

Personnel Cabinet Annual Report 2000-2001

**Paul E. Patton
Governor**

**Carol M. Palmore
Secretary**

2000-2001

Annual Report

Personnel Cabinet

All information contained in this report is as of
June 30, 2001.

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Core Values, Vision and Mission

CORE VALUES

- ◆ Customer Focused – We are committed to providing quality customer service. We strive to demonstrate responsiveness, sensitivity, and respect to those we serve.
- ◆ Equal Opportunity – We are committed to providing full and equal access to employment and other human resources services.
- ◆ Innovation – We are committed to promoting the proactive use of human resources, technology, and progressive thinking.
- ◆ Openness – We are committed to fostering an environment in which all people have access to the Commonwealth's human resources programs and information.
- ◆ Integrity – We are committed to maintaining the highest ethical and legal standards that promote competence, accountability, and public trust.

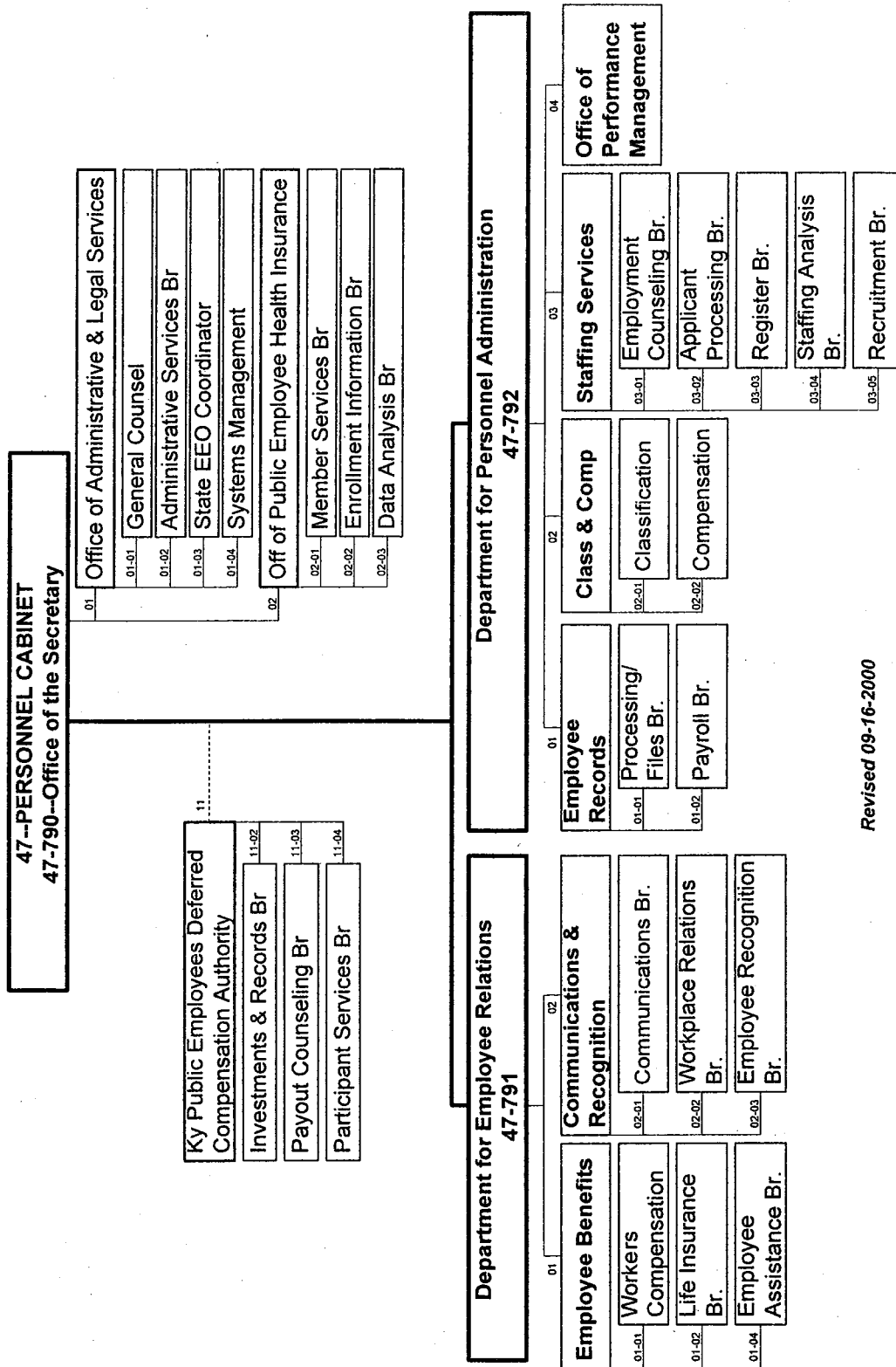
VISION

To serve as a national model for innovative, accessible, and responsive human resources services.

MISSION STATEMENT

The Personnel Cabinet is dedicated to providing exceptional services and leadership for effective, efficient, and proactive human resources management systems.

Organizational Chart



Revised 09-16-2000

Responsibilities

Office of the Secretary

Provides executive policy and management support to the departments/divisions of the Cabinet; 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.

Kentucky Public Employees' Deferred Compensation Authority

The Kentucky Public Employees' Deferred Compensation Authority (Authority) is a "voluntary" supplemental retirement benefits program available to Kentucky public employees (this includes employees of state government agencies, public school systems, state universities, and local government entities).

Office of Administrative and Legal Services

The Office of Administrative and Legal Services is responsible for overseeing the internal operations, personnel management and all legal related services for the Cabinet. In addition to coordinating the efforts at the cabinet level, the Executive Director serves as the Cabinet's Chief Information Officer (CIO) and represents the Cabinet in this capacity at the statewide level.

General Counsel

In addition to providing legal services to the Personnel Cabinet, including drafting legal pleadings, memoranda, statutes, regulations, and legal opinions, the General Counsel represents the Personnel Cabinet and its employees in administrative hearings and trials; serves as Custodian of Records for the purpose of the Open Records Act; consults with other agency officials and employees on the enforcement and application of state and federal laws and regulations governing employment; testifies before legislative committees; conducts training; and serves as an expert witness in trials concerning the State Merit System.

Administrative Services Branch

The Administrative Services Branch is responsible for the Personnel Cabinet's budgeting, accounting, purchasing, property management and payroll administration.

Responsibilities

Systems Management Branch

The Systems Management Branch is responsible for overseeing the computerization of the Personnel Cabinet as well as providing the technical support required to keep the IT solutions operational.

Equal Employment Opportunity Unit

The Equal Employment Opportunity Unit monitors the progress of the State's Affirmative Action Plan and reports to the Cabinet Secretary semi-annually on that progress; assists agencies in their recruiting efforts to meet or surpass the affirmative action goals; provides technical assistance to state agencies in the investigation of discrimination complaints; and provides training on EEO and Sexual Harassment Prevention.

Department for Employee Relations

The Department for Employee Relations coordinates new employee orientation and the Cabinet's annual Employee Day, which is a part of Public Employee Recognition Week. In addition, this department coordinates logistics for the annual Governor's EEO Conference (the major training event for EEO counselors and coordinators, personnel executives, and managers) including registration, development, and scheduling of 50 workshops and 5 general sessions for more than 700 participants.

Division of Communications and Recognition

This division is responsible for the Employee Suggestion System and the Career Service Program for state employees. In addition, the division publishes and distributes the *Commonwealth Communiqué* newsletter which is sent quarterly to all state government employees, as well as the *Personnel Perspective* newsletter, which is sent monthly to all Personnel Cabinet employees. Staff also provides ADA technical assistance and training to the Personnel Cabinet and, upon request, to other state agencies.

Division of Employee Benefits

This division is responsible for the Life Insurance Program, the state employees' Workers' Compensation program, the coordination of the State Safety Program, the Employee Assistance Program, and the administration of the Sick Leave and Annual Leave Sharing Programs and the Family Medical Leave Act. Many of these programs serve employees of other governmental entities such as local school districts, universities, and other local governments.

Responsibilities

Since November 1, 1998, the Personnel Cabinet, Department for Employee Relations, has been administering the Adoption Benefits Program to assist executive branch state employees in reimbursement of expenses incurred in the adoption of a child. This program is now administered through the Division of Employee Benefits. During the fiscal year ending June 30, 2001, this department approved 21 employees for reimbursement of expenses that totaled \$70,714.78. This brings the program to a total of 42 approvals, totaling \$125,304.85, since its inception.

Department for Personnel Administration

Division of Employee Records

This division is responsible for maintaining the central personnel files mandated by KRS 18A.020; processing personnel documents and position actions; operating and maintaining a uniform payroll system; implementing lay-off plans mandated by KRS 18A.113 to 18A.1132; certifying payrolls as required by KRS 18A.125; and monitoring and assisting state agencies in complying with the provisions of the Federal Fair Labor Standards Act (FLSA).

Division of Classification and Compensation

This division prepares and maintains job classification and compensation plans for state employees covered by Chapter 18A, including the review of all personnel position actions, job audits, revision of class specifications, and salary surveys.

Division of Staffing Services

This division has five broad areas of responsibility. These are: applicant processing, applicant counseling, recruiting, examination construction, and register maintenance. Within these areas are the duties of examination research and development; review of personnel actions for minimum requirements; provision of information concerning state government employment, administration, grading and processing of examinations to applicants and employees; maintenance of register files; verification of applicant information; and certification of merit registers.

Office of Performance Management

This office is responsible for coordinating and implementing the employee performance evaluation system throughout state government.

Deferred Compensation Authority

Office of the Secretary

Kentucky Public Employees' Deferred Compensation Authority

The Kentucky Public Employees' Deferred Compensation Authority (Authority) is a "voluntary" supplemental retirement benefits program available to Kentucky public employees (this includes employees of state government agencies, public school systems, state universities and local government entities).

Kentucky's Deferred Compensation plans have maintained their high ranking among Government Deferred Compensation plans. Based on the most recent survey data provided by the National Association of Government Deferred Compensation Administrators (NAGDCA) for IRS-457 Plans, the Kentucky Authority is twenty-first (21st) in the nation, both in terms of 457 Plan assets and the number of participants, and ninth (9th) with respect to the 401(k) Plan. Also, a separate report indicates Kentucky ranks sixth (6th) in both assets and participants for those states reporting both 457 and 401(k) Plans. According to the NAGDCA survey, Kentucky continues to rank ahead of several more populous states.

During Fiscal Year 2000-2001, the Authority Board:

- For a fifth (5th) consecutive year authorized a significant "reduction" in participant fees (expected to save participants approximately \$525,000 per year), including a first year free provision for new participants on and after July 1, 2000. This represents a combined five (5) year fee reduction totaling approximately \$2,781,000 on a **recurring** annual basis.
- Completed the first year of a three-year (3) record keeping, mutual fund investing, consulting, marketing agent and communications services contract with National Deferred Compensation and Nationwide Retirement Solutions. During the first year of these new contracts, the Authority experienced third party administrator cost reductions of approximately \$500,000.
- Completed the first year under the restructured Fixed Contract Fund (FCF) investment process with PRIMCO Capital Management (PRIMCO) of Louisville, Kentucky as discretionary manager. PRIMCO's sole business is stable value asset management. This new structure has enabled the FCF to: 1) increase credit quality; 2) increase asset diversification; 3) improve rate responsiveness; reduce costs (approximately \$250,000 per year) and 4) improve the FCF participant crediting rate.

Deferred Compensation Authority

- Enhanced the interactive web site (www.kentuckydcp.com) through which participants may make exchanges, options changes, increases/decreases, review their account(s), view the *Spectrum of Investment Options (Spectrum)*, review plan details, obtain fund prices, and obtain program forms and literature. The frequently asked questions section of the Web site was substantially expanded, the forms and *Spectrum* options were improved, and 401(k) Plan loan modeling was added during fiscal year 2001.
- Implemented further refinements to the *Spectrum* to offer participants a more diversified and comprehensive investment vehicle, as well as to emphasize the importance of asset allocation.
- Introduced a participant enrollment kit to be used by Marketing to better educate prospective participants on how to invest for retirement.
- Received an outstanding achievement award from NAGDA for a fifth consecutive year. Kentucky is the only state to receive this prestigious national recognition award for five consecutive years. Kentucky is also a nominee for a sixth year.

In addition, the Authority has achieved yet another record breaking year as participation and assets again reached new highs. The following graphs, charts, and tables represent the combined results from the Authority's 457 and 401(k) retirement plans through June 30, 2000:

- *Participant Volume* – Graph 1 and the accompanying table indicates the phenomenal growth rate the Authority continues to experience. The number of plan participants (with account balances) increased from 48,845 as of June 30, 2000, to 53,776 as of June 30, 2001. This represents an increase of 4,931 participants or a 10% increase as of the 2001 fiscal year end.
- *Plan Assets* – Graph 2 and the accompanying table shows that 2000 plan assets, on a calendar year basis, were negligibly higher than 1999 (2000 - \$899 million vs. 1999 - \$898 million). Assets, on a fiscal year basis, have decreased from \$920 million as of June 30, 2000, to \$892 million on June 30, 2001, representing a \$28 million decrease, or approximately 3%. This experience, although negative, was approximately 1% better than the national average.
- *Plan Trends* – Several important trends continued during Fiscal Year 2000–2001 within the Deferred Compensation program.

Investments – Graph 3 indicates quarterly participant investments have increased for a sixth (6th) consecutive year. Quarterly investments have increased from \$19.4 million as of June 30, 2000, to \$28 million at

Deferred Compensation Authority

June 30, 2001. This is an increase of \$8.6 million or approximately 44%. This increase was significantly inflated by the rollover of \$7.6 million from a new employer during the second quarter of 2001.

Plan Assets Allocation – Graph 4 and the accompanying table demonstrate that participants invested more (although at a slightly decreasing rate) into the mutual funds than into the Fixed Contract Fund (FCF). This is also the fifth (5th) consecutive year in which investments into the mutual funds were greater than into the FCF in *each* quarter of the year. Graph 5 indicates the allocation of assets is now \$602 million (67.5%) in the mutual funds and \$278 million (31.2%) in the FCF. The remaining 1.3% represents insurance company benefit accounts and loans.

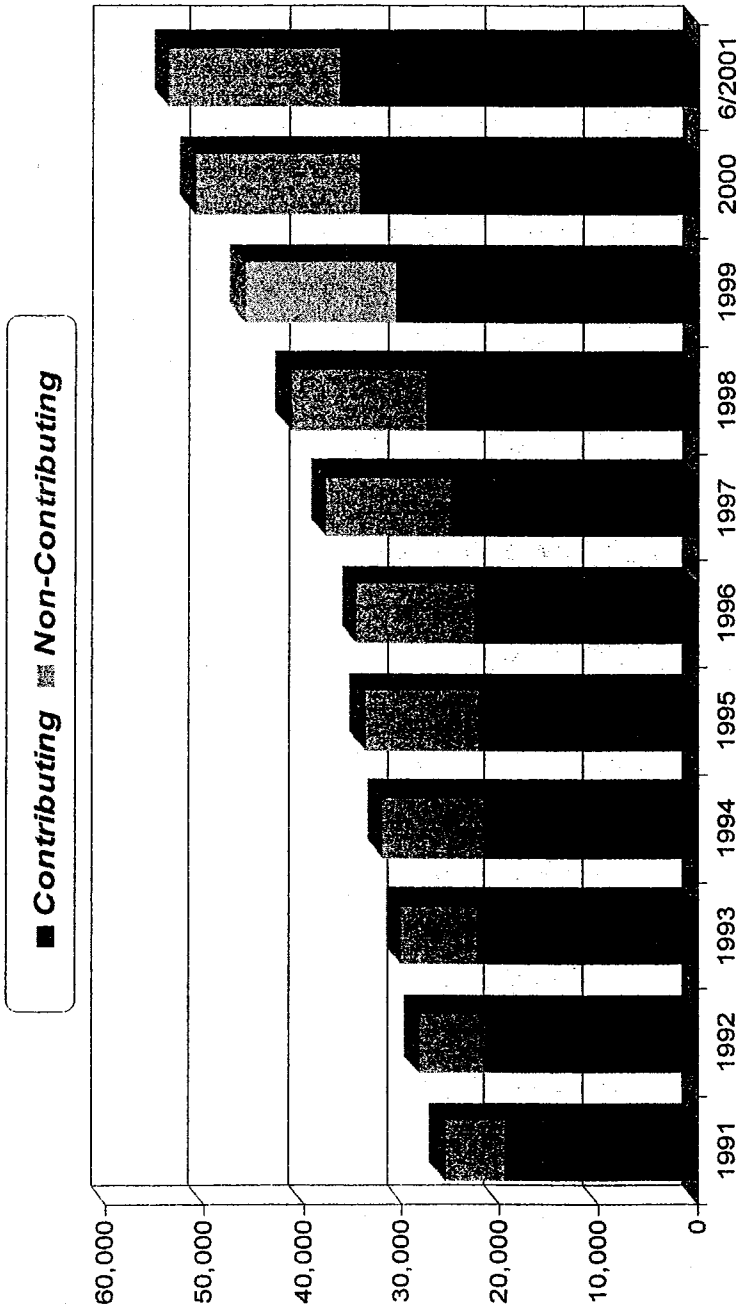
- *Investments* – Graph 6 demonstrates annual investments increased substantially again this fiscal year and totaled \$95.3 million compared to \$78.1 million at June 30, 2000, representing a 22% increase. The percentage of investments into the 401(k) Plan increased approximately 18% to approximately 76%. For the fiscal year ended June 30, 2001, the dollars invested in the 401(k) Plan exceeded those invested in the 457 Plan by almost \$51 million.

The Authority currently offers participants thirty-one (31) investment options to select from. The investment spectrum ranges from conservative – to – moderate – to – aggressive. This spectrum of investments consists of twenty-nine (29) mutual funds, one (1) money market fund and one (1) stable value or fixed fund product.

Deferred Compensation Authority

Kentucky
Deferred Compensation
Authority

Total Participants by Year (With Account Balances) As of June 30, 2001



NationalDeferred

Deferred Compensation Authority

Kentucky
Deferred Compensation
Authority

Total Participants by Year (With Account Balances) 1991 - 6/30/2001

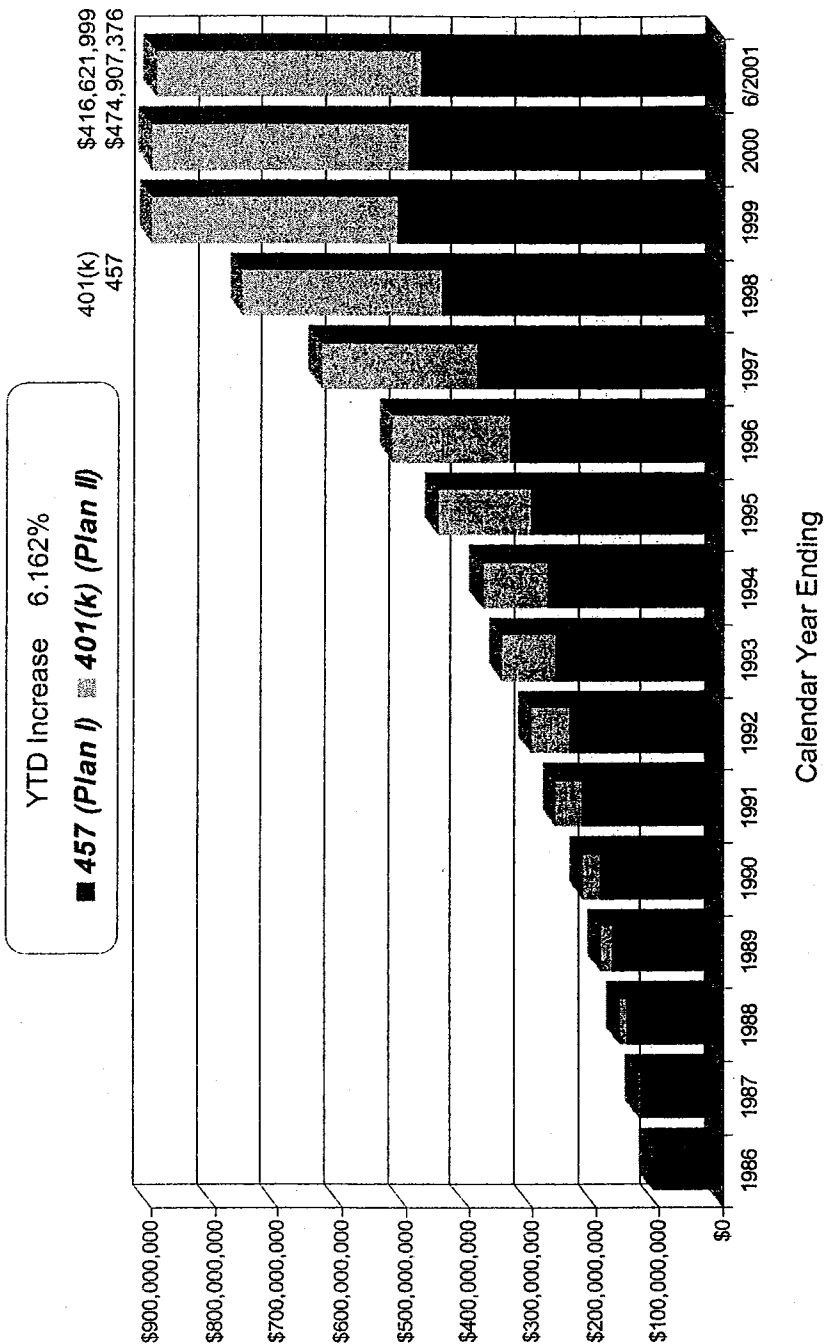
1991	26,691
1992	29,146
1993	30,188
1994	32,024
1995	33,781
1996	34,589
1997	37,330
1998	41,016
1999	46,187
2000	51,099
06/30/01	53,776

National Deferred

Deferred Compensation Authority

Kentucky
Deferred Compensation
Authority

Asset Growth by Year (Excluding Life Insurance and Uninvested Receipts)



NationalDeferred

Deferred Compensation Authority

Kentucky
Deferred Compensation
Authority

Asset Growth by Year

(Excluding Life Insurance and Uninvested Receipts)

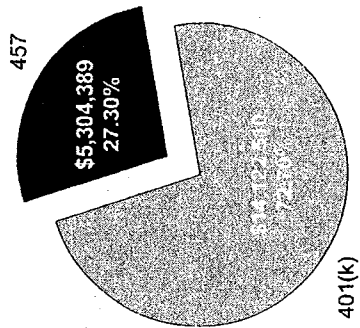
Year	Assets
12/31/91	\$260,551,464
12/31/92	\$299,421,872
12/31/93	\$345,628,472
12/31/94	\$377,971,229
12/31/95	\$445,688,072
12/31/96	\$518,994,025
12/31/97	\$631,499,204
12/31/98	\$755,721,008
12/31/99	\$897,692,891
12/31/00	\$899,064,718
6/30/01	\$891,529,375

NationalDeferred

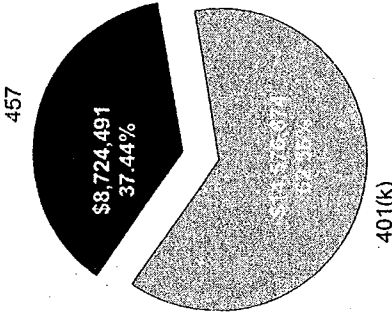
Deferred Compensation Authority

Kentucky
Deferred Compensation
Authority

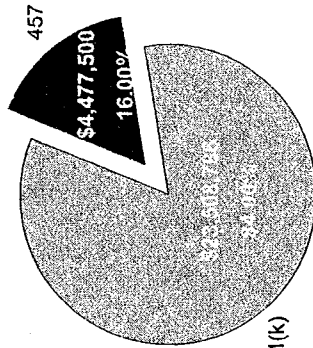
Deferral Investments By Quarter (Excluding Life Insurance and Uninvested Receipts)



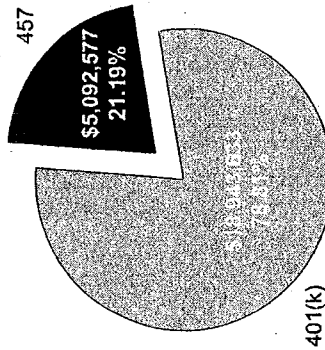
6/30/00



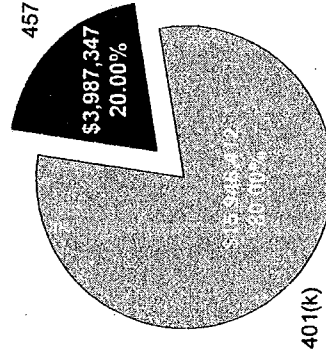
9/30/00



6/30/01



12/31/00



3/31/01

National Deferred

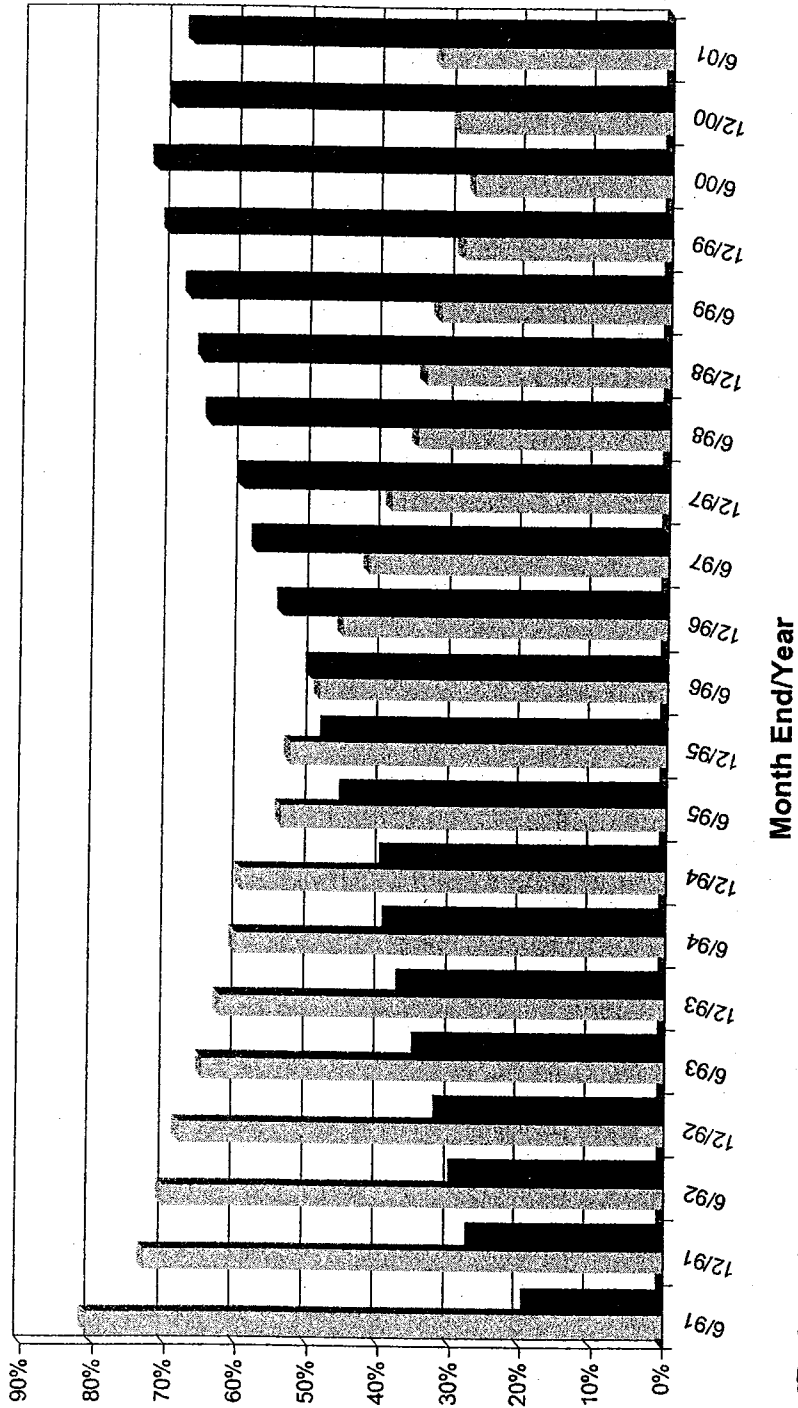
Deferred Compensation Authority

Kentucky
Deferred Compensation
Authority

Percentage Allocation of Assets

(Excluding Life Insurance and Uninvested Receipts)

■ Fixed Contract, Payouts, & Loans ■ Mutual Funds & Variable Annuity



National Deferred

Assets - Fixed and Variable
Second Quarter 1998 to Second Quarter 2001

Year	Fixed	Variable
6/98	\$241,314,310	\$460,551,898
12/98	\$251,352,384	\$503,980,246
6/99	\$256,551,756	\$561,120,867
12/99	\$274,967,238	\$622,725,653
6/00	\$268,524,880	\$651,705,621
12/00	\$259,967,624	\$639,097,095
6/01	\$277,977,742	\$601,929,070

NationalDeferred

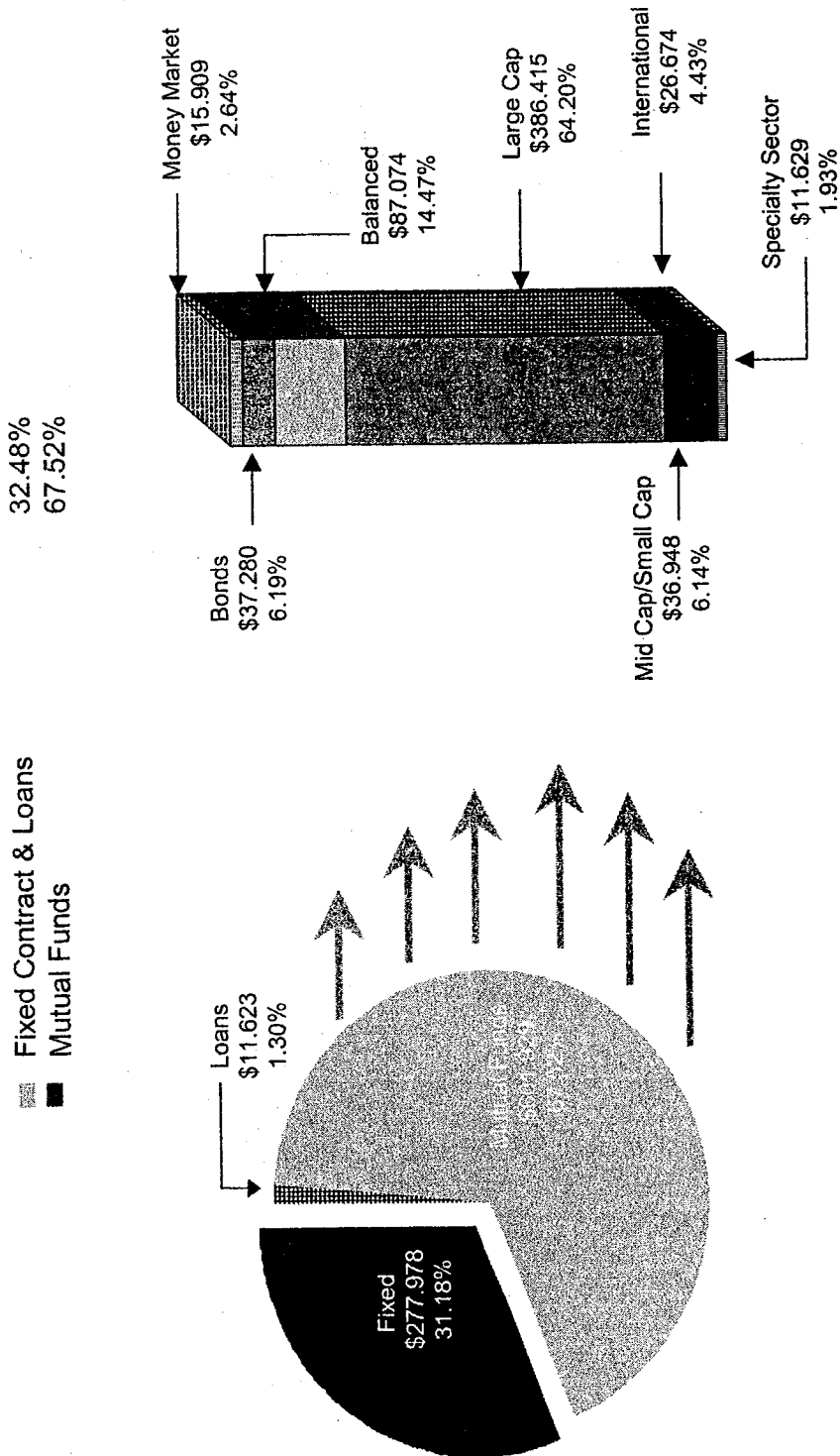
Deferred Compensation Authority

Kentucky
Deferred Compensation
Authority

Allocation of Plan Assets

As of June 30, 2001

(Excluding Life Insurance and Uninvested Receipts)
(Dollars in Millions)



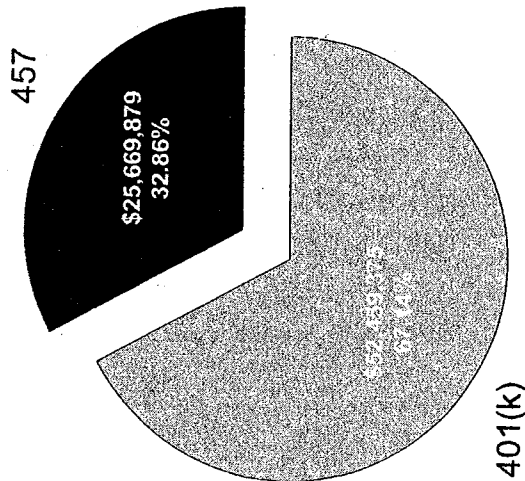
NationalDeferred

Deferred Compensation Authority

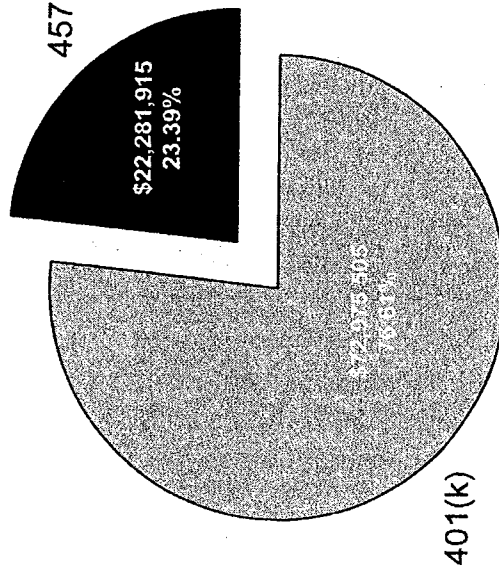
Kentucky
Deferred Compensation
Authority

Annual Deferral Investments (Excluding Life Insurance)

Year Ending
June 30, 2000



Year Ending
June 30, 2001



NationalDeferred

Office of the Secretary

Cooperative Education and Internship Program

- The Office of the Secretary's Kentucky State Government Cooperative Education and Internship Program continues to be successful. A database was installed this year with approximately 500 active applicants. The database serves as a mechanism for reporting to educational institutions and state agencies. The system also provides queries to fill special requests from agencies.

The program serves as a recruiting tool for agencies that cannot find potential employees with appropriate skills in order to fill their vacant positions. The program helps agencies meet their short-term staffing needs in critical skill areas.

- Approximately 75% of the participants represent students from colleges and universities, 15% of the participants represent students from high schools, and 10% of the participants represent students from vocational/technical schools.

The location of Kentucky State University continues to serve us well in immediate and special recruitment efforts in the number of students available and critical skill areas, such as engineering, pre-engineering, biology, chemistry, computer science, political science, accounting, criminal justice, and others.

- It also serves as a mechanism for Kentucky students to obtain practical on-the-job experience and academic credit as part of their educational experience. During this year, the participation by high schools has decreased, but the geographic location of participating educational institutions is broader.
- Requests have increased for recent co-op/intern graduates for possible full-time employment. Student applications are reviewed by an employment counselor and if qualified, applicants are sent a test authorization by mail. The requesting agency is notified and the application is also forwarded to the Job Bank.

Administrative & Legal Services

Office of Administrative and Legal Services

- Participated in a feasibility study for a new Integrated Personnel Payroll System (IPPS).
- Played a major role in developing the Cabinet's Strategic Plan. Both the Internal Consultant and the Logistics Coordinator assigned to this project are assigned to this office. In addition, all the professional staff assigned to this office served as members of the Strategic Planning Full Team.
- In a joint effort with the Governor's Office for Technology (GOT), this office has been working on an employee self-service pilot project. Employees in Personnel and GOT have been testing this program and it is expected to be rolled out to all employees in state government in the next fiscal year.
- Assisted GOT in writing and reviewing several IT contracts.
- Security of electronic data was a major focus for this office in FY 2001. Worked with the Auditor's Office to identify potential problem areas and made necessary modifications to secure all data.
- The Deputy Secretary of the Cabinet continued to perform the duties of the State EEO Coordinator.
- This office monitored both the budget and staffing patterns for the Cabinet.
- Worked with GOT in developing their KY Employee Direct Intranet site.

Office of the General Counsel

- Wrote approximately 113 Opinion Letters, memoranda or other personnel-related documents (not including case pleadings) and responded to numerous questions and inquiries by e-mail and phone calls.
- Reviewed, approved or consulted on approximately 672 disciplinary action letters, including 396 suspensions, 240 dismissals for cause and 36 special leave investigations.
- Worked with the Strategic Planning Team and the Core Team in developing the Personnel Cabinet's Strategic Plan.
- Reviewed and consulted with agency attorneys and administrators with respect to 391 appeals filed with the Personnel Board.
- Represented the Personnel Cabinet in 144 appeals filed with the Personnel Board.
- Processed 245 requests submitted under the Kentucky Open Records Act and notified agencies or employees in appropriate cases.
- Successfully represented the Personnel Cabinet in the Court of Appeals in one case and in the Franklin Circuit Court in 11 other cases.
- Testified as an expert witness in two cases before the Personnel Board.
- Made presentations to the International Personnel Management Association, the Governor's EEO Conference, the General Counsels for the Public Protection

Cabinet, and a training session conducted by the Personnel Cabinet for personnel administrators.

- Worked on the Personnel Regulation Revision team that rewrote or modified two of the Personnel Cabinet's administrative regulations.
- Analyzed and wrote comments on approximately 51 House and Senate Bills introduced during the 2000 Session of the General Assembly that impacted personnel issues.

Administrative Services Branch

Fiscal Management

The Personnel Cabinet expended \$35.6 million in the fiscal year ending June 30, 2001. These expenditures included EMPOWER Kentucky projects, two capital construction projects, and the redistribution of health insurance funds to pay for health insurance coverage for the state group in high-rate counties. The Personnel Cabinet is responsible for human resources management for all of state government and administers such statewide programs as the Commonwealth's self-insured workers' compensation program, the state payroll, the Kentucky Public Employees Deferred Compensation Authority, and employee health and life insurance benefits.

Funding continued to increase for information technology projects in FY 2001 such as the Kentucky Employee Self Service project, the feasibility study for an Integrated Personnel Payroll System (IPPS), the electronic integration and analysis of health insurance data from health carriers, and the Cabinet's various EMPOWER initiatives (including on-line testing and the electronic employment register). Health insurance costs have continued to grow by ten percent (10%) or more per year to approximately \$500 million, and the Deferred Compensation Authority now administers approximately \$900 million in employee investments.

Personnel Management

On June 30, 2001, the Personnel Cabinet had 177 status full-time employees, three (3) permanent part-time employees, three (3) interim employees, and three (3) co-op employees.

Administrative & Legal Services

Systems Management Branch

The Systems Management Branch consists of ten (10) full time staff members who are responsible for overseeing the computerization of the Personnel Cabinet as well as providing the technical support to keep IT solutions operational.

- Technologies currently being utilized include the Internet, Intranet, Web enabled register application, Imaging applications in the Register Branch, Employee Files, Deferred Compensation, Life Insurance and a major focus on Health Insurance (including OCR/ICR technology to enhance forms processing).
- Technologies currently in the development stage include on-line testing, Web enabled Employee Suggestion System, Health Insurance Call Tracking System, and a firewall.
- Other technologies currently on the drawing board include implementation of a web server, Proxy Server, FileNet Document Services and a Storage Area Network System.
- The Systems Management Branch monitors and maintains twenty-two (22) NT servers, 4 Unix servers, four optical storage and retrieval devices, and over 200 workstations in 3 locations. (A fourth location is near completion.) This branch also provides support for the Web Register application and the Employee Suggestion system at the agency level. The Systems Management branch maintains several databases including Health, Life, EEO, Co-Op Intern, and Inventory.
- The Systems Management Branch interacts with other agencies and vendors to ensure the Cabinet is current regarding technology implementation at the state level and in the private sector.

Equal Employment Opportunity Unit

- Monitored the progress of the State's Affirmative Action program and reported to the Cabinet Secretary semi-annually on that progress.
- Assisted agencies in their recruiting efforts to meet or surpass the affirmative action goals. As of June 30, 2001, the goal set for minorities is 7.51% and the goal for females is 52.42%. These goals are based on eligible persons 16 years and older from the Kentucky 1990 census. A graph of the Personnel Cabinet's ethnic and gender makeup, and the ethnic and gender personnel report is included.

Administrative & Legal Services

Personnel Cabinet Expenditures 2000-2001 Fiscal Year

Organizational Unit	Personnel & Contracts	Operating	Capital	TOTAL
<i>Secretary's Office</i>				
Office of the Secretary	\$ 472,091	\$ 87,541	\$ 151	\$ 559,783
Office of Administrative and Legal Services	\$ 1,190,200	\$ 232,231	\$ 503	\$ 1,422,934
Deferred Compensation Authority	\$ 3,493,749	\$ 388,676	\$ 553	\$ 3,882,978
Office of Public Employee Health Insurance	\$ 2,828,361	\$ 1,016,619	\$ 27,529	\$ 3,872,509
Commonwealth Choice	\$ 361,125	\$ 650	\$ -	\$ 361,775
Subtotal	\$ 8,345,526	\$ 1,725,717	\$ 28,736	\$ 10,099,979
<i>Department for Employee Relations</i>				
Commissioner's Office	\$ 282,875	\$ 134,529	\$ 101	\$ 417,505
Communications and Recognition	\$ 291,078	\$ 136,847	\$ 151	\$ 428,076
Kentucky Employee Assistance Program	\$ 220,582	\$ 47,004	\$ 151	\$ 267,737
Life Insurance Administration	\$ 245,719	\$ 139,252	\$ 19,769	\$ 404,740
Workers' Compensation	\$ 16,085,310	\$ 296,474	\$ 251	\$ 16,382,035
Subtotal	\$ 17,125,564	\$ 754,106	\$ 20,423	\$ 17,900,093
<i>Department for Personnel Administration</i>				
Commissioner's Office	\$ 382,633	\$ 91,865	\$ 151	\$ 474,649
Classification and Compensation	\$ 722,403	\$ 144,764	\$ 14,468	\$ 881,635
Employee Records	\$ 925,805	\$ 1,237,188	\$ 11,643	\$ 2,174,636
Staffing Services	\$ 1,428,610	\$ 774,201	\$ 60,464	\$ 2,263,275
Subtotal	\$ 3,459,451	\$ 2,248,018	\$ 86,726	\$ 5,794,195
Empower Kentucky	\$ 388,447	\$ 56,966	\$ 241,787	\$ 687,199
Capital Construction	\$ -	\$ -	\$ 803,064	\$ 803,064
Health Ins for High-Rate Counties	\$ 344,511	\$ -	\$ -	\$ 344,511
TOTAL	\$ 29,663,499	\$ 4,784,807	\$ 1,180,736	\$ 35,629,041

Administrative & Legal Services

Ethnic & Gender Personnel Report As of June 30, 2001

Cabinet/Department: Personnel Cabinet

Job Category	Total	White		Black		Hispanic		Asia/Pac		Amer Indian		Other		Total Minority	
		M	F	M	F	M	F	M	F	M	F	M	F	M	F
Officials and Admin	27	10	13	2	1	1	0	0	0	0	0	0	0	13	14
Professionals	120	24	83	4	8	0	0	0	0	0	0	0	0	28	92
Technicians	11	0	8	0	3	0	0	0	0	0	0	0	0	0	11
Protective Service Workers															
Para-Professionals	7	0	5	0	2	0	0	0	0	0	0	0	0	0	7
Office and Clericals	27	1	22	1	2	0	0	0	0	0	1	0	0	2	25
Craftsmen	6	0	6	0	0	0	0	0	0	0	0	0	0	0	6
Service Workers															
TOTALS	198	35	137	7	16	1	0	0	0	0	1	0	0	26	155

Communications & Recognition

Department for Employee Relations

Division of Communications and Recognition

- Provides ADA technical assistance and training to the Personnel Cabinet and to other state agencies upon request. Conducted research on best practices of other states for a statewide employee mediation program.

Communications Branch

- Published and distributed the *Commonwealth Communiqué*, a quarterly newsletter sent to over 40,000 employees across the Commonwealth.
- Published and distributed the *Personnel Perspective*, a monthly newsletter sent to all Personnel Cabinet employees.
- Researched and compiled information and completed layout and design for the 1999-2000 Personnel Cabinet Annual Report.
- Employee Information Line - There are two telephone lines directed into the Division designated as employee information lines. One of the lines is local and the other is an 800 line; both of which are for the purpose of answering questions and/or directing employees to the appropriate resources for assistance. Approximately 900 - 1100 calls are answered per year.

Employee Recognition Branch

- The Employee Suggestion System has completed the development/installation of the new computerized ESS system. A new brochure promoting the ESS program has been distributed to all employees. Presented 66 cash awards to state employees at the 2001 Employee Suggestion System Awards Ceremony for a total of \$46,416.00. The suggestions represent first year savings of \$6,414,299.54. The first year savings for this program since its beginning in 1981 is \$17,627,280.25.
- Processed 3,241 Career Service Certificates.
- Revised the Employee Handbook and continued to make it available to employees on the Intranet.

Employee Benefits

Division of Employee Benefits

Group Life Insurance Administration Branch

- The current Basic Insurance and AD&D rate per thousand is \$ 0.098.
- The Group Life Insurance Administration Branch carries out all administrative services including: enrollment processing, eligibility data base maintenance, bill generation and payment processing, refunds, customer service, claims processing, and distribution of materials.
- The Life Insurance contract was awarded to Standard Insurance Company effective July 1, 2001. This contract will be for two years, expiring on June 30, 2003. The rate for the Basic and AD&D was lowered from \$2.40 to \$1.96 per employee per month. Rates were reduced for the dependent plan A from \$10.09 to \$10.00, the optional coverage for age group 40-59 increased from \$0.45 to \$0.50 per thousand, and the optional age group 60 and up increased from \$0.60 to \$0.80 per thousand dollars of coverage.
- The Life Insurance Branch administers group life insurance for eligible employees at 434 locations.
 - State Agency 176
 - Board of Education (roster) 158
 - Board of Education (individual) 26
 - Health Department and Other 74
- The Life Insurance Branch provides \$20,000 in Basic Insurance and AD&D coverage for 139,508 employees.
- The Branch processed 303 claims.
 - 197 Basic Insurance and AD&D Claims
Total Basic/AD&D benefits paid \$ 4,430,000
 - 37 Optional Insurance and AD&D Claims
Total Optional/AD&D benefits paid \$ 1,169,000
 - 69 Dependent Group Life Claims
Total Dependent benefits paid \$ 627,500

Employee Benefits

Workers' Compensation Branch

- The Branch has received and processed 5,951 First Report of Injuries.
- The Branch has continued to provide coverage for approximately 110,000 state employees in all 120 counties throughout the Commonwealth.
- The Branch has continued to provide coverage for approximately 30,000 volunteer ambulance and volunteer firefighters in 118 counties in the Commonwealth.
- The Branch Manager and Rehabilitation Counselor provided training and education to approximately 700 employees. The training consisted of issues in Workers' Compensation, Return to Work, and the Americans With Disabilities Act.
- The Branch has received and processed 41,500 medical bills.
- The Branch has received and processed 2,177 Temporary Total Disability Benefit checks.
- The Branch Manager recovered \$75,620.00 in subrogation recoveries.
- Record Only Files totaled 2,613 for Fiscal Year 2000-2001.
- Total number of claims set-up by this Branch for Fiscal Year 2000-2001 was 3,338.
- Total medical expenses for Fiscal Year 2000-2001 was \$2,200,442.68.
- The Branch assigned 85 claims to attorneys for representation before the Workers' Compensation Board.
- The Branch assigned 46 workers' compensation cases to Rehabilitation Nurses for more detailed case management.

RETURN TO WORK PROGRAM

- The Rehabilitation Counselor assisted in returning 98 employees to work with either temporary or permanent restrictions.
- Assisting with returning injured employees to work has resulted in savings of \$573,000.00.

Employee Benefits

- The Rehabilitation Counselor made 7 on-site visits to agencies/facilities to assist with return to work issues.

THE KENTUCKY SAFETY PROGRAM

- The Kentucky Safety Coordinator performed 15 workplace inspections for OSHA compliance.
- Cumulative Trauma related injuries have increased during recent years. Therefore, a large emphasis has been placed on ergonomic training. The Kentucky Safety Coordinator has provided 13 ergonomic training sessions for 322 state employees and conducted 160 ergonomic audits.
- The Kentucky Safety Coordinator has provided 32 general safety training sessions, training approximately 553 employees.
- CPR and first aid training was conducted for approximately 72 employees.
- The Kentucky Safety Program hosted 7 blood drives resulting in approximately 430 units of blood.

Employee Benefits

Kentucky Employee Assistance Branch

Client Totals

- During the 2000-2001 Fiscal Year, The Kentucky Employee Assistance Program (KEAP) provided direct employee assistance services to 863 state employees and/or their family members.

Agency Utilizations

- The cabinets in which employees most utilized the services were the Transportation Cabinet (14%); the Justice Cabinet (13%); the Cabinet for Families and Children (13%) and the Cabinet for Health Services (8%).

Main Presenting Issues

- The issues most frequently presented include: mental/emotional health (25%), supervisory referral (19%), and job stress (13%).

Indirect Contacts (Outside Meetings and Workshops)

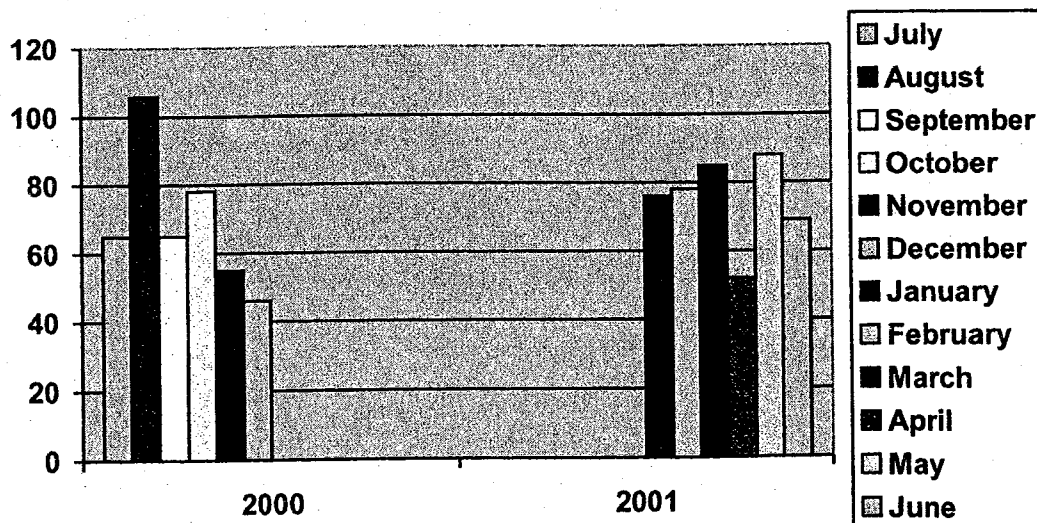
- KEAP staff was involved in many workshops and meetings that result in numerous indirect contacts. These contacts include monthly presentations at GSC on how supervisors can use KEAP as a management tool. KEAP staff conducted workshops on various topics such as Violence in the Workplace, Stress Management, Mental Illness in the Workplace, as well as Critical Incident Stress Debriefings, and Grief in the Workplace Sessions.

Employee Benefits

KEAP "NEW CLIENT" TOTALS

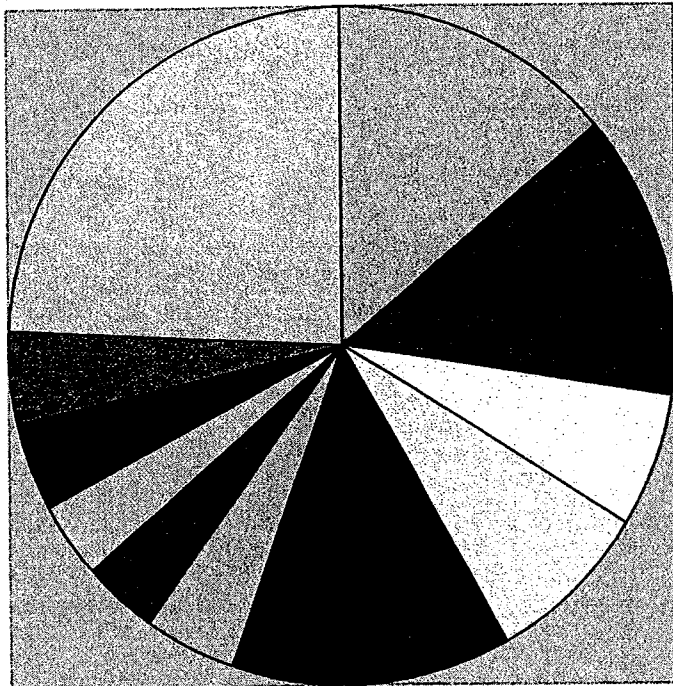
	2000
July	65
August	106
September	65
October	78
November	55
December	46
	2001
January	76
February	78
March	85
April	52
May	88
June	69

Total 863



Employee Benefits

AGENCY UTILIZATION

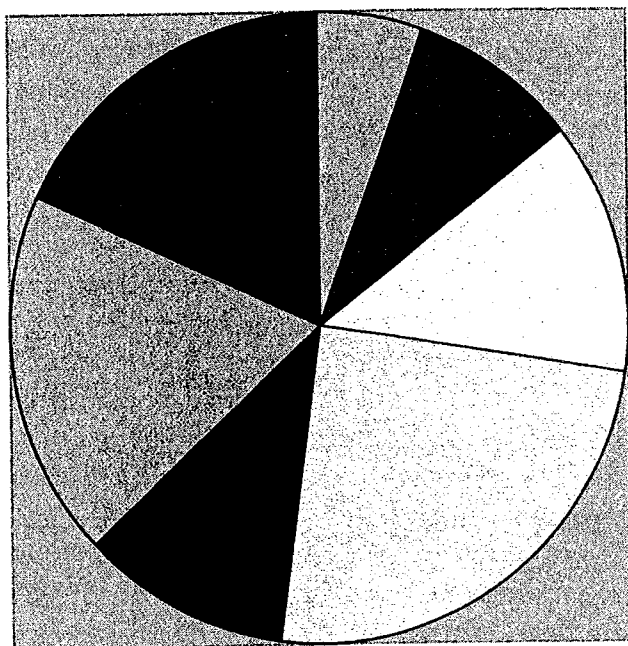


- DOT 14%
- Families & Children 13%
- Finance 6%
- Health Services 8%
- Justice 13%
- Military Affairs 4%
- NREP 4%
- PP&R 4%
- Revenue 4%
- Tourism 4%
- Other 23%

Employee Benefits

PRESENTING ISSUES:

Chemical Dependency	48	(05%)
Finances	79	(09%)
Job Stress	116	(13%)
Mental Health	217	(25%)
Relationships	96	(11%)
Supervisory Referral	166	(19%)
Other	159	(18%)



- Chemical Dependency
- Finances
- Job Stress
- Mental Health
- Relationships
- Supervisory Referral
- Other

Office of Public Employee Health Insurance

The Office of Public Employee Health Insurance (OPEHI)

Effective September 16, 2000, an Executive Order was signed forming the Office of Public Employee Health Insurance (OPEHI). This reorganization will enable the Personnel Cabinet, by and through OPEHI, to meet its statutory duties and responsibilities in this area, as well as the needs of approximately 226,000 health insurance participants and 15,000 state employees with flexible spending account coverage. The reorganization absorbed the staffs of the former Health Insurance Branch and Benefits Data Branch to maintain essential operating functions. In addition, it created the Data Analysis Branch. The Office of Public Employee Health Insurance has created a more customer-focused organization, which will provide a more efficient, effective, and responsive service.

In establishing the Office of Public Employee Health Insurance, the Personnel Cabinet has an office dedicated solely to:

- Procuring health insurance on behalf of the Commonwealth's employees and retirees;
- Establishing performance standards for the health insurance carriers with whom the Commonwealth contracts for employee health insurance and monitor their performance;
- Establish and maintain an eligibility database of individuals participating in the Commonwealth's health insurance program either through an insured health option or the Commonwealth's flexible spending account option (for state employees);
- Educate health insurance coordinators of participating groups and eligible employees and retirees about the Commonwealth's group health insurance program;
- Provide customer service to individuals who participate in the Commonwealth group health insurance program;
- Address issues raised by legislators regarding the Commonwealth's group health insurance program;
- Assess the impact of proposed legislation on the Commonwealth's healthcare program;
- Provide input to the Commonwealth's budget process with respect to the Commonwealth group health insurance programs;
- Collect, maintain, and analyze enrollment and claims payment data from the Commonwealth's Health Insurance carriers through a consolidated database.
- Procure data analysis services to establish and maintain a comprehensive database of eligibility, claims, and utilization data necessary to manage the Commonwealth's group health insurance program; and
- Facilitate the monthly meetings of the Kentucky Group Health Insurance Board and provide information to the Board at its request.

Office of Public Employee Health Insurance

What comprises the Public Employee Health Insurance Group?

	Average Lives	Percent Of Total
State Employees	62,245	27.4%
School Boards	121,951	53.8%
Health Depts.	4,234	1.9%
KERS	19,858	8.8%
KTRS	15,046	6.6%
KCTCS	2,325	1.0%
COBRA	1,241	0.5%
Total	226,900	

OPEHI consists of:

Executive Director's Office – consisting of the Executive Director and the Deputy Executive Director who reports directly to the Secretary of the Personnel Cabinet. The Executive Director's office is charged with overseeing the daily operations of OPEHI.

Member Services Branch – formerly known as the Health Insurance Branch, is responsible for (a) providing customer service to the Personnel Cabinet's various constituencies, i.e., the citizens of the Commonwealth of Kentucky and the employees of state government, local boards of education, health departments, and certain quasi-agencies, (b) working with the open enrollment process to improve its administration, (c) furnishing member education with regard to the state health insurance plan, and (d) performing other related health insurance functions, by means of a dedicated staff of individuals.

Enrollment Information Branch – formerly known as the Benefits Data Branch, develops and maintains a current database of employee health insurance information on all participants in the state health insurance program, as well as for other related health insurance services.

Data Analysis Branch – analyzes, evaluates, and interprets health insurance data from all available sources and prepares reports based on the data for distribution to appropriate individuals within and outside the Personnel Cabinet.

Office of Public Employee Health Insurance

During 2000, OPEHI

- Procured with assistance from the Finance and Administration Cabinet, health insurance for 226,000 Commonwealth employees, retirees and their families for Plan Year 2001. This process takes in excess of six months beginning with compiling the Request for Proposal, soliciting bids from health insurance carriers, bids being evaluated and scored, negotiations with carriers and ending with the signing of the contracts with the health insurance carriers.
- Conducted 3 training sessions throughout Kentucky training over 600 Health Insurance Coordinators on changes and updates to our health insurance program.
- Conducted approximately 45 Benefit Fairs throughout Kentucky to enable employees' access to health insurance carriers.
- Produced a health insurance video to be used in the training of employees and which aired on KET.
- Processed approximately 125,000 health insurance applications for members of the Commonwealth Group. Of that, approximately 90,000 were processed in a two and a half month period.
- Electronically transmitted daily transaction files and monthly synch files to participating health insurance carriers.
- Handled over 21,000 customer service calls from our members.
- Processed approximately 14,000 Commonwealth Choice enrollment forms.
- Processed monthly discrepancy reports on Commonwealth Choice.
- Conducted quarterly meetings with the Employee Advisory Committee for Health Insurance.
- Conducted monthly meetings with the Kentucky Group Health Insurance Board.
- Contracted with a Health Insurance Information Management System (Medstat), which will enable the Commonwealth to have access to data from our health insurance carriers. By having Medstat, we will have necessary information to help control health insurance costs, review trends of our group, etc.

Employee Records

- Produced a feed from personnel data to Health Insurance on separations, transfers, reorganizations and data changes.
- Made the necessary adjustments in payroll for the health insurance rates, which are now county based.
- Made the changes to interface with the MARS accounting system.
- Made the changes to allow the Series I bonds for state employees to deduct on payroll.
- Made the changes necessary to make Adoption Assistance payments in payroll.
- Made the change to accommodate the Regulation leave changes on payroll. These include such items as leave now accrues at 100.0 hours and employees get additional leave after 20 years of service. We also allowed for weekend premium statewide and lump sum ERAs.

Classification & Compensation

Division of Classification and Compensation

Nature of Actions	1997/1998	1998/1999	1999/2000	2000/2001
Job Classes Revised	79	266	115	101
New Classes Established	26	91	33	13
Job Classes Abolished	64	119	75	47
Pay Grade Changes	18	512	101	413*
New/Revised Special Entrance Rates	58	239	40	134
Class Title Changes	21	192	496	31
Title Code Number Changes	2	9	0	0

* Includes changes due to Wage Equity Program

Positions Established	10,935
Positions Abolished	9,783
Positions Reclassified	1,729
Positions Reallocated	823

The above total is 23,270 actions taken by the Division of Classification and Compensation. This compares to a total of 23,849 in 1999-2000; 26,618 in 1998-1999; 20,791 in 1997-1998; 18,608 in FY 1996-1997; and 19,206 in FY 1995-1996.

In addition, the Division of Classification and Compensation also reviews and approves agency requests for re-organizations, in-range appointments, position number changes, work county changes, rate changes from full to part-time and part-time to full-time, in-grade promotions, and other personnel processes. Staff communicates with citizens, state employees, and other personnel jurisdictions throughout the country.

Staffing Services

Division of Staffing Services

The Division of Staffing Services is responsible for:

1. The merit employment function of Kentucky State Government, including the recruitment, testing, and placement of competitive (new) employees and the promotion of existing employees;
2. The implementation of 21 specific initiatives under the Empower Kentucky Program (see Attachment A). These initiatives were designed to streamline and automate the merit employment and related personnel functions.

The Division consists of the Director's Office and five branches, including Applicant Processing, Employment Counseling, Register, Staffing Analysis and Recruitment.

The Division has experienced an overall increase of 50.5% in its workload during FY 2000-2001. This is in addition to the 23.6% increase for FY 99-00 and the 251% increase for FY 98-99 making an overall increase of 108.3% each year for the last three years with an increased allocation of resources of 25 to 30%.

The Division's ability to deliver this phenomenal increase in services over the last three years has occurred because of two reasons.

1. The conversion of manual systems to automated systems under the Empower Program, as outlined in the 21 initiatives on Attachment A. For example, Initiative 6, "On Line Access to Registers and Application In Agencies and the Personnel Cabinet", it was envisioned that the Personnel Cabinet and Agencies would access this system to view filled merit registers, attached applications and employee records approximately 100,000 to 150,000 times per year. Last year the system was viewed 2,301,396 times. All of the systems authorized under the Empower Project have become much more useful and powerful tools for carrying out the merit employment function of the state than was initially envisioned. Agencies can now view registers to determine if applicants are on prior to issuing, print registers as needed, review application in detail without having to print them or print as needed and view employee records as needed. All of these automated processes are extremely useful tools to increase agency and Personnel Cabinet employee's productivity.

2. The hard work and dedication of the employees of the Division of Staffing Services, who have made an extraordinary effort to double and then triple their productivity in order to keep up with the demands of the workload. "Our hats are off", to these dedicated employees who have done a tremendous job.

During FY 00-01, the work has increased in various categories, from 5.1 to 83.7 percent (see Attachment B, chart of Divisional Statistics). Note for the first time in the history of the Kentucky State Merit System over 1,000,000 applications have been forwarded to agencies via the Personnel Cabinet's web site. This has given many more citizens and employees access to government employment than was though possible. Additionally, as can be seen from (Attachment B) there has been a substantial increase in the number of applicants counseled, mail-in applications reviewed, P-1 actions processed, register certificates issued, T&Es reviewed and Qualls placed on registers.

Staffing Services

An expected decrease in three areas of work has occurred since the last annual report as follows: 1) reduction of the number of internal mobilities placed on registers due to the fact that internal mobilities remain on registers for two years; 2) a reduction in the number of educational verifications needed due to the new initiative of requesting educational credentials at the time of application; 3) a substantial decrease in selection methods determined, because of the completion of Initiative 18, under the EMPOWER Program, i.e. the conversion of written tests to T&E (training and experience evaluation of applications) and Qualls (placement of individuals on registers who meet the minimum requirements for the class).

Under the EMPOWER Kentucky Program, the Personnel Cabinet and the Division of Staffing Services continue to cooperate and work closely with other cabinets in designing and implementing program changes needed to continue the streamlining and automation of the personnel function(s). In order to continue this streamlining and automation during FY 00-01, the Division of Staffing Services emphasized the following EMPOWER initiatives.

1. In FY99-00, a special EMPOWER multi-agency task force was assembled to evaluate the P-1 process (submitting of personnel actions from agencies.) A 16-step improvement process was identified, including the electronic matching of registers with P-1's so that only those P-1's that did not match registers would be flagged and hand processed. This innovation eliminated the time saved by employees to be used more productively elsewhere. During FY 00-01, the initiatives outlined in (Attachment C) have been completed and refined to the point where P-1's and registers, if submitted correctly by the agencies, are being matched immediately, resulting in employees being issued paychecks on a timely basis.
2. The Division of Staffing Services has completed the design of the new on-line testing system, (Empower Initiative 15 on Attachment A). This automated testing system, will allow applicants to answer all questions via a computer terminal. Tests will be graded immediately and the system will provide applicants with a variety of information including: test grade; counties in which they desire to work; a review of their tests, (Empower Initiative 20 on Attachment A) such as which questions were answered correctly for each test segment and other vital information. The system is now in its first test phase and security systems are now being installed. The system is expected to be operational in February of 2002.
3. The Division of Staffing Services has completed the design of the new web enabled employment application which includes, for the first time, placement of all rotating shift jobs on the Personnel Cabinet's web site. The new web enabled application system will require applicants to indicate whether or not they are willing to work a rotating shift in the counties which require same for specific

Staffing Services

jobs such as, correctional officers. This system will streamline the placement of applicants on the register and will eliminate agency personnel from having to sift through all applicants on the register to find those who are willing to rotate shifts.

4. The applicant approval and rejection forms have been redesigned and consolidated into one computerized workflow form. At the time of implementation of the on-line testing system this new form will become operational eliminating the manual completion, forwarding and processing, including the re-entering of information from approximately 250,000 forms completed by the Counseling and Applicant Processing staffs annually.
5. A new rapid processing section has been established in the Counseling Branch and assigned responsibility for the processing of all immediate fill requests, (those which need to be filled within 24 hours in order to keep state agencies running efficiently), the processing of rush requests, (individuals who need to be placed on registers before the closing deadline) and the processing of mail-in, faxed and e-mailed applications. A new automated mail system is currently being written by GOT to log in rushes, quick-fills and mail-in applications so that they can be tracked accurately and consistently which will assist this section in their rapid processing responsibilities which was envisioned as part of the EMPOWER workflow process.

In summary the employees of the Division of Staffing Services wish to thank all of the individuals in the Personnel Cabinet and agency personnel who have assisted them over the last three years during this tremendous period of growth and change from manual to automated systems which should be fully completed in 2003.

Staffing Services

Attachment A

EMPOWER KENTUCKY PERSONNEL INITIATIVES

1. Statewide listing of merit entry-level and promotional jobs on the Internet.
2. Same-day placement of Qualifying applicants on merit registers.
3. The relocation of employees in new positions whose jobs were eliminated due to technology improvements.
4. The implementation of a statewide outreach recruiting program for difficult-to-fill positions.
5. The elimination of merit tests for internal mobility candidates.
6. On-line access to registers and applications in agencies (view and print).
7. On-line access to class specifications and testing information on the Personnel Cabinet's web site.
8. On-line access to the application form and ability to submit applications electronically.
9. On-line access to the Position Description form, complete and submit electronically.
10. The imaging of applications upon submission, and immediate availability of those applications to Personnel Cabinet and agencies personnel officers.
11. Development and installation of an on-line test approval system.
12. Design and implementation of an on-line testing system, eliminating paper tests.
13. Streamline workflow by conversion of current employee documents from fiche to imaged records and place same on-line for immediate access by the Personnel Cabinet and agencies.
14. Development and installation of an electronic T & E grading system.
15. Development and installation of an on-line test development and statistical feedback system.
16. Streamline workflow by initiating P-1 electronically at the lowest level within agencies, and standardizing supporting documents and approval paths.
17. Conduct detailed evaluations of the current P-1 system and design/implement a new workflow system that will streamline the P-1 submission process.
18. Initiate best practices by converting some Written Tests to T & E and Qualifying selection methods.
19. Streamline the register process by placing names on register the same day of testing.
20. Enhance testing process by automating the test review system.
21. Establish consistent policy on external advertisements to coordinate and coincide with Internet job listings/postings.

Staffing Services

Attachment B

CATEGORY	APPLICANT PROCESSING	COUNSELING	REGISTER	STAFFING ANALYSIS	DIRECTOR'S OFFICE	00-01 TOTAL	99-00 TOTAL	% CHANGE
Service Requests - Phone Calls, E-mails, Web Requests, Walk-ins, U.S. Mail, Faxes	42,218	88,657	56,707	24,152	31,200	242,934	231,119	5.1 %
Applications Issued to Agencies		1,005,152	0	0	260	1,005,412	798,294	25.9 %
Tests Administered	36,757	0	0	5,836	0	42,593	38,749	9.9 %
Internal Mobilities Processed and Placed on Registers	21,795	0	0	0	0	21,795	23,622	-7.7 %
Applicants Counseled	0	40,197	0	71	552	40,976	35,393	15.8 %
Mail-in Applications Reviewed	0	33,764	0	1,414	156	35,334	27,735	27.4 %
P-1 Actions Processed	0	3,280	11,473	0	0	14,753	12,034	22.6 %
Register Certificates Issued	0	0	9,690	0	0	9,690	7,289	32.9 %
T & E Scores/Reviews	0	0	0	4,694	0	4,694	3,900	20.4 %
Educational Verifications	0	92	3,534	0	0	3,626	3,937	-8.0 %
Selections Methods Determined	0	0	0	52	0	52	332	-84.3 %
Quals Placed on Registers	39,636	0	30,186	0	0	69,822	38,015	83.7 %
Records Checked	883	0	0	0	0	883	733	20.5 %
APPROXIMATE OVERALL INCREASE						1,487,784	988,375	50.5%

Staffing Services

P-1 Process Mapping Team Recommendations

- 1) Generate all P-1 requests electronically at the lowest level possible within agencies.
- 2) Establish an electronic workflow approval system for personnel actions within agencies with approval codes for each level. Where possible, limit to four levels of approval within agencies.
- 3) Agencies attach all necessary supporting documents using Social Security number, name, effective date, and routing number to P-1 by completing electronic forms online and/or scanning same for routing with the P-1.
- 4) Agencies submit P-1's and attached documents electronically and forward to central processing in the Personnel Cabinet where they will be routed electronically to the proper area for approval and storage. Index and commit P-1 to the FileNet system as necessary. Establish a system whereby P-1's supporting documents can be scanned, indexed, and committed in agencies. Place document class and index field information on the web site for quick reference by agencies.
- 5) Recommend Personnel Cabinet and agency job posting be one and the same. Also recommend that agency personnel officers inform employees that their job postings, along with other agency postings, are on the web. Where possible and practical, have supervisors to make arrangements for employees to obtain access to the Personnel Cabinet's web site. NOTE: This would require some redesign of page 2 of our current web site, which is in progress.
- 6) When registers and application are web-enabled, allow lowest-level interviewers such as branch managers to have access to them via the web using the CICS security system.
- 7) Allow agencies access to electronic race/sex reports based on court orders and based on requests to the Division of Staffing Services from agencies whose requests are then approved by the State EEO Coordinator.
- 8) Upgrade current agencies' systems so that P-1 and supporting documents can be submitted electronically. Design the new personnel payroll system so all actions can be submitted electronically and not bypass the system, including all reorganizations, double and triple company numbers, etc.
- 9) Clearly define P-1 exceptions that will go back to agencies vs. the ones that go to the processors in the Personnel Cabinet for resolution. When processing P-1's or registers electronically, put in business edits to prompt agency personnel if supporting documents are not attached and add edit capability when P-1's are entered

into the system. Continue these features as part of the new personnel payroll system.

- 10) Review all bypass codes within the current personnel payroll system and allow very few. Continue this procedure as part of the new personnel payroll system.
- 11) Revise the personnel payroll system in order to match registers and P-1 actions by company number, name, Social Security number, county, job title, and other fields as needed. Produce exception reports and review only those which do not match. Continue this feature as part of the new personnel payroll system.
- 12) If documents do not accompany a P-1 or register, notify agencies the next business day and if not submitted in three to five business days from the date notified, return P-1 to the agency, including P-1's routed to the Secretary's Office in the Personnel Cabinet.
- 13) Establish cut-off dates for P-1's in agencies and the Personnel Cabinet as needed.
- 14) In order to free up Register staff to spend quality time on processing registers and P-1's, establish a self-service web site for applicants to access counties of availability, scores, top five rankings, and similar information. Include in this site a form using drop-down boxes which will allow applicants to request changes in their counties of availability, change of address, change of name, phone number, and similar items.
- 15) Scan, index and commit interim applications in Processing immediately upon receipt so they can be seen by Classification and Compensation and Counseling for establishment and P-1 approval.
- 16) Establish training sessions for agencies on P-1 processing, documentation needed with P-1's, etc. The training team should include representatives from Classification and Compensation, Employment Counseling, Employee Records, and the Register.

Performance Management

Office of Performance Management

Implemented a new employee performance evaluation system for executive branch employees (*See KRS 18A.110 and 101 KAR 2:180*). This effort resulted in the following specific accomplishments:

- Developed a state employee evaluation handbook, supervisor handbook, and evaluation system PowerPoint training presentation.
- Trained 168 agency trainers statewide on the new evaluation system.
- Conducted and/or monitored supervisor training for approximately 6,534 or 99% of all supervisors responsible for completing employee evaluations.
- Made technical improvements in the performance evaluation on-line monitoring system, developed a monitoring system training manual and conducted training on the monitoring system for agency evaluation liaisons.

Conducted performance evaluation informational sessions for approximately 719 state employees at various conferences and workshops.

Monitored the completion of employee orientation to the new evaluation system resulting in verification of the following: **28,549** or **95.2%** of all eligible employees as of January 1, 2001 received orientation.

Monitored the completion of required meetings in the new evaluation system resulting in verification of the following:

- Performance Plan Meeting – 28,484 or 95% of all eligible employees as of January 1, 2001 met with their supervisor to discuss and sign their performance plan.
- First Interim Review Meeting – 28,734 or 97.5% of all eligible employees as of April 1, 2001 met with their supervisor to discuss their performance and sign the interim meeting documentation form.

Employee Facts

ANNUAL REPORT FY 00-01

PERSONNEL CABINET

EMPLOYEE FACTS (AS OF JUNE 30, 2001)

Executive Branch	40,335
Legislative Branch	432
Judicial Branch	3,311

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

49.19% are female

7.83% are minority

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

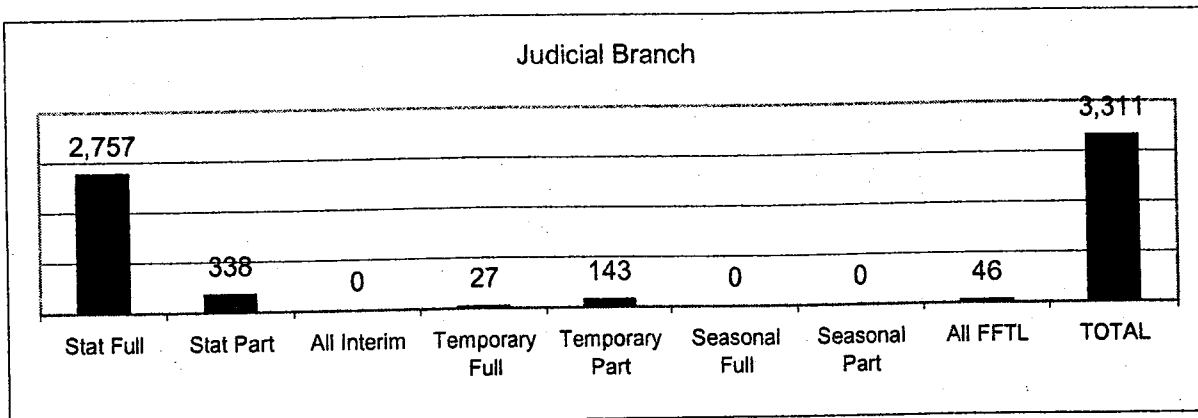
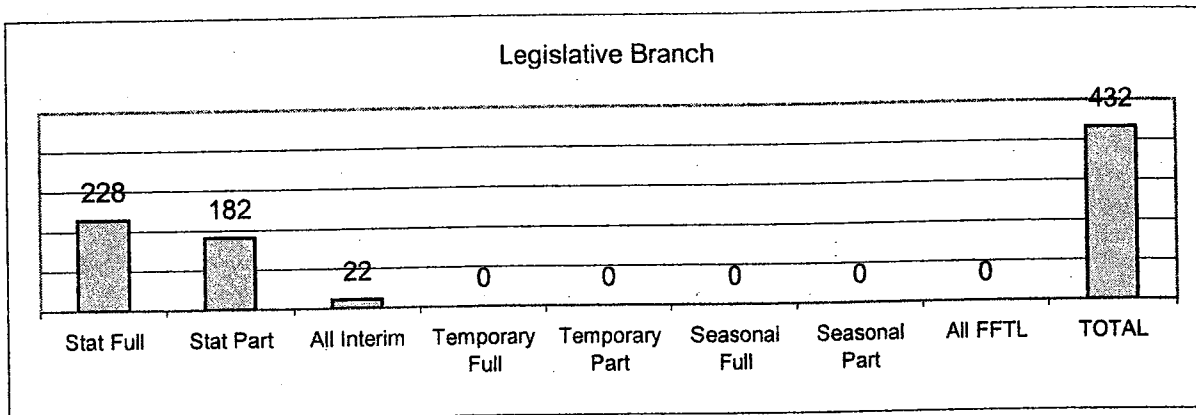
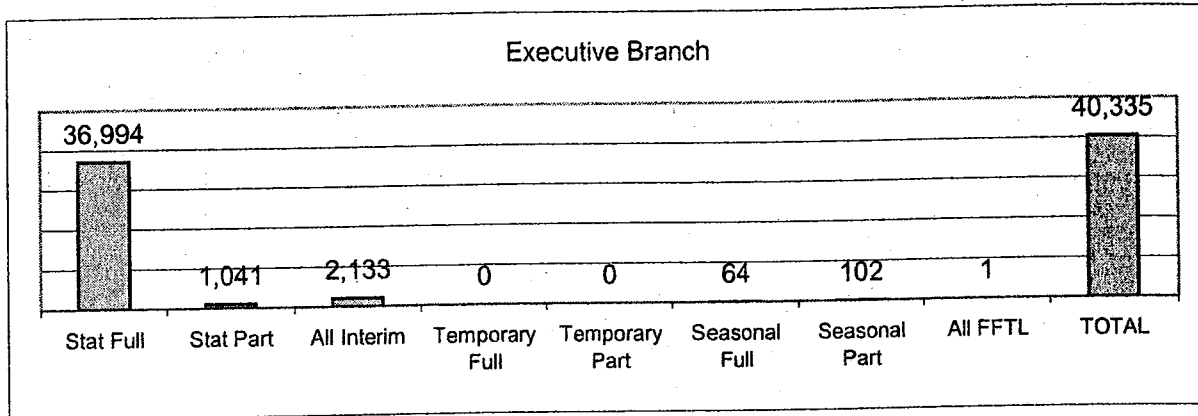
Earns \$34,504 per year salary

Receives \$7,563.37 in benefits

5.89% Employer-paid retirement	\$2,032.29
7.65% Employer-paid FICA	\$2,639.56
12 x \$239.00 Health Insurance	\$2,868.00
12 x \$1.96 Life Insurance	\$23.52

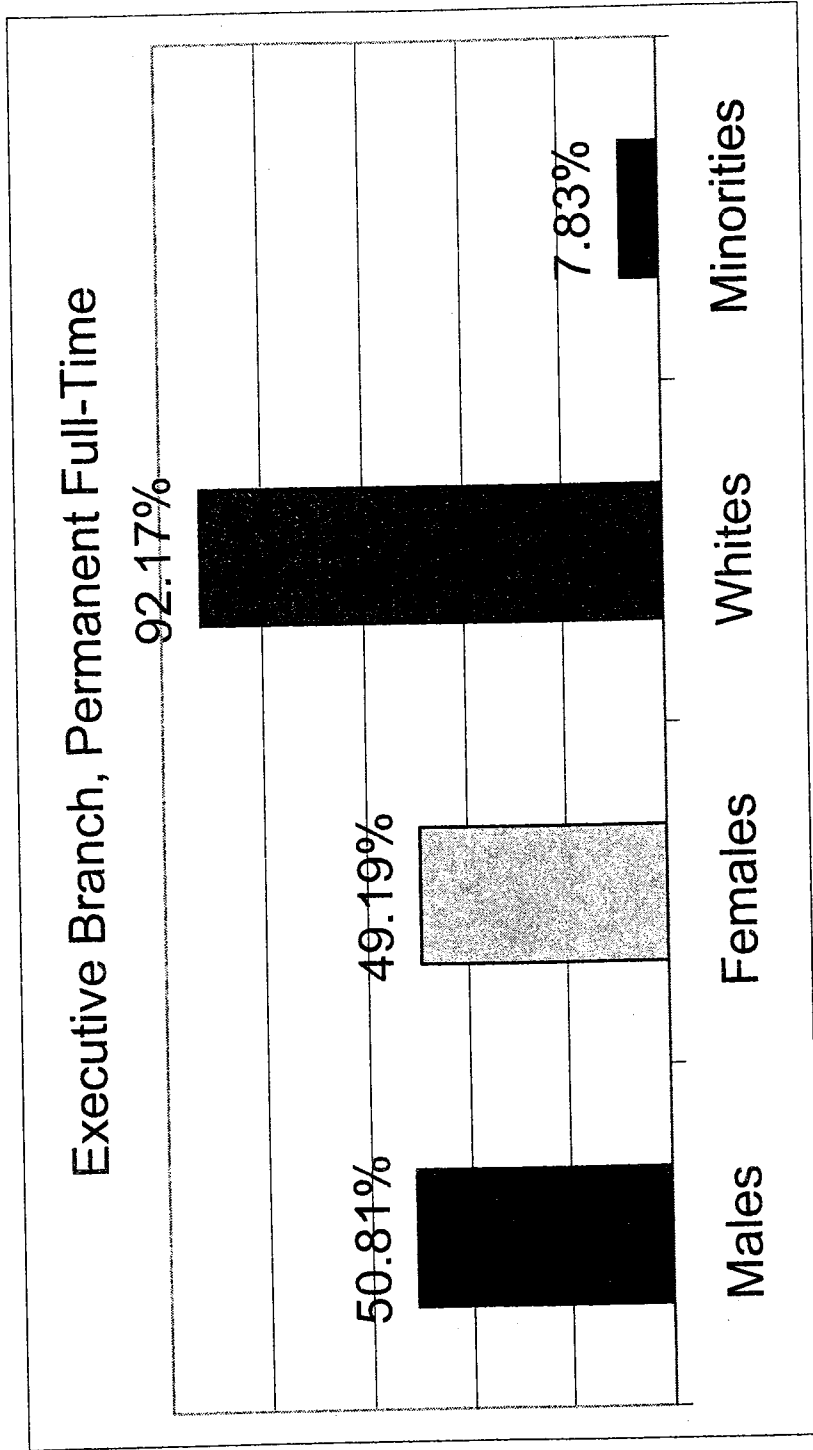
Employee Facts

Employee Status Summary as of June 30, 2001



Employee Facts

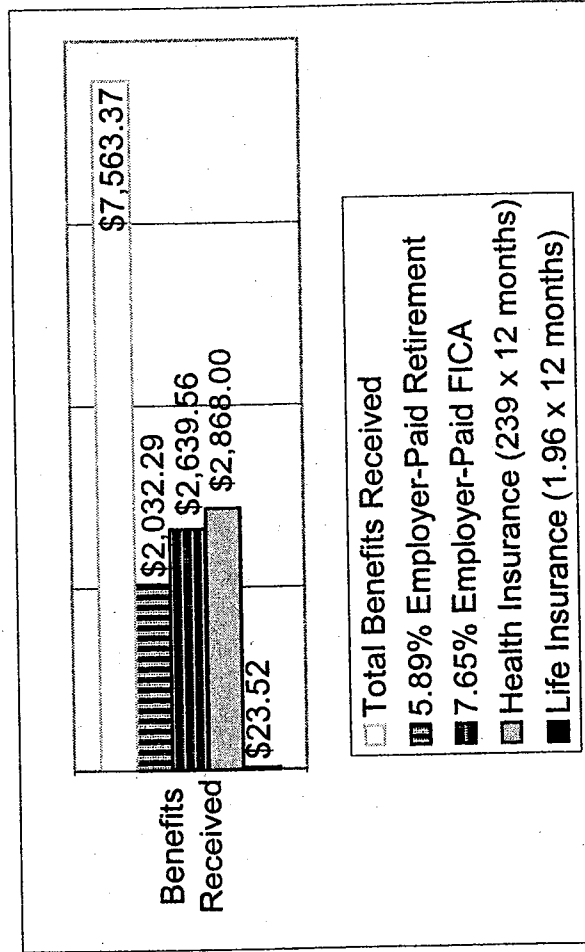
% of Employment by Race and Sex
As of June 30, 2001



Employee Facts

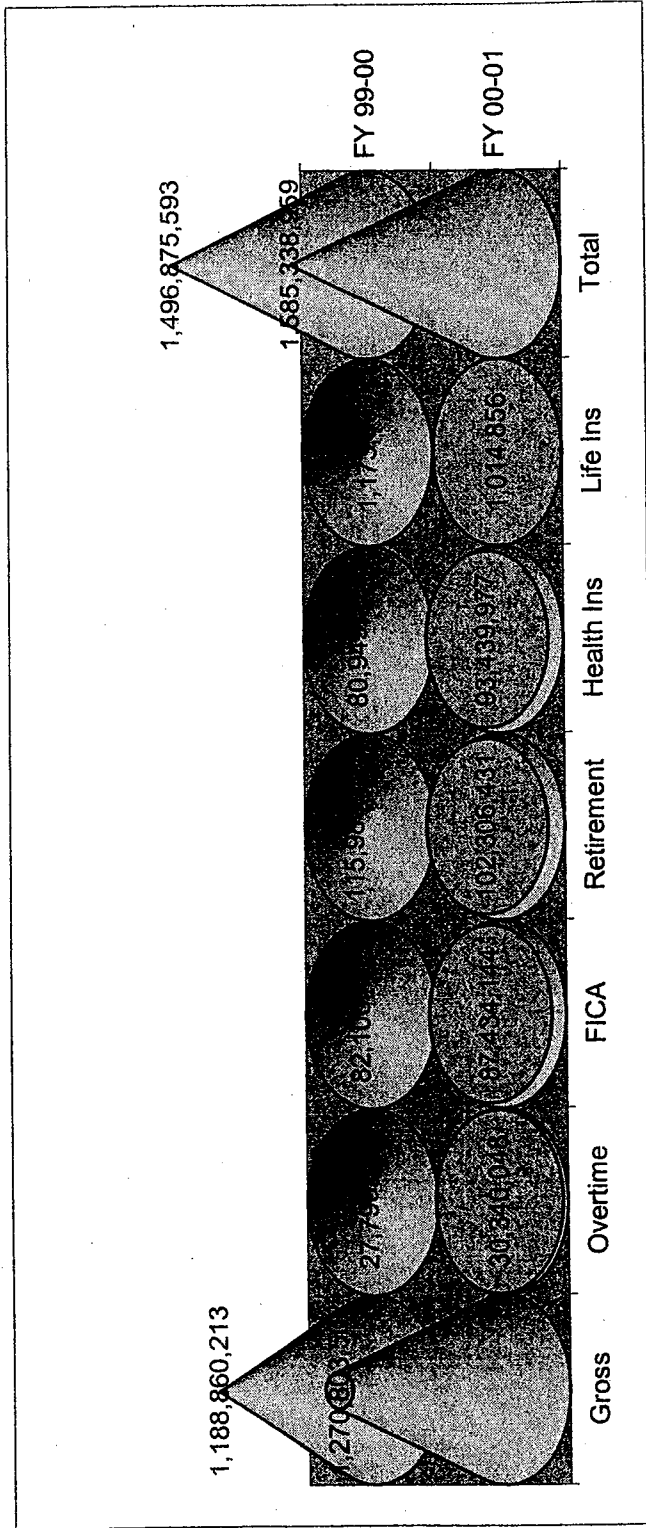
Average Annual Salary and Benefits

Average Annual Salary \$34,504
Executive Branch, Permanent Full-Time
As of June 30, 2001



Employee Facts

Total Payroll Dollar Disbursement Executive Branch*



*Regular P-1 Employees. Excludes AOC, LRC, CETA Employees, PVA's, Unified Prosecutorial System, and Constitutional Officers