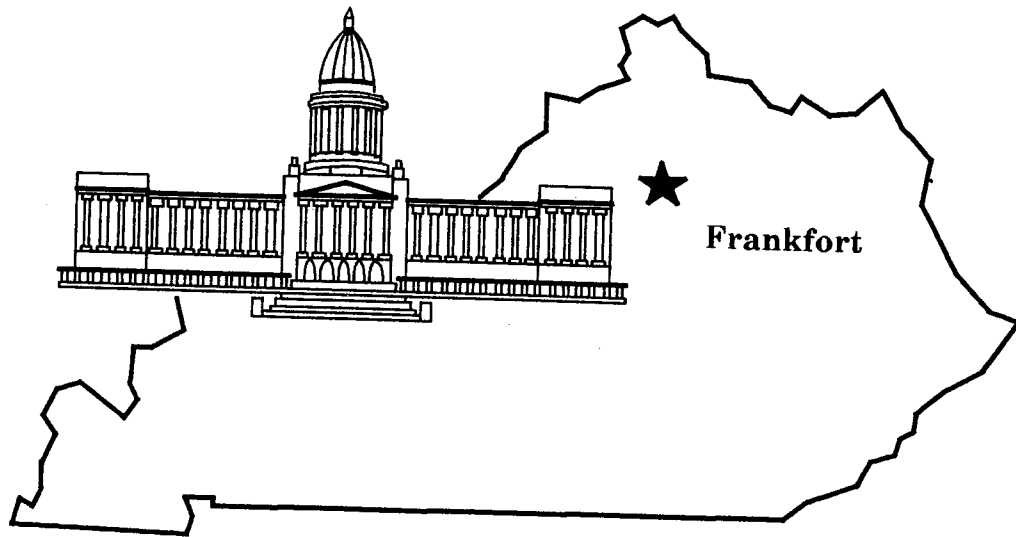


ANNUAL REPORT 1986 - 1987



**DEPARTMENT OF PERSONNEL
FRANKFORT,
KENTUCKY**

**THOMAS C. GREENWELL
COMMISSIONER**

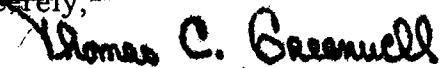
October 1, 1987

Honorable Martha Layne Collins
Governor of Kentucky

Honorable James S. Way
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 1986-1987.

Sincerely,



Thomas C. Greenwell, Commissioner
Department of Personnel

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DEPARTMENT OF PERSONNEL

COMMISSIONER'S OFFICE

DIVISION OF CLASSIFICATION AND COMPENSATION

Classification Branch

Compensation Branch

Audit Branch

ADMINISTRATIVE SERVICES BRANCH

DIVISION OF PAYROLL ADMINISTRATION

Personnel Processing Section

PAYROLL OPERATIONS BRANCH

Payroll Assistance Section

Payroll Production Section

Payroll Audit Section

Data Processing Section

DIVISION OF EMPLOYEE BENEFITS

Insurance Administration Branch

Employee Assistance Branch

Employee Evaluation Branch

DIVISION OF APPLICANT COUNSELING AND EXAMS

Applicant Processing and Testing Section

Counseling Branch

Exam Construction Branch

Register Section

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; conducts administrative functions through the Administrative Services Branch (e.g., budget, accounting, personnel actions, payroll, purchasing, and property management); provides personnel services to unclassified employees according to agency agreements; and provides for such other services as are enumerated in KRS 18A.030.

Electronic P-1 Tracking

In response to state agencies' need for up-to-the-minute information on P-1's in-process within the Department of Personnel, the Division of Payroll Administration has installed new computer programs with on-screen menus and instructions for "calling up" pending actions and their current status.

If the requested P-1 is not on the "Pending" file, the agency knows it has been either approved and posted automatically to the individual's electronic P-1 file, or it has been returned without approval to the agency submitting it.

Payroll and Personnel Management Reports

By requesting information from a list of reports already available, agencies may now avoid high costs of programming and eliminate much accounting paperwork. The *Reports List* enables all agencies to access specific payroll and personnel information pertinent to them.

Total State Service Verification

When an employee transfers from one agency to another, the total service credit is automatically transferred by computer to the receiving agency and becomes available for immediate access. Placing this information on the computer eliminates manual searching through files and saves time and money.

Electronic P-1 Processing

By enabling agencies to machine generate their own P-1's and electronically transfer them to the Department of Personnel, processing time is reduced by 30% and near-100% accuracy is assured.

The XP (Express P-1 Processing) System has the potential to reduce training time from three or more hours to 15-20 minutes, and P-1 preparation time will be reduced by as much as 80%.

Computerized EEO Reports

All previously manual calculations (12 columns) are now done by computer, leaving state agencies just three columns (goals) to complete on these twice-yearly reports. Programming these reports on computer saves an estimated 75+ % of work previously done by agency EEO workers.

Deferred Compensation System

With use of more specialized computer programs, the Kentucky Public Employees Deferred Compensation System has been able to save time in anticipating and reconciling deferrals from payroll centers. The result is faster and more accurate investments and exchanges of participant's deferrals. Additionally, transfer of monies by wire and a policy of immediate investments have streamlined the system's operations.

Through competitive bidding, two new mutual fund annuities have been added to the already-available ten variable funds. A Universal life insurance option also replaced the term life and disability income options.

Exchange of funds between carriers now are, in most cases, free of surrender charges. The surrender charge on fixed annuities has been reduced. Participants are now able to learn the value of their accounts by telephone, updated to the close of the previous business day.

During fiscal 1986-'87, the Deferred Compensation System has grown from 13,654 to 16,343 participants. Total account values as of June 30, 1987, are \$121,510,855.85, up from \$99,051,367.19 on that date one year ago.

First Aid Stations

Monthly health promotions and health pamphlet libraries have been established this year in the four major work areas in Frankfort. They are in the first aid stations in the Capitol Annex, State Office Building, Capital Plaza Tower, and at U.S. 127-S Building Complex. These are staffed by our nurses.

The nurses, in addition to working toward establishing wellness in the workplace, provide first aid services for accidents, temporary treatment for minor medical complaints, health counseling, and assistance for all emergencies within their buildings. They also do regular blood pressure checks for employees, keeping records which are available to physicians upon request.

KEAP

The Kentucky Employee Assistance Program opened its doors on October 15, 1986. KEAP is an assessment and referral service dedicated to helping employees find solutions to the personal problems that may hinder their effectiveness at work.

All state employees and their families are eligible for KEAP, and there is no cost for its information or referral services.

Employee Suggestion System

The Kentucky Employee Suggestion System has continued to reap substantial savings from the cash incentive program since it was implemented in 1981. Cash awards were presented to 15 state employees during fiscal year '86-'87 totaling \$14,837.70 with first year savings of \$266,715.80.

Four maximum awards of \$2,500 each were received -- the most ever given at one ceremony.

Workers' Compensation

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

Job-related injuries rose by 14% during fiscal year 1986-'87, with over 5,700 claims filed, causing a substantial increase in costs. Automated reports are received on all claims and are monitored closely for problem areas.

Group Life Insurance

State employees' group life insurance program is administered through the Division of Employee Benefits. Approximately 100,000 state and school board employees are provided coverage under this plan.

Health Insurance

Health insurance coverage for the indemnity carrier, Blue Cross and Blue Shield, saw very little change during the past year although fewer employees elected that type of coverage. Three additional Health Maintenance Organizations (HMOs) or alternative plans were offered to state employees while one plan discontinued coverage. Alternative health care enrollment grew during last year to approximately 37% of eligible employees.

During the recent open enrollment period, employees were introduced to a new benefit relating to health insurance. Eligible state employees now have the option to have their health insurance premiums paid with "pre-tax" dollars, thereby reducing the amount of taxes paid for state, federal, and social security.

Safety Program

A Safety Loss Control Program for the benefit of employees of all agencies covered under our Workers' Compensation program has been established in the Employee Benefits Division, which is responsible for implementation, development, coordination, and administration of the program.

Safety representatives who will administer the program in their own agency have been requested from each agency.

EEO Office

Chief among the accomplishments of this office was the planning and presenting of the Governor's First Annual Kentucky State Government EEO Conference at the Convention Center which had nearly 300 persons in attendance. The office has also participated in training of new managers in EEO and Affirmative Action through the Governmental Services Center and the Department of Transportation's EEO Conference.

The EEO Office regularly receives referrals from the Personnel Board regarding grievances or appeals. Additionally, the office has been involved in the resolution of numerous grievances at agencies' request. Referrals have been received from the newly formed Kentucky Employee Assistance Program (KEAP).

Information was gathered and prepared for the semi-annual EEO report to the governor as well as the annual EEO-4 report to the Equal Employment Opportunity Commission. As always, the office is routinely involved in interviewing applicants, making referrals, assigning skill codes to new job specs and selectively monitoring employee personnel actions.

DIVISION OF CLASSIFICATION AND COMPENSATION
STATISTICAL REPORT FOR 1986-1987

New Job Classes Established	64
Job Classes Abolished	32
Job Classes Revised	186
Pay Grade Changes, Adjustments, and Special Entrance Rates Established	85

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DIVISION OF APPLICANT COUNSELING AND EXAMINATIONS

Examination Construction Branch

Classes for which selection methods were developed	237
Classes opened for testing	165
Written examinations constructed	39
Training and Experience guidelines constructed	39
Exam statistical analyses	46
T & E evaluations	3,450

Applicant Processing and Exam Administration Section

Written examinations administered and graded	58,525
QUAL applications processed	17,776
Total number of applicants	39,644

Counseling Branch

Applicants interviewed	15,862
Personnel actions reviewed	14,820
Mail in applications reviewed	18,020

Register Section

Certificates issued	4,113
Appointments from register	3,017
Verifications	4,021

EMPLOYEE FACTS

(as of June 30, 1987)

32,372	are in the Executive Branch
218	are in the Legislative Branch
2,300	are in the Judicial Branch

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

46.8	are female
7.8	are minority

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

Earns	\$19,760	per year salary
Receives	\$6,718	in benefits