



COMMONWEALTH OF KENTUCKY  
**DEPARTMENT OF PERSONNEL**

CAPITOL ANNEX  
FRANKFORT, KENTUCKY 40601

**THOMAS C. GREENWELL**  
COMMISSIONER

**WALLACE G. WILKINSON**  
GOVERNOR

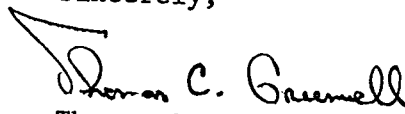
September 29, 1989

The Honorable Wallace G. Wilkinson  
Governor, Commonwealth of Kentucky

Mr. James M. Shake  
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 1988-1989.

Sincerely,

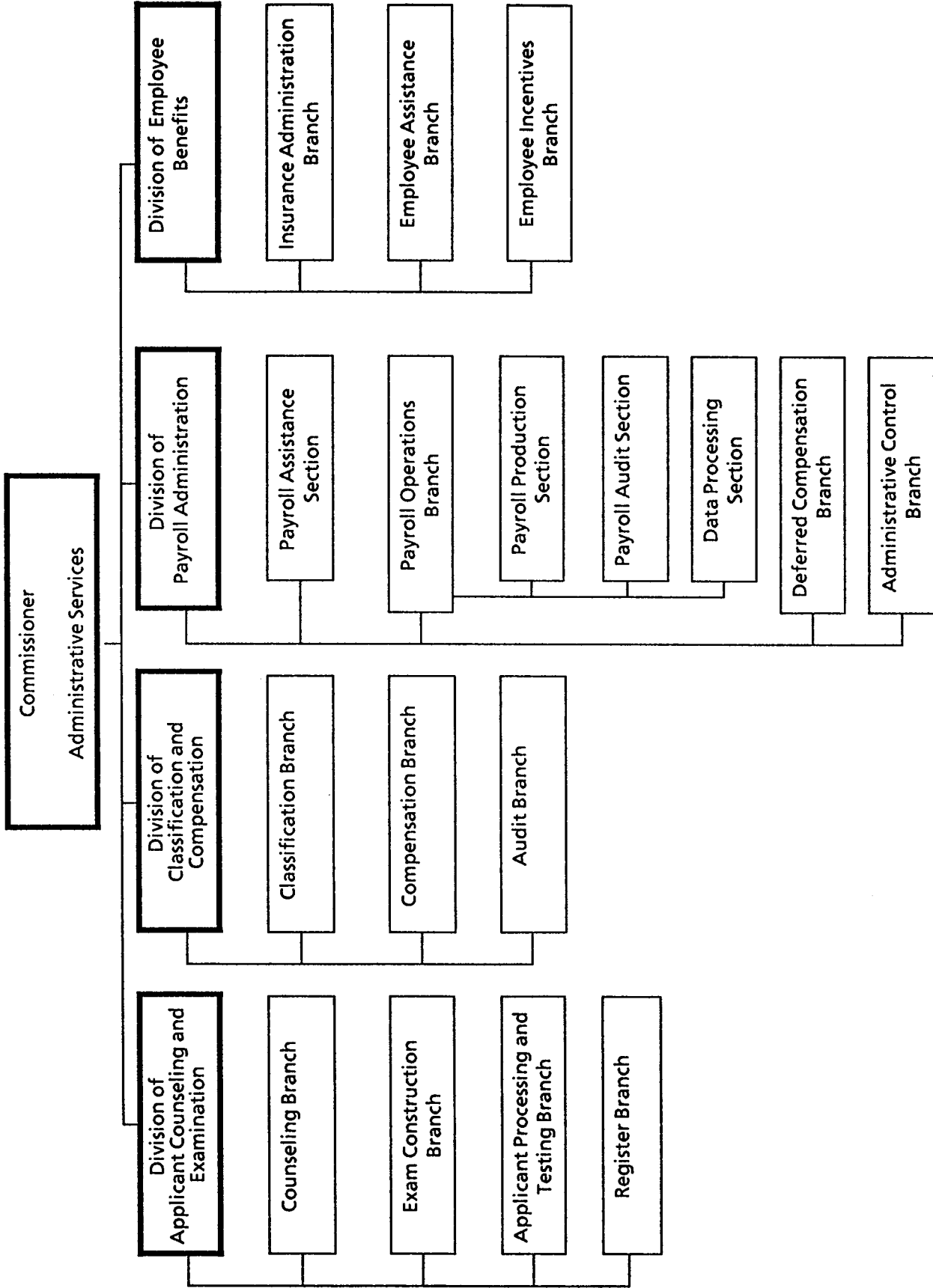
  
Thomas C. Greenwell

TCG/cw

## CONTENTS

Organizational Chart .....	1
Organization .....	2
Achievements .....	3
Statistics .....	6
Employee Facts .....	8

DEPARTMENT OF PERSONNEL (FY Ending 06-30-89)



**ANNUAL REPORT**  
**Department of Personnel**  
**ORGANIZATION**

**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.

**Division of Applicant Counseling and Examinations**

Recruits and examines applicant for the classified service and certifies appointments and promotions of all state employees.

**Division of Classification and Compensation**

Prepares and maintains job classification and compensation plans for state employees, including the review of all personnel position actions, job audits, revision of class specifications and salary surveys.

**Division of Payroll Administration**

Audits and certifies all state payrolls; prepares and maintains all employee records; prepares employee information reports; and administers the Kentucky Deferred Compensation System.

**Division of Employee Benefits**

Assists employees who are troubled; coordinates compliance with the Equal Employment Opportunity programs; administers the health and life insurance options for state employees; coordinates safety in the workplace programs; promotes health awareness and maintenance through the nurses stations in state office buildings; and administers the Employee Suggestion System.

## FY 88-89 ACHIEVEMENTS

### Deferred Compensation Program Now Statewide, Has Over 400 Agencies

The Deferred Compensation program has now grown to a statewide operation with state agencies, school/universities, and local public employers participating in our program. Forty-three percent of the employers participating in the program are state agencies, 36% are schools/universities and 21% are local public employers. We currently have 90 local public employers under the system including county fiscal courts, health departments, city governments, public libraries, water districts, etc.

### "Dial Your Account"--A New Service for those in the Deferred Compensation System

The Department of Personnel is delighted to announce the implementation of our "Dial Your Account" Service for Deferred Compensation participants. This service will enable participants to obtain current account values, both Fixed and Variable, directly from the computer by simply making a single telephone call (via push button phone only). Effective immediately, between the hours of 8:30 a.m. and 4:30 p.m., all participants can find out the value of their account on that date by telephoning 502-564-6537.

### New Performance and Volume Records Set by Deferred Compensation

Major performance records were achieved with the June 30, 1989 Kentucky Deferred Compensation Statement of Accounts. There were:

1. All time record number of statements were prepared--20,747.
2. Lowest error rate--0.0240% (only 5 errors).
3. Earliest mail date ever--nearly all participants received their statement within 20 working days (many as early as July 29, 1989). This outperforms similar systems that have been in operation many years.
4. All time system account value high--\$173 million compared to the previous \$150 million.

The program has grown due to a variety of factors, including improved administration, the Board's addition of a 401(k) deferred compensation program to supplement the 457 program, and changes in the Federal tax law. The new tax law created some restrictions and eliminated some tax-favored fringe benefits such as the IRA. All these factors go toward making deferred compensation one of the best tax shelters available for employees.

The growth of participation in the system by other public employers enables administrative services to be provided more economically to all agencies. The present charge is \$1 per month per plan for administration of each participant's account. The charge has remained the same for several years now and it is not likely to change in the foreseeable future. Our goal is to be able to handle higher volumes of work and participants and continue to provide more services.

### Personnel Department Selected as Test Site for Application of Video Text and Voice Response Technology

Commissioner Greenwell was informed recently that the Department of Personnel has been selected as the test site for an application of some new computer procedures that would make services and information more accessible to state agencies and the public in general. The new procedures involve voice response and video response.

Voice response refers to the situation in which you call a phone number and the computer reads information to you. The Personnel Department has been interested for some time in computerized voice response technology. The reason is that the process would allow the Department to extend several of its services to the public and others beyond regular working hours (8-4:30).

Generally, there is a great deal of information that job applicants and the general public wish to have. Examples include Merit system tests that are available (open) to applicants, locations of state offices, dates and times tests are to be given at test centers, etc. Much of this kind of information could be made available through a "video text" type of data base. In other words, any interested person could dial up through a terminal to find this information. In years to come, one could visualize tubes (computer terminals) in cafeterias or other public places that would be available to the general public.

#### **New Voice Response Technology Applied in Personnel to Extend Services**

The Personnel Department has just completed the initial phase of automation of certain aspects of information relating to the Merit System Register. This phase allows applicants, agency personnel workers, and others to telephone the computer and learn what is the fifth score for a given county anytime, 24 hours a day.

#### **Electronic Display of Documentation Requirements Increases Processing Speed**

With the press of a button, personnel administrators can now view a screen to see what types of documentation are required for the personnel action they are submitting via XP. What documentation is required has always been a problem for personnel administrators. It is estimated that agencies send in roughly 40% excess documentation. The improvement means less paperwork and faster processing times for state agencies.

#### **XP System (Express P-1s) Expansion to all P-1s Slated for June 16--Five Year Goal Now Nearly Complete**

This year marked the Personnel Department's final phase of installing remaining types of personnel actions on the electronic P-1 system.

Although many of the systems installed by Personnel has created much enthusiasm among personnel administrators and others, the XP System ranks among the very highest of them. The XP System represents one major step of many that are designed to allow the personnel administrator to manage resources better and implement goals faster.

#### **New System to Radically Improve Payroll Processing--Video and PSON are out, POPY is in**

This new system had major productivity implications for state agencies because it eliminated the need for transaction numbers to be the primary consideration in payroll preparation. The volume of staff workers (over 200) and transactions (several thousand yearly) translates to significant benefits each year to the State.

Effective April 1, the use of Video 370 was discontinued. (We have long recognized the obsolescence of Video 370.) Additionally, the Payroll Inquiry files of "PSON" and "PSOM" are gone. Both of these systems are being replaced with the new system.

"POPY" stands for "Personnel's Online Payroll". POPY is a system with multiple capabilities. It is an *inquiry system*, with screen formats designed to contain closely related information. It is an *update system*, with change indicators preceding each field that can be updated. It is an *addition system*, with the capability of adding employees. It is a *secure system*, with access controlled down to the unit level where desired.

### Group Life Insurance

State employees' group life insurance program is administered through the Division of Payroll Administration. Approximately 110,000 state and school board employees are provided coverage under this plan. For the first time since this benefit was initially provided some twenty years ago, the amount of coverage provided by the Commonwealth was increased. State employees' coverage increased from \$5,000 to \$6,560, and the state matching amount of coverage for school board employees increased from \$3,000 to \$3,935.

### Workers' Compensation

The Division of Payroll Administration administers the Workers' Compensation insurance for state employees, volunteer firemen, volunteer ambulance personnel, state colleges and universities (except the Department of Transportation and the University of Kentucky).

Approximately 68,850 employees are provided coverage under this self-insured program. Job-related injuries for fiscal year 1988-89 resulted in 5,709 claims filed. Automated reports are received on all claims and monitored closely for any problem areas.

### Health Insurance

- Became self-insured
- Published "Health Choice" booklet for the first time.
- Enrolled approximately 59,000 in Kentucky Kare Plans (Kare and Select).
- Contracted with 98 hospitals to participate in Kentucky Kare Plans.
- Wrote Member Handbook for Kentucky Kare Plans.
- Flex savings to Commonwealth of \$1.006 Million and \$.4 Million for employees on Flexible Benefits.
- Premium concentration program to process Kentucky Kare Plans premium.
- Increased staff by four to handle necessary tasks.
- Established a Benefit Specialist Team.
- Eight alternative plans, or Health Maintenance Organizations (HMOs), continued to earn employee interest, with enrollment growing to approximately 52% of eligible employees.

### Affirmative Action--EEO

- Narrowed the salary gap for both females and minorities
- For the first time in the history of state government, there is at least one minority employee in each state cabinet/agency with ten or more employees, and
- A 0.54% increase in the total percentage of female employees.

**ANNUAL REPORT FY88-89**

**DIVISION OF APPLICANT COUNSELING AND EXAMINATIONS**

Classes for which selection methods were developed .....	229
Classes opened for testing .....	137
Written examinations constructed .....	18
Training and Experience guidelines constructed .....	28
Examinations administered, graded, and processed .....	43,796
Applicants interviewed .....	20,731
Mail in applications reviewed .....	23,848
Personnel actions reviewed .....	13,002
Certificates issued .....	5,450
Appointments from register .....	4,337
Co-op Appointments .....	270
Verifications .....	8,158



**ANNUAL REPORT FY88-89**

**DIVISION OF CLASSIFICATION AND COMPENSATION**

New job classes established .....	63
Job classes revised .....	95
Job classes abolished .....	26
Pay grade changes .....	125
Special entrance rates implemented .....	40

**ANNUAL REPORT**

**Department of Personnel**

**EMPLOYEE FACTS  
(as of June 30, 1989)**

Executive Branch .....	32,992
Legislative Branch .....	219
Judicial Branch .....	2,104

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

48.3% are female

7.9% are minority

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

Earns \$20,689 per year salary

Receives \$3,724 in benefits