extension 4-7549 (user ID FMS001) and (Region V)  
 | Marvin Gold at (212) 383-1733, (User ID OFM270).

ATTACHMENTS: | None

FILING REFERENCES

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Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
		300.9	Welfare Reform Act of 1997		

I. PURPOSE

This directive advises social services districts (SSDs) of the availability of the local flexibility incentive pilot program (LFIPP). It addresses what funding is available for these LFIPPs and the process for submitting a plan for approval for a pilot program.

II. BACKGROUND

The Welfare Reform Act of 1997 authorizes the Department to establish a Local Flexibility Incentive Pilot Program which gives SSDs the option of developing and implementing projects which demonstrate innovations and efficiencies to aid public assistance recipients in attaining self-sufficiency and to achieve greater cost savings at the local level. Department regulation 300.9 sets forth the criteria for the LFIPP.

In the past SSDs have had the opportunity to request that certain regulations be waived in order to conduct innovative pilot projects and to simplify local operations. These waivers to regulations were authorized under regulation 300.11 which gives the Department the authority to waive certain regulations for research and demonstration projects. Department regulation 300.9(c) allows for regulation waiver in order to give greater flexibility and establish pilot projects.

III. PROGRAM IMPLICATIONS

Pursuant to Department regulation 300.9, social services districts or a group of social services districts, which are interested in implementing a pilot project, must submit a plan to the Office of Temporary and Disability Assistance for approval by the Office, the Department of Labor and the Division of the Budget. The Office may 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 health or welfare of clients receiving services under the project.

There are no direct Food Stamp, Medical Assistance or Employment implications with regard to this directive. However, each plan which affects Food Stamp, Medical Assistance or Employment policy and regulations, will be reviewed for possible implications by the appropriate agency.

IV. REQUIRED ACTION

All SSDs are eligible to participate in this program. In order for SSDs to become involved in this program they must submit a project plan to:

New York State Office of Temporary and Disability Assistance  
Division of Temporary Assistance  
40 North Pearl Street  
Albany, New York 12243

Attention: Bob Sharkey

A. Plan Submission

Each SSD which applies for a local flexibility incentive pilot project must submit a plan. This plan must include:

- o the name of the district(s) and its population(s) count
- o the size of its welfare-related programs (PA, EAF, MA, etc.)
- o the approximate size and description of the population to be subject to the pilot program
- o a description of the proposed project
- o a description of the quantified cost savings and an explanation of how such project would result in cost containment of the amounts described in the application or improvements in the delivery of services and benefits
- o the proposed start date and completion date of the project
- o whether, if successful, the project would require funding in future years
- o identification of any rules, regulations or statutory requirements that would impede the successful completion of the project

B. Plan Approval Process

Upon the submission of a LFIPP plan, the Office of Temporary Assistance, Department of Labor and the Division of the Budget will review each district's plan and approve the plan in whole or in part within 60 days of the date of submission by the SSD. This time frame may be extended with the agreement of both parties.

If any or all of the plan is not approved, the Office will specify the reason(s) for the disapproval and will specify the steps, if any, the SSD must take to rectify the plan.

The district will then have 30 days from the date the plan was disapproved to amend the plan. The Office will provide assistance as needed to make the amendments.

The Office will then have an additional 30 days from the date of submittal of the amended plan to approve or disapprove the changes.

C. Evaluation and Assessment

In addition to the information submitted in the plan which details the project design, SSDs which implement a pilot project must establish an on-going program evaluation and assessment process. This process must employ objective measurements and systematic analysis to determine the manner and extent to which the project is achieving its intended primary objective. Each evaluation and assessment process must include:

1. 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.
2. An annual program performance report for the prior fiscal year, submitted to the Office, the Department of Labor, 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.
3. An explanation if a performance goal was not met, and an assessment of the effectiveness in achieving performance goals.
4. A description of the improvements in the quality services provided and any cost savings.

D. Allocation of Funds

A total of \$500,000 (100% TANF funds) has been allocated to support these LFIPP projects statewide. The Office is authorized to approve funding for pilot projects in addition to the state aid that the SSD would otherwise be eligible to receive. If a project is approved the Office will provide funding of the project within amounts available by appropriation provided that no SSD or group of SSDs shall receive more than 25% of the funds available in any single year. The amount of such additional funding will be negotiated between the SSD and the Office of Temporary and Disability Assistance, in cooperation with the Department of Labor, and subject to the approval of the Division of the Budget. No payment will be made until 30 days after the agreement is executed.

An approved SSD that achieves its cost-saving goal will receive full reimbursement for the costs of the project up to the amount approved for the project. In no case will the State require remission or repayment of funds saved by any SSD. Reimbursement to districts for successful projects will not take place until the Office has been satisfied as to the savings actually achieved.

V. SYSTEMS IMPLICATIONS

There is no systems funding (i.e., for additional equipment or specialized programming) to separately support this directive and, therefore, there are no direct systems implications with regard to this directive. However, insofar as the pilot project affects systems applications, each plan will be reviewed for possible systems implications.

VI. CLAIMING INSTRUCTIONS

Those districts that have a pilot project approved will report their costs as F17 function code expenditures and claim them on the Schedule D-17 "Distribution of Allocated Costs to Other Reimbursable Programs" (DSS-3274). The costs from the Schedule D-17 are to be brought forward to a DSS-3922 form entitled, "Financial Summary For Special Projects" labeled "LFIPP" and reported on the appropriate lines.

The costs will be reported in the Total Column and claimed at 100% Federal Share provided the recipients are all Family Assistance eligible. Reimbursement is available up to the limit of the approved pilot project amount with these costs being outside the local district administrative cost cap. Reimbursement will be made in accordance with the requirements of Section D Allocations of Funds."

VII. EFFECTIVE DATE

This provision is effective February 1, 1998.

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Patricia A. Stevens  
Deputy Commissioner  
Division of Temporary Assistance