



**LOWELL W. CLARK**  
COMMISSIONER

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

**BRERETON C. JONES**  
GOVERNOR

October 5, 1993

The Honorable Brereton C. Jones  
Governor, Commonwealth of Kentucky

Ms. Terri King Schoborg  
Chairwoman, Kentucky Personnel Board

In accordance with KRS 18A.030 (12), I am submitting this Annual Report of the Department of Personnel for Fiscal Year 1992-1993.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lowell W. Clark".

Lowell W. Clark  
Commissioner

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**DEPARTMENT OF PERSONNEL**  
**MISSION STATEMENTS**

**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**

The Division of Applicant Counseling and Examinations has four broad areas of responsibility. These are applicant processing, applicant counseling, examination construction and register maintenance. Within these areas are the duties of examination research and development, review of personnel actions for minimum requirements, providing to applicants and employees concerning state government employment, administration, grading and processing of examinations, maintain register files, verification of applicant information, and certification of merit registers.

**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 BENEFITS ADMINISTRATION**

The Division, created by Executive Order 93-182, February 18, 1993, is responsible for the administration of state employee Health and Life Insurance Programs, the Employee Benefit Fund, the state Flexible Benefit Program, the state employees Workers' Compensation Program and, provides the administrative and staff support required by the Board of Trustees for the Kentucky State Public Employees Deferred Compensation System. The Division consists of the branches of Insurance Administration, Insurance Analysis, Deferred Compensation, and Workers' Compensation.

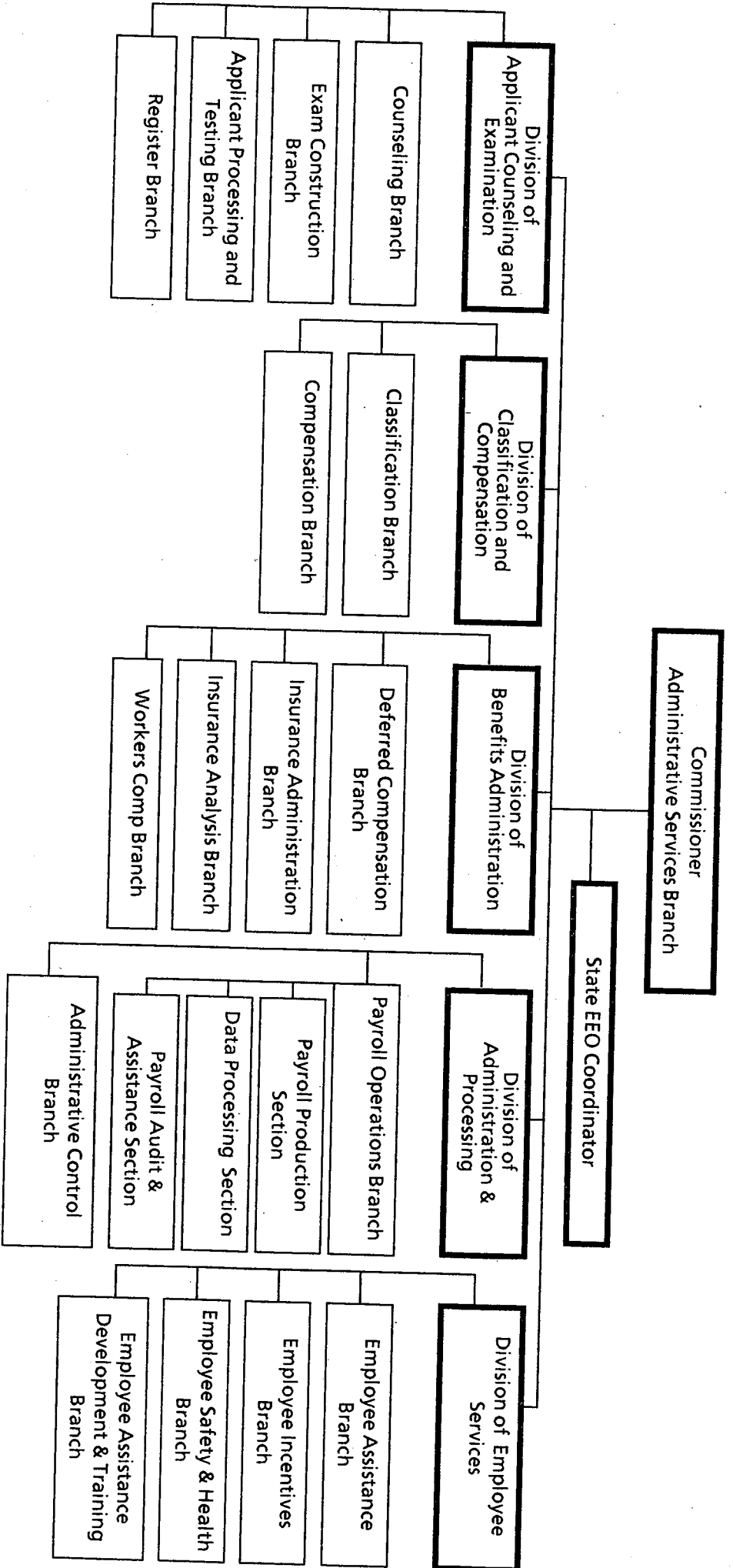
## **DIVISION OF ADMINISTRATION AND PROCESSING**

Pursuant to the duties outlined in 18A.025, this division audits and certifies all state payrolls; prepares and maintains all employee personnel and payroll records; maintains agency data bases; operates and maintains agency electronic systems. Additionally, the division handles the receipt and depositing of all premiums for the Kentucky Kare Insurance program, and the maintenance of an enrollment system for tracking all state employees in the Kentucky Kare plans.

## **DIVISION OF EMPLOYEE SERVICES**

Assists employees who are troubled; assists the Commissioner's Office with special Equal Employment Opportunity programs; coordinates safety in the workplace programs; administers the Employee Suggestion System.

DEPARTMENT OF PERSONNEL (09-16-93)



**DEPARTMENT OF PERSONNEL**  
**FISCAL YEAR 1993**  
**ACHIEVEMENTS AND STATISTICS**

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### DIVISION OF APPLICANT COUNSELING AND EXAMINATIONS

Written Examinations Constructed . . . . .	24
Training and Experience Ratings Constructed . . . . .	25
Developed Selection Methods . . . . .	224
Applicants Counseled . . . . .	14,095
Mail-In Applicants Reviewed . . . . .	15,003
P-1 Actions Processed . . . . .	8,513
Register Certificates Issued . . . . .	2,833
Appointments Processed . . . . .	2,483
Verifications . . . . .	3,117

#### Special Projects

- Exam items in the item bank have been put on computer. New items for specific subject areas were written.
- The manual procedure of grading exams was replaced by the use of an automated scanner. This allows us to increase security measures, eliminate errors and to process examinations quicker while reducing staff.
- In our ongoing effort to provide equal accommodations for all applicants, we reviewed our procedures for special testing needs. We found our service would be better if we coordinated these activities through one person. Duties were restricted to allow one person to serve as special testing coordinator who will work individually with applicants with special needs. Two staff members completed a basic course in sign language. There were 110 exams administered which had special testing accommodations.

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## DIVISION OF CLASSIFICATION AND COMPENSATION

New Job Classes Established . . . . .	42
Job Classes Revised . . . . .	293
Job Classes Abolished . . . . .	21
Pay Grade Change . . . . .	1*
Special Entrance Rates Implemented . . . . .	20

\*Personnel Board Ordered

### Documentation Reviewed

- Classification staff reviewed the substance of documentation submitted by agencies to establish, abolish, reclassify or reallocate 17,791 positions in state service.
- Compensation staff conducted the state government salary survey - a comprehensive study of nearly 600 job classifications as mandated by the Legislature.



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### DIVISION OF BENEFITS ADMINISTRATION

#### Health Insurance

- Established new marketing parameters for HMO's and Kentucky Kare Premier health plans. Expanded service areas from 7 to 25 to promote uniform expansion of managed care products to areas of the state that were not being offered this type of care.
- Increased hospital discount program for Kentucky Kare Plans. This effort generated a savings to the plans of \$6,024,848 for the contract year ending October 31, 1992.
- Extended health insurance plan year to 14 months (November 1, 1992 - December 31, 1993) to enable a change to a calendar year beginning January 1, 1994.
- Produced and distributed open enrollment materials to over 126,000 employees eligible for health insurance benefits.
- Went out across the state and trained over 900 employees on the basics of open enrollment procedure. Provided them with information and materials to take back to their work location to share with co-workers.
- Implemented a twice monthly payment option to allow state employees to split their portion of the health insurance premium between the two paychecks they receive each month. This was a recommendation of the Employee Advisory Committee.
- Continued publication of benefits newsletter, now named "Well Being", to communicate to all employees.
- Increased enrollment, for the third year, in the Flexible Benefit Spending Accounts for Dependent Day Care and Health Care expenses.
- Attended Health Care Reform Task Force meetings during Fall '92 and Spring-Summer '93.
- Manned an 800 hotline for Health Care Reform on a daily basis during Spring of '93.

- Assisted the Governor's Office for Policy and Management in developing the mega pool plan for state employees.
- Made presentations at state employee meetings on the proposed Health Care Reform Plan. Also, sat on panel at town forums held across the state to educate citizens on Health Care Reform.

### Group Life Insurance

- The employees' group life insurance plan is administered by the Division of Benefits Administration, Insurance Analysis Branch. Currently, the contract holder is the Prudential Insurance Company of America. More than 122,000 active employees of state government, local school boards, and local health departments are provided coverage. The amount of basic term insurance coverage for state and health department employees is \$6,560; the amount funded for Board of Education employees is \$3,935. About 9,500 employees purchase additional coverage on themselves and about 4,600 employees purchase additional coverage on their dependents.

Effective with the current contract, the Department of Personnel assumed the following administrative responsibilities:

- a. Creation and maintenance of database on all enrollees.
- b. Generation and processing of detail billings for Board of Education and health departments.
- c. Maintenance of beneficiary designations.
- d. Development and distribution of forms, brochures, certificates, and procedures.
- e. Claim certification.

### Workers' Compensation

- The Division of Benefits Administration administers the Workers' Compensation Program for state employees (except the Transportation Cabinet), volunteer firemen, volunteer ambulance personnel, seven county clerk and sheriff's offices, Lexington - Fayette County Health Department, and state universities (except University of Kentucky). The Workers' Compensation Program is designed to pay for medical treatment and to compensate employees for loss of earning power due to work-related injuries or disease arising out of and in the course of their employment.

- Approximately 85,383 employees are provided coverage under this self-insured program. Job-related injuries for fiscal year 1992-93 resulted in 6,342 claims filed.

**Kentucky's Deferred Compensation Plan Ranks in Nation's Top 20**

- Based on data provided by the National Association of Government Deferred Compensation Administrators, the Kentucky Public Employees Deferred Compensation System is among the twenty largest in terms of assets in the nation. According to N.A.G.D.C.A. Kentucky ranks ahead of more populous states such as Texas, New Jersey, and Pennsylvania.

**System Enhancements and Reduced Costs Help Deferred Compensation Achieve All-Time Records**

- The Kentucky Public Employees Deferred Compensation System achieved all-time participant volume and account value highs with the June 30, 1993 Statement of Account. These were:
  - a. All time record number of statements prepared - 29,998 (an increase of 1,497 over the June 30, 1992 numbers).
  - b. All time system account value high - \$321 million compared to \$276 million a year earlier.

**Activity Summary**

- For Fiscal Year 92-93 the Kentucky System processed the following number of actions:

New Participants	2,863
Increases of Deferral Amounts	4,197
Decreases of Deferral Amounts	854
Cancellation of Participants	2,831
Fund Exchanges	15,685
Participant Loans	390
Participant Payouts	2,494
Participant Service	37,184

## **Financial Life Income Planning (FLIP) Update**

- The Deferred Compensation System, in conjunction with the Kentucky Retirement System, completed development and put into full operation a comprehensive retirement planning system for state employees and other participating groups. Computer software was developed that allows employees to use specific data from their own deferred compensation, retirement, and social security accounts, plus personal savings, to do multiple retirement income projections. Thousands of the FLIP Goal Charts have been produced for and distributed to Kentucky participants through June 30, 1993. Kentucky's FLIP Goal Chart system is recognized for its quality throughout the country.

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### **DIVISION OF ADMINISTRATION AND PROCESSING**

#### **Administrative Control Branch**

- Completed training employees in the Department of Personnel who review and approve P-1's on the Electronic P-1 file.
- Processed and filed 108,394 personnel actions.

#### **Payroll Operations Branch, Data Entry Section**

- After the technical development of being able to transfer data from the AS/400 System through the PC System to the telephone line modem, the Data Entry Section is successfully transferring the Fringe Benefits Management insurance files data twice a month to Florida.

#### **Payroll Operations Branch, Computer Operations**

- Personnel has successfully installed the latest IBM software release 2.1.1. to the AS/400 system without any problems of delaying daily operations.
- Helped IBM CE's with the upgrade of AS/400 system from B30 to F35.

#### **Payroll Operations Branch, Word Processing & Computer Staff**

- The Word Processing staff is maintaining the Career Award Certificates.
- Successfully maintaining all ongoing projects in a timely manner (Superbook, Director's Lists, Specs., Tests, etc.). Assisted with Salary Survey conducted by the Division of Classification & Compensation, also getting the Health Choice Booklet out.

#### **Payroll Operations Branch, Payroll Audit & Payroll Production Sections**

- Designed and implemented a new security list form where the access for all the on-line files, both personnel and payroll, are entered on one form.
- Implemented new CICS sub-system to enter and edit manual pay transactions on-line. This is a capability which agencies have wanted for several years.
- Implemented new option for state employees to deduct health insurance, family or parent plus, twice monthly.

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### **DIVISION OF EMPLOYEE SERVICES**

- All agencies have been brought into compliance with KRS 18A.112 which requires that eligible employees be evaluated on job performance twice each year.
- Training on the employee evaluation system was provided for approximately 600 supervisors.
- Trained approximately 250 new managers on the employee evaluation system during management workshops.
- Awarded approximately 3,000 Career Service Certificates.
- Processed 2,700 Auto Liability Reimbursements.
- Presented 26 cash awards to state workers through the Employee Suggestion System. The suggestions represent a first year savings of \$673,822.65.
- Presented the Governor's 7th Annual EEO Conference, with 24-three hour workshops and 3 plenary sessions, to 326 registrants.
- Presented 4 health and wellness seminars.
- Conducted 6 general OSHA inspections.
- Presented 5 seminars on miscellaneous safety topics.
- Trained 202 state workers in First Aid/CPR. This represents an increase of approximately 13% over last fiscal year.
- Provided 380 safety video tapes to safety officers.
- Published quarterly newsletter for 900 Agency Safety Representatives.
- Provided direct employee assistance services to approximately 577 state employees and/or their family members.
- Conducted 16 informational workshops to increase the understanding of the available services of the Kentucky Employee Assistance Program.

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DEPARTMENT OF PERSONNEL**

**EMPLOYEE FACTS  
(AS OF JUNE 30, 1993)**

Executive Branch* .....	42,013
Legislative Branch* .....	331
Judicial Branch* .....	2,626

\* (Includes all permanent full & part-time, temporary full & part-time, seasonal full & part-time, all emergency and all FFTL employees.)

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

48.50% are female

7.38% are minority

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

Earns \$24,551 per year salary

Receives \$5,675 in benefits

7.65% Employer-paid retirement	\$1,878.15
7.65% Employer-paid FICA	\$1,878.15
12 x \$158.78 Health Insurance	\$1,905.36
12 x \$1.15 Life Insurance	\$ 13.80