

# ANNUAL REPORT 1985 - 1986



DEPARTMENT OF PERSONNEL  
FRANKFORT,  
KENTUCKY

THOMAS C. GREENWELL  
COMMISSIONER



COMMONWEALTH OF KENTUCKY  
DEPARTMENT OF PERSONNEL  
CAPITOL ANNEX  
FRANKFORT, KENTUCKY 40601

THOMAS C. GREENWELL  
COMMISSIONER

MARTHA LAYNE COLLINS

October 1, 1986

Honorable Martha Layne Collins  
Governor of Kentucky

Honorable Philip Taliasterro  
Chairman, Kentucky Personnel Board

In accordance with KRS 18A.030(12) I am submitting this Annual Report of the Department of Personnel for fiscal year 1985-1986.

Sincerely,

A handwritten signature in cursive script that reads "Thomas C. Greenwell".

Thomas C. Greenwell, Commissioner  
Department of Personnel

## DEPARTMENT OF PERSONNEL HIGHLIGHTS

1985—1986

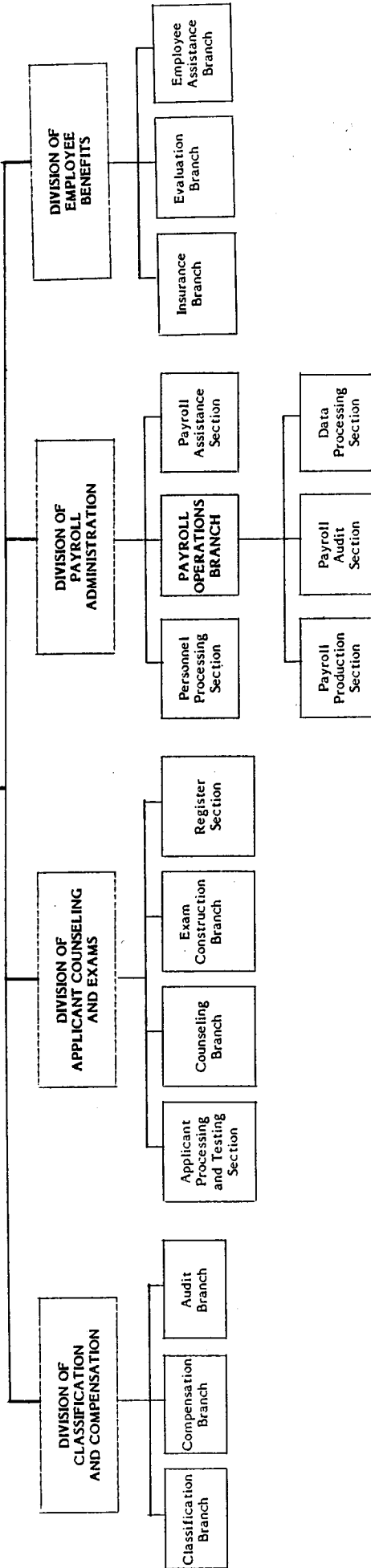
- Ten percent increase in Direct Deposit of state employee paychecks
- Electronic processing of personnel actions expanded and improved
- Electronic position history file implemented, providing instant access management reports
- Improvement of electronic files security
- Agency electronic entry of payroll data refined to improve accuracy and save time
- Establishment of uniform procedures in processing backpay orders
- Expansion of Deferred Compensation plan to include the 401K option
- Seventy-five percent cut in semi-annual statement error rate of Deferred Compensation since Department of Personnel assumed administration of the system
- While-you-wait grading of applicant examinations implemented
- Enhancement of measures to help accommodate handicapped job applicants
- Employment outreach extended to area high schools
- Improvement of job test security
- Training begun for new Employee Evaluation System
- Expansion of the Skills Bank and improved methods of recruitment within EEO office
- Local health department employees added to state group health insurance contract
- Addition of ten Health Maintenance Organizations (HMO's) and expanded service areas for greater employee options

## CONTENTS

|  |     |
|--|-----|
| Organizational Chart .....   | 1   |
| Department Structure .....   | 2   |
| Accomplishments  |     |
| Direct Deposit of Employee Paychecks .....                                 | 3   |
| Personnel Processing .....   | 3   |
| Instant Access Management Reports .....                                    | 3   |
| Files Security .....   | 3   |
| Payroll Changes .....  | 4   |
| Backpay Orders .....   | 4   |
| Deferred Compensation .....  | 4   |
| Examination Grading .....  | 5   |
| Help for the Handicapped .....   | 5   |
| High School Outreach .....   | 5   |
| Test Security .....  | 5   |
| Employee Evaluation .....  | 5-6 |
| EEO Office .....   | 6   |
| First Aid Stations .....   | 6   |
| Health Insurance .....   | 7   |
| Workers' Compensation .....  | 7   |
| Group Life Insurance .....   | 7   |
| Employee Suggestion System .....   | 8   |
| Division of Classification and Compensation Statistical Report .....       | 9   |
| Division of Applicant Counseling and Examinations Statistical Report ..... | 10  |
| Employee Facts .....   | 11  |

DEPARTMENT OF PERSONNEL

COMMISSIONER'S OFFICE



## DEPARTMENT STRUCTURE

**The Division of Applicant Counseling and Examinations** is responsible for the recruitment and examination of merit system job applicants and for the certification of appointments and promotions of state employees.

**The Division of Classification and Compensation** is responsible for preparation and maintenance of the job classification and compensation plans for state employees. This work includes review of all personnel position actions, job audits, revision of class specifications, and salary surveys.

**The Division of Payroll Administration** is responsible for the audit and certification of all state payrolls; the preparation and maintenance of all employee records; the preparation of employee information reports; and administration of the state Deferred Compensation System.

**The Division of Employee Benefits** administers the health and life insurance options available to state employees; coordinates the state Workers' Compensation program; provides central training and direction for the Employee Evaluation System; coordinates the state's Equal Employment Opportunity efforts; conducts safety and health awareness events; oversees the nurses' stations in Frankfort state buildings; and counsels state employees on their employment benefits.

**The Office of the Commissioner** provides executive policy and management support to the divisions of the department; promulgates administrative regulations; advises the Personnel Board on matters pertaining to the classified service; conducts investigations on all matters relating to the personnel laws and rules; prepares budget estimates for support of the personnel system; provides personnel services to unclassified employees according to agency agreements; and provides for such other services as are enumerated in KRS 18A.030.

## ACCOMPLISHMENTS

### Direct Deposit of Employee Paychecks

Since the implementation of direct deposit of paychecks in the spring of 1983, this benefit to employees has continued to grow in employee participation. In the past biennium, an additional 850 employees have signed up for the program. The number of participants now totals almost 8,000. Not only does direct deposit of pay save the employees time, but it has also reduced errors and overtime for state agencies, as well as for the Division of Payroll Administration.

### Personnel Processing

The processing section of the Division of Payroll Administration processed over 111,000 personnel actions during the 1985-'86 fiscal year. This volume of document processing has been simplified by the installation of electronic edits of salary calculations, installation of retirement and fair labor standards act information on the personnel document, and the implementation of revised personnel action documents. Each of these changes aids in the error-free processing of actions and in the rapid approval and turnaround of agency-submitted actions.

### Instant Access Management Reports

As a supplement to the electronic employee action file, the Division of Payroll Administration implemented the electronic position history file. With this change, agency personnel officers now have at their fingertips the complete history of all their positions and employees. This on-line information is updated daily, so the agency has up-to-the-minute data to use in making personnel decisions.

### Files Security

The security of the electronic personnel files has been modified to limit access down to all levels of the organizational structures within an agency. This enhancement allows personnel officers at the branch level, for example, to access their branch data only. With this change, each agency now has the capability of allowing middle-level managers access to their own data, thus making the electronic personnel files available as a management tool to more individuals. This electronic file system has also eliminated paper costs that used to run a penny per page.

### Payroll Changes

The electronic entry of time and attendance data using the Payroll Time and Labor (PTL) system has brought substantial time savings for agencies. Not only does this system decrease time involved in payroll preparation, but with the on-line edits, the accuracy increases greatly. Currently, time and attendance for 70% of eligible employees is reported using this progressive system. In addition to the continuing training offered in all areas of payroll preparation, the Division of Payroll Administration has also implemented program changes to accommodate the taxation of fringe benefits (state provided vehicles) and the new medicare tax for "FICA-Exempt" employees.

### Backpay Orders

The Division of Payroll Administration also developed and issued the first standard procedures for computing and preparing court and board ordered backpays. The issuance of these procedures has simplified the payroll officer's job in compiling the legally required documents. It has also established uniform procedures for all state agencies.

### Deferred Compensation

The Kentucky Employees Deferred Compensation program has begun two progressive programs this fiscal year. First, the deferred compensation option is now offered to other public employers, such as county offices. Second, a new plan option--the 401K--is now available to all eligible employees. The program, under the administration of the Payroll Administration Division, has increased by more than 10% in participants during the 1985-'86 fiscal year.

Since administration of the deferred compensation system was assumed by the Department of Personnel, the error rate on the semi-annual statements has decreased from approximately 8% to less than 2%.



### Examination Grading

Applicant tests are now graded immediately for applicants who test in Frankfort and finish before 2:30 p.m., allowing the applicant to receive his score while he waits (approximately 20 minutes). The instant grading eliminates the ten day to two week waiting period and reduces departmental postal costs previously incurred by mailing test scores.

### Help for the Handicapped

The Division of Applicant Counseling and Examinations continued efforts to accommodate the needs of handicapped applicants during 1985-1986. Staff members attended workshops on deaf awareness, received additional training on using the TTY telephone, arranged for sign language interpreters for deaf applicants, and continued taping exams for blind applicants.

### High School Outreach

Through visits to area high schools, staff of the Division of Applicant Counseling and Examinations met students and discussed state employment opportunities. The division also held special testing sessions at Frankfort area high schools.

### Test Security

Following a thorough study of security measures in the testing unit, the Kentucky State Police recommended some steps to improve the security of state job tests. The division has since implemented appropriate changes.

### Employee Evaluation

The Kentucky Employee Evaluation System was developed by a committee of state employees and later modified by legislation enacted by the 1986 General Assembly. This new evaluation system went into effect in July 1986.

In April of 1985, Governor Collins appointed the Employee Evaluation Committee. The committee was made up of men and women representing virtually all agencies and various job classifications. The average length of state service was over 12 years. This committee was charged with developing a new and effective employee evaluation system for Kentucky's state employees.

The committee made every effort to initiate a system that was both effective and capable of responding to future needs. Various evaluation plans used by private business, as well as other states and the federal government, were studied and considered. However, this Employee Evaluation System represents a unique effort to address the specific needs and concerns of Kentucky's state government employees.

The Department of Personnel has implemented, and will continue to monitor, the evaluation system as well as provide training for evaluators. An advisory committee made up of state employees will assist in the continuing development and review of the evaluation system.

### EEO Office

With the establishment of the Division of Employee Benefits, the EEO Office was transferred to that division. While continuing to monitor personnel actions that affect minorities, females, and handicapped persons, the office reviewed all job classes and reassigned skill codes used in producing the annual report made to the Equal Employment Opportunity Commission.

Sessions were held with agency EEO Coordinators and some Agency EEO Counselors to update them on EEO activities and program requirements. A Skills Bank Coordinator was designated for a smoother operating, more accountable system of recruitment, referral, and follow-up. Additionally, specialized recruiting was conducted when the Skills Bank could not supply enough qualified applicants to meet agency requests.

### First Aid Stations

First Aid services are available in four major work areas in Frankfort. They are the Capitol Annex, State Office Building, Capital Plaza Tower and at U.S. 127-S Building Complex. Other areas are serviced on a regular basis by the nurses.

The nurses at each station provide first aid services for accidents, temporary treatment for minor medical complaints, health counseling and assistance for all emergencies within their buildings. They do regular blood pressure checks for employees, keeping records which are available to physicians upon request. Referrals are made to individual physicians, clinics, and hospitals as necessary.

### Health Insurance

The Commonwealth's health insurance coverage for state and boards of education employees was expanded in several ways during the 1985-'86 fiscal year. Effective January 1, 1986, approximately 1,700 local health department employees were added to the state's group health insurance contract.

Additionally, ten more Health Maintenance Organizations (HMO's) were offered to employees. Along with more HMO carriers came expanded service areas in counties across the state where HMO alternative coverage had not previously been offered.

The traditional insurance coverage continued to be administered by Blue Cross/Blue Shield of Kentucky. The benefits offered under that plan did not change during this period.

### Workers' Compensation

The Division of Employee Benefits administers the Workers' Compensation insurance for all employees in state service and the state colleges and universities (except the Department of Transportation and the University of Kentucky).

Automated reports are received on claims from our adjuster, GAB Business Services, and are monitored closely for problem areas.

During fiscal year 1985-'86, more than 5,000 job-related injuries were reported, causing a substantial increase in the cost of claims.

### Group Life Insurance

The Division of Employee Benefits also administers the employees' group life insurance program. An estimated 100,000 state and school board employees are provided coverage under the plan. The current contract was awarded in 1984 following competitive bidding.

### Employee Suggestion System

During fiscal 1985-'86, the Employee Suggestion System presented 12 employees cash awards totaling \$3,565 in recognition of their money-saving ideas. One employee received the maximum allowable award of \$2,500.

The Employee Suggestion System continues to serve as state government's most effective employee incentive program. In the past year, savings to the state as a result of employee suggestions amounted to nearly \$60,000.

## ANNUAL REPORT 1985-1986

### DIVISION OF APPLICANT COUNSELING AND EXAMINATIONS

#### STATISTICAL REPORT

##### Examination Construction Branch

|  |       |
|--|-------|
| Classes for which selection methods were developed | 265   |
| Classes opened for testing                         | 177   |
| Written examinations constructed                   | 43    |
| Training and Experience guidelines constructed     | 38    |
| Exam statistical analyses                          | 84    |
| T & E evaluations                                  | 4,201 |

##### Applicant Processing and Exam Administration Section

|  |        |
|--|--------|
| Written examinations administered and graded | 72,851 |
| QUAL applications processed                  | 20,714 |
| Total number of applicants                   | 48,003 |

##### Counseling Branch

|                            |        |
|----------------------------|--------|
| Applicants interviewed     | 17,723 |
| Personnel actions reviewed | 12,720 |

##### Register Section

|                            |        |
|----------------------------|--------|
| Certificates issued        | 4,516  |
| Appointments from register | 4,173  |
| Purge cards processed      | 31,248 |
| Verifications              | 5,114  |

**DIVISION OF CLASSIFICATION AND COMPENSATION****STATISTICAL REPORT**

|   |     |
|---|-----|
| New Job Classes Established   | 81  |
| Job Classes Abolished   | 39  |
| Job Classes Revised   | 107 |
| Pay Grade Changes, Adjustments, and Special<br>Entrance Rates Established | 48  |

**EMPLOYEE FACTS**

(as of June 30, 1986)

31,847 are in the Executive Branch

216 are in the Legislative Branch

1,992 are in the Judicial Branch

Of the total permanent full-time employees in the Executive Branch:

46.9% are female

7.9% are minority

The average permanent full-time employee in the Executive Branch:

Earns \$18,847 per year salary

Receives \$ 4,467 in benefits