

(8) ESTABLISHING CONTRACTUAL AGREEMENTS WITH PRIVATE OR PUBLIC ENTITIES TO PROVIDE CHILD SUPPORT SERVICES.

(E) NOTWITHSTANDING ANY OTHER PROVISION OF LAW AND FOR THE PURPOSE OF CARRYING OUT THE PROVISIONS OF THIS SECTION, THE SECRETARY SHALL HAVE THE AUTHORITY TO SEVER CONTRACTUAL AGREEMENTS WITH A STATE'S ATTORNEY AND HIRE PRIVATE COUNSEL TO PROVIDE LEGAL REPRESENTATION FOR THE CHILD SUPPORT ENFORCEMENT ADMINISTRATION.

(F) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ALL EMPLOYEES HIRED IN THE DEMONSTRATION SITE AFTER OCTOBER 1, 1995 SHALL BE IN THE UNCLASSIFIED SERVICE OF THE STATE PERSONNEL MANAGEMENT SYSTEM.

(2) IF A POSITION IN THE DEMONSTRATION SITE IS HELD BY A CLASSIFIED SERVICE EMPLOYEE ON SEPTEMBER 30, 1995, THE POSITION REMAINS A CLASSIFIED SERVICE POSITION UNTIL THE POSITION BECOMES VACANT, AT WHICH TIME THE POSITION SHALL BECOME AN UNCLASSIFIED POSITION.

(G) (1) THE SECRETARY SHALL ESTABLISH A PERFORMANCE INCENTIVE PROGRAM TO PROVIDE PAY INCENTIVES FOR EMPLOYEES IN THE DEMONSTRATION SITE.

(H) THE POWERS OF THE SECRETARY TO CARRY OUT THE PROVISIONS OF THIS SECTION SHALL BE CONSTRUED LIBERALLY.

SECTION 2. 4. AND BE IT FURTHER ENACTED, That any provisions of Section 1 of this Act which require the approval of federal waivers by the U.S. Department of Health and Human Services or the U.S. Department of Agriculture are contingent on such approval and will not take effect before the beginning of the period covered by such waivers. If any required federal waivers are not approved on or before December 31, 1995, the provisions of Section 1 of this Act which require such waivers shall be null and void without the necessity of further action by the General Assembly.

SECTION 3. 5. AND BE IT FURTHER ENACTED, That ~~the Department of Human Resources and the Department of Health and Mental Hygiene shall jointly prepare applications for federal waivers required to implement this Act as well as to implement a statewide managed care program for Medical Assistance recipients of this State. Those applications shall provide, to the extent permissible under federal law and regulation, for savings realized from managed care to be used to support any additional costs required to carry out welfare reform created by this Act.~~ The the Department of Human Resources shall issue a report to the Legislative Policy Committee of the Maryland General Assembly and the Department of Fiscal Services on the final status of all federal waiver requests and other aspects of welfare reform prior to the implementation of the Welfare Reform Pilot Program established under Section 1 of this Act. The Department of Human Resources may not implement the Pilot Program until at least 30 days after the Legislative Policy Committee has and the Department of Fiscal Services have received the report.

SECTION 4. 6. AND BE IT FURTHER ENACTED, That the Department of Human Resources shall work with the Department of Economic and Employment Development to make businesses aware of the grant diversion program established under