KENTUCKY PERSONNEL CABINET

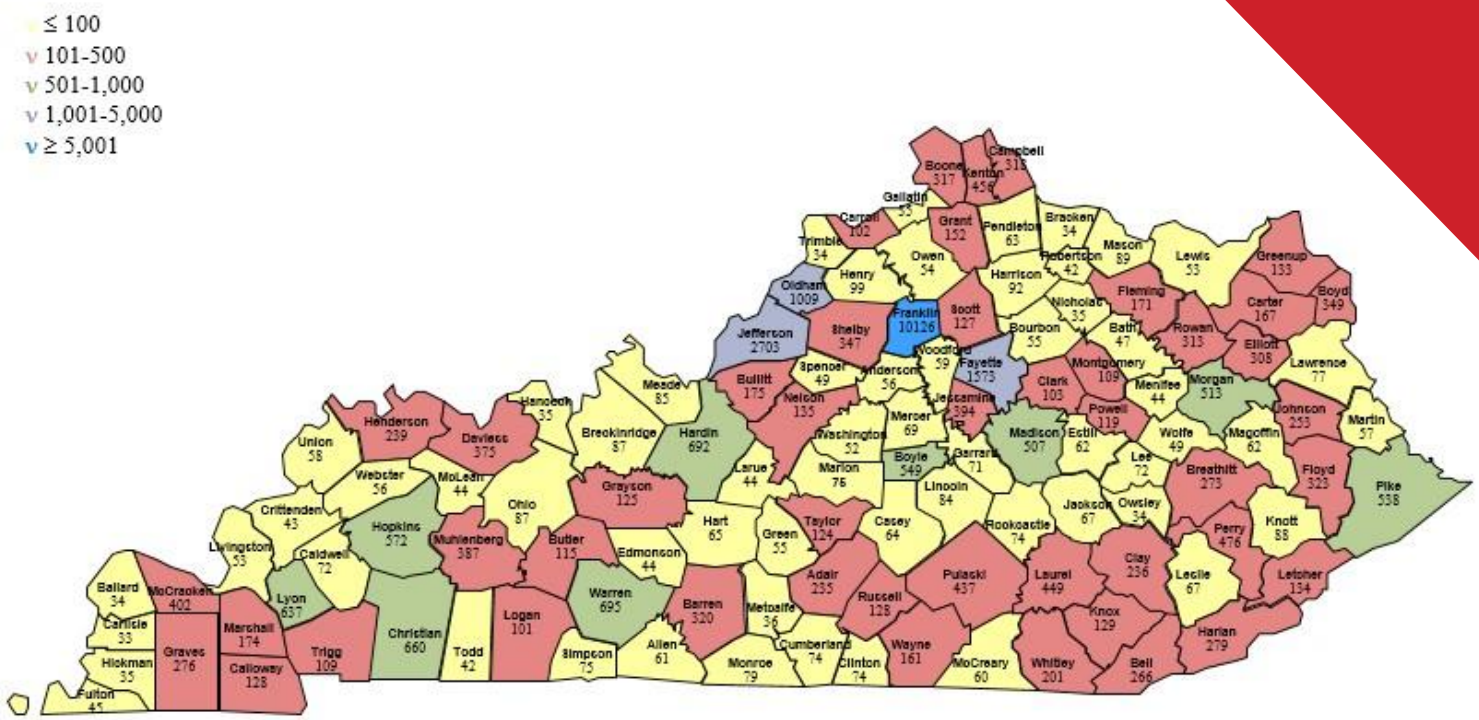
Annual Report
Fiscal Year 2016-2017

Between July 2016
and June 2017...

34,882 Kentucky state
employees

worked approximately
63,415,950 hours.

They live and work in every county...



They serve

4,436,974

Kentuckians...

from state parks
to classrooms

In 2016-2017, the Kentucky Personnel Cabinet served these public servants...

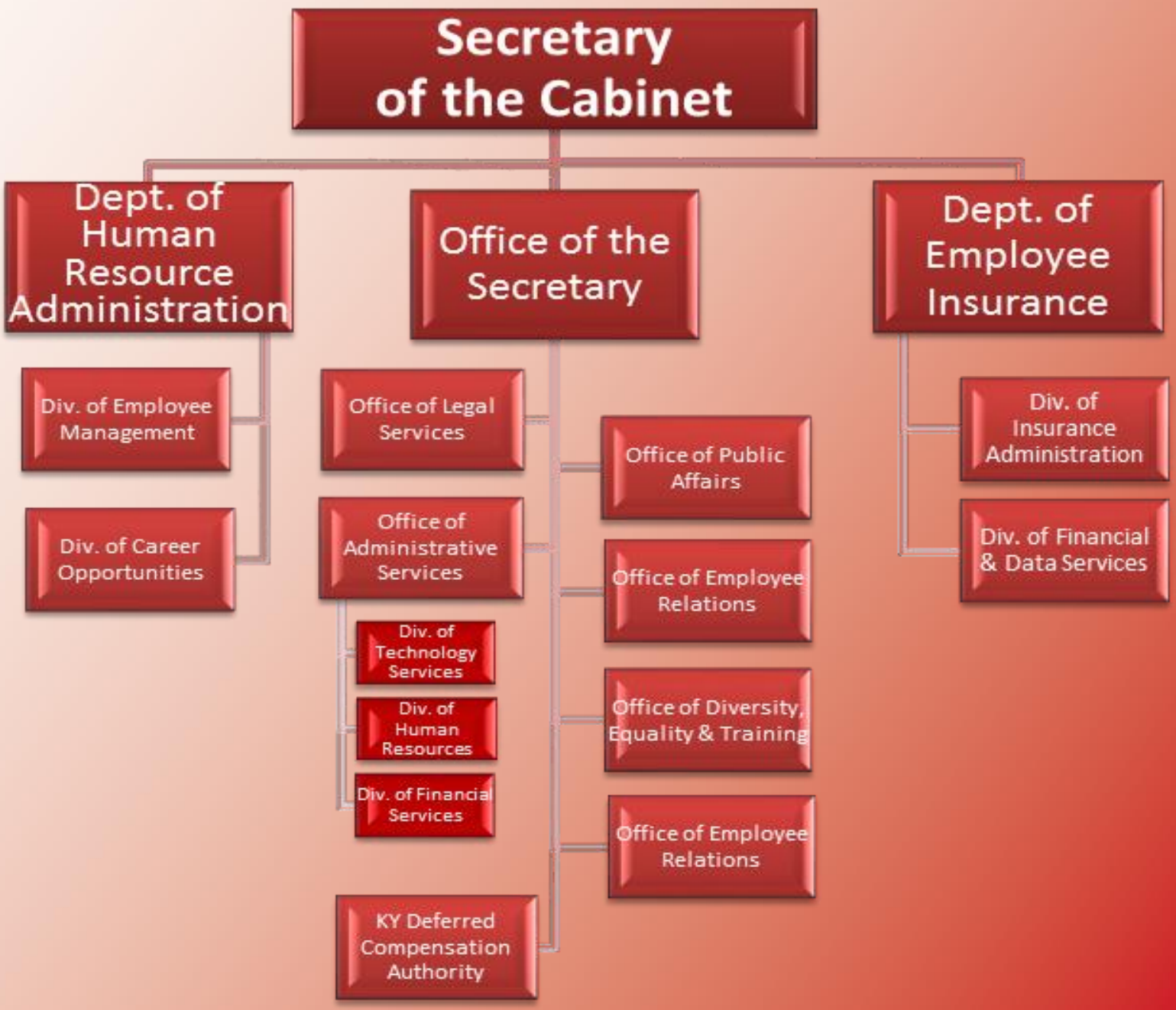
KENTUCKY PERSONNEL CABINET

We serve the people who serve the people

Here are the stories of our work this year...

Contents

Structure


Secretary of the Cabinet
Dept. of Human Resource Administration
Office of the Secretary
Dept. of Employee Insurance
Div. of Employee Management
Div. of Career Opportunities
Office of Legal Services
Office of Administrative Services
Div. of Technology Services
Div. of Human Resources
Div. of Financial Services
KY Deferred Compensation Authority
Office of Public Affairs
Office of Employee Relations
Office of Diversity, Equality & Training
Office of Employee Relations
Div. of Insurance Administration
Div. of Financial & Data Services

Who we are

The Office of Administrative Services (OAS) is responsible for the internal administration of the Personnel Cabinet. The Office's responsibilities include human resources, payroll, budget, accounting, purchasing, technology services, property management, and facilities.

Our favorite number this year:

There were 201 state employees with the Personnel Cabinet as of June 30, 2017 – that small number manages and operates the payroll system, the health insurance program, the life insurance program, the workers' compensation program, the Kentucky Employee Assistance Program, the Deferred Compensation Authority to support agencies and employees, retirees, and their families.

Cabinet budget

The Cabinet has three primary appropriation units: General Operations, Deferred Compensation, and Workers' Compensation.

The largest appropriation unit, General Operations, includes the Office of the Secretary, Legal Services, Administrative Services, Human Resources Administration, the Office of Diversity, Equality and Training, the Office of Employee Relations, the Division of Technology Services and KHRIS. General Operations expended $26.9 million in FY 2017.

Each unit maintained expenditures within budget limits while continuing to provide services to every agency of state government, school districts, many quasi-governmental entities, and some counties.

The following reports show Cabinet fiscal performance during Fiscal Year 2017.

Deferred Compensation

June 30, 2017 Budget Status

100% of Fiscal Year

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD AMT	Budget	% YTD
Personnel Costs															
Unemployment Compensation													0.00	0.00	0.00%
Callan Associates-Consulting Svcs.				37,500.00			37,500.00			37,500.00			112,500.00	150,000.00	75.00%
CliftonLarsonAllen LLP				17.500.00	-	-	-	-	-	-	8.860.56	-	26,360.56	35,000.00	75.32%
Nationwide Retirement So. ,tions	-	386,563.20	386,032.16	386.173.20	387,263.76	387,023.12	387,233.04	387,264.64	337,157.12	386.757.76	388,214.40	813,027.68	4,6824.08	5,175,000.00	90.49%
Reed \leitbmp Shell & Vice		16,741.43	16,768.34	18,313.34	14,637.50	12,458.02	11,568.62			30,403.71	31,853.37	40,363.18	133.115.37	215,600.00	89.57%
Inves Advice Program													0.00	302,700.00	0.00%
Other Contracted Services	-	-	-	-	-	-	-	-	-	-	-	-	0.00	102,000.00	0.00%
Secu		737.75		737.75			737.75			737.75			3,131.00	3,200.00	99.72%
Misc – Air Source Technology	-	-	-	-	-	-	1.254.50	-	-	-	-	-	1,254.50	3,600.00	13.07%
IT Networking/Infrastructure Svcs.	-	2.408.40	1.204.20	1.204.20	1.204.20	1.204.20	1.204.20	1.204.20	1.204.20	1.204.20	1.216.63	2.420.83	15,673.58	14,500.00	108.14%
Janitorial	-	1,996.00	-	1,996.00	-	998.00	1,996.00	-	1,996.00	-	1,996.00	998.00	11,976.00	12,000.00	99.80%
Subtotal	335,218.85	626,959.34	613,599.40	677,803.15	612,178.74	614,140.82	653,936.80	602,464.29	609,742.45	670,427.41	645,399.21	955,406.83	7,617,877.29	8,741,900.00	87.14%
'O(i@t:ij															
Utilities	2,425.70			2,370.67	1,053.68	1,166.11	606.71	2,301.26	1,488.77	1,523.88	1,236.03	1,548.13	17,513.47	13,400.00	90.28%
Rent	26,411.10			26.411.03	-	-	26.411.03	-	-	-	-	26.411.03	105,644.37	105.700.00	99.95%
Other Rent	783.45	1,680.33	783.44	3El3.07	232.52	783.44	783.44	1.274.36	783.45	783.46	783.44	783.44	10.'83.44	14,000.00	74.88%
Maintenance	658.22	323.77	353.13	251.36	36.63	386.33	210.62	431.11	243.74	636.32	542.10	726.68	4,873.33	7,000.00	69.62%
Postage		553.86	801.25	331.55	440.64	433.24	363.30	433.25	432.81	2.474.35	433.44	2,064.74	3,081.03	12.400.00	73.23%
Misc. Services	100.00	162.63	264.38	53,6$.66	11.020.16	231.63	1.010.14	5,603.63	833.38	1,138.63	1.353.33	2,785.32	78,806.33	173,300.00	45.47%
Telecommunications	121.77	475.87	371.36	1,150.08	841.70	631.38	452.06	1,168.05	436.35	1,180.30	750.17	1,154.48	8,855.37	10,500.00	84.34%
Computer Services	554.24	34774.34	5.370.51	6.181.87	18,076.33	5.430.32	3,144.14	5.727.53	5,172.41	16.276.48	11.811.30	10,868.04	130,048.83	147.200.00	88.35%
Supplies	558.57	367.80	444.03	483.03	338.83	583.54	680.41	581.13	712.67	721.33	1.304.65	702.60	7,544.71	8,500.00	88.76%
Commodities		84.07	622.64	219.24	1,383.14	48.34	603.83		2,040.27	134.58		4,227.24	10,023.41	41,100.00	24.40%
Travel	1.845.73	1.302.30	1.806.38	722.71	33.78	85.02	-	367.00	62.40	-	-	1.066.32	7,238.30	15,000.00	48.66%
Dues, Subscriptions, Other	340.00	550.00	-	7.56	-	600.00	-	-	-	-	-	7.75	1,505.31	19,500.00	7.72%
Subtotal	33,798.84	41,866.50	11,625.92	92,853.49	34,196.19	10,571.41	40,265.80	18,019.50	12,332.85	24,931.19	18,875.72	52,346.49	391,683.90	573,600.00	68.29%
Capital Expenditures								6,640.09					6,640.09	0.00	0.00%
	369,017.69	668,825.84	625,225.32	770,656.64	646,374.93	624,712.23	694,202.60	627,123.88	622,075.30	695,358.60	664,274.93	1,007,753.32	8,015,601.28	9,315,500.00	86.05%

Workers Compensation

June 30, 2017 Budget Status

100% of Fiscal Year

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD AMT	Budget	% YTD
Personnel Costs															
Salary & \1ages	47,203.05	31,468.70	28,810.68	35,827.87	32,786.14	33,426.33	32,969.48	32,969.48	32,969.48	32,969.48	40,844.48	21,285.41	403,530.58	390,900.00	103.23%
Benefils	32,573.75	22,204.60	20,402.62	24,956.47	22,940.14	23,252.73	23,17185	23,17187	23,17185	23,17183	27,879.93	12,517.92	279,415.56	271,700.00	102.84%
Workers Comp-CCMSI	1,320,975.14	1,467,084.91	1,547,308.55	1,195,94112	1,264,163.73	1,512,45107	1,835,765.68	1,520,037.95	1,865,925.10	1,976,575.18	1,620,363.24	1,538,282.10	18,664,873.77	22,192,100.00	84.11%
\lrkrs Comp-Premium	89183	-	-	-	-	-	-	-	-	-	-	-	891.83	10,000.00	8.92%
\ICFC-Simulaled Premium	186,953.47	-	-	274,101.09	-	-	-	-	-	-	-	-	461,054.56	1,291,600.00	35.70%
Training & Pers Bd Assessmenl	340.08	156.00	-	1,351.17	-	-	98.17	899.00	-	98.17	-	-	2,942.59	2,300.00	127.94%
Unemploymenl Compensalion															0.00%
Blue &Co11C	-	-	-	-	-	-	-	33,150.00					33,150.00	33,200.00	99.85%
CCMSI Adminislralion	72,894.60	-	-	182,983.65	156,232.20		147,512.55	71,12115			147,470.85	209,174.10	987,389.10	1,000,000.00	98.74%
IT Nelvorkinglln fraslruclure Services	-	-	-	60.21	60.21	60.21	60.21	60.21	60.21	60.21	60.21	120.42	602.10	-	0.00%
01her Conlracl Cosls	-	-	-	-	-	-	-	-	-	-	119.00		119.00	1,500.00	7.93%
Security	-	371.00	-	371.00	-	-	371.00	-	-	370.98	-	-	1,483.98	2,000.00	74.20%
Subtotal	1,661,831.92	1,521,285.21	1,596,521.85	1,715,592.58	1,476,182.42	1,569,190.34	2,039,948.94	1,681,409.66	1,922,126.64	2,033,245.85	1,836,737.71	1,781,379.95	20,835,453.07	25,195,300.00	82.70%
	-	-	-	3,868.74	-	-	1,934.37	-	-	1,934.37	-	-	7,737.48	8,000.00	96.72%
Rent	-	-	-	8,258.64	-	-	4,129.32	-	-	4,129.32	-	-	16,517.28	17,000.00	97.16%
01her Renl	176.52	-	132.40	-	264.80	-	132.39	264.79	132.40	-	264.80	132.40	1,500.50	1,800.00	83.36%
Mainlenance	24.06	-	17.26	-	53.16	-	9.10	7.46	14.65	-	12.95	5.50	144.14	4,000.00	3.60%
Poslage		24.67	36.60	25.67	4.57	17.28	14.91	-	20.20	1159	10.97	32.97	199.43	1,000.00	19.94%
Misc. Services	-	-	-	-	-	-	-	-	-	-	-	75.96	75.96	500.00	15.19%
Telecommunicalions	35.38	1,765.10	998.33	1,078.60	1,103.78	1,059.95	1,124.30	1,048.00	1,119.09	1,036.34	992.68	2,091.75	13,453.30	13,000.00	103.49%
Compuler Services	160.91	2,273.00	393.00	527.86	2,585.35	364.79	704.17	435.00	504.10	2,572.12	2,227.07	720.27	13,467.64	14,000.00	96.20%
COT commodilies	-	-	29.98	-	22.101	-	-	-	417.28	-	-	-	668.27	5,000.00	13.37%
Sohv are Mainlenance	-	3,040.16	43.20	-	-	-	-	-	-	-	-	-	3,083.36	5,000.00	61.67%
Supplies	113.48	-	-	91.29	35.59	-	59.80	-	-	-	-	298.69	598.85	2,500.00	23.95%
Commodilies				2.72		0.35						1,014.30	1,017.37	4,000.00	25.43%
Travel	-	-	40.00	226.08	78.00	-	587.06	-	-	1,640.00	2,320.08	-	4,891.22	5,200.00	94.06%
Dues, Subscriplions,															
Other	-	-	-	-	-	-	-	-	-	-	1,339.57	-	1,339.57	4,000.00	33.49%
Subtotal	510.35	7,102.93	1,690.77	14,079.60	4,346.26	1,442.37	8,695.42	1,755.25	2,207.72	11,323.74	7,168.12	4,371.84	64,694.37	85,000.00	76.11%
Capital Costs	-	-	-	-	-	-	-	-	-	-	-	1,399.96	1,399.96	-	0.00%
	1,662,342.27	1,528,388.14	1,598,212.62	1,729,672.18	1,480,528.68	1,570,632.71	2,048,644.36	1,683,164.91	1,924,334.36	2,044,569.59	1,843,905.83	1,787,151.75	20,901,547.40	25,280,300.00	82.68%

Personnel Cabinet-General Operations

(Excluding Workers Comp and Deferred Comp)

June 30, 2017 Budget Status

100% of Fiscal Year

	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	YTD AMT	Budget	% YTD
Personnel Costs															
Susan M Turner (KEAP)	-	-	-	-	-	-	450.00	-	-	-	-	450.00	900.00	2,100.00	42.86%
TEKsystems		115,437.00	119,11250		103,76350	195075.00	90,236.00	108,79400		204,038.00		307,458.50	1,243,914.50	1,121,900.00	110.88%
Truven Health Analytics	52,520.87	54,770.83	53,270.83	54,020.83	52,520.83	54,020.83	54,020.83	53,270.83	53,270.83	54,020.83	53,270.83	53,270.83	642,250.00	642,300.00	99.99%
Virtusa Corp													-	5,500.00	0.00%
Reimbursement of KHRIS Costs	-	(263.230.98)	(263.230.98)	6,838.49	(820.00)	(263,230.98)	(2,256.00)	-	(269,054.98)			(6,400.00)	(1,061,385.43)	-	0.00%
IT Networking/Infrastructure Services	-	2,528.82	1,264.41	1.264.41	1.264.41	1.264.41	1.264.41	1.264.41	1,264.41	1,32462	20,30115	21,890.14	54,895.60	17,500.00	313.69%
Other Contract Costs	-	807.50	1,400.00			2,387.73	3,125.00	-	528.00	-	1,823.15	4,627.60	14,698.98	29,500.00	49.83%
Security	13,622.51	(1,168.75)	-	12,453.76	-	-	12,453.76	-	-	12,453.78	-	-	49,815.06	51,200.00	97.30%
Subtotal	2,100,389.90	1,591,407.38	1,781,878.60	657,450.32	2,553,408.14	1,614,681.09	1,732,029.89	1,830,541.03	1,410,253.79	1,892,186.99	1,434,705.40	2,068,207.46	20,667,139.99	22,614,500.00	91.39%
Operating Costs															
Utilities	162.53	162.53	162.53	124,906.11	162.53	162.53	62,534.32	24139	214.99	61.306.02	-	304.20	250,319.68	253,400.00	98.78%
Rent	10,90109	-	-	299,995.27	10,90109	10,90109	136,070.17	2,924.17	2,924.17	132,877.17	2,924.17	2,924.15	613,342.54	695,800.00	88.15%
Other Rent	4,91875	2,673.67	1.917.77	1.253.52	14,113.55	1,495.16	3,82307	5,615.73	4,359.16	2,932.33	3,887.11	7,187.94	54,177.76	61,500.00	88.09%
Maintenance	1,702.73	56710	4,36369	5,007.94	41,373.16	56,032.04	1,733.17	1.050.01	30,345.65	740.06	1.832.18	28,674.87	173,422.60	204,000.00	85.01%
Postage		46,882.57	22,623.02	3,523.20	2,669.31	1,77190	16,076.54	26,141.02	21.850.39	2,470.84	13,144.06	2,896.63	160,049.48	217,800.00	73.48%
Misc. Services	3,91136	1,148.60	6,025.94	45,54169	6,962.62	5,742 79	6,449.02	1.222.17	6,758.54	16,153.48	5,188.61	10,300.41	115,405.23	108,900.00	105.97%
Telecommunications	3,170.21	6,801.27	3,377.20	9,271.43	11.599.86	3,915 01	5,953.84	4,261.03	11.790.93	5,920.58	3,621.08	11.019.92	80,702.36	105,400.00	76.57%
Computer Services	15,525.43	247,693.26	237,092.99	103,175.80	341,876.73	207,886.58	217,559.73	249,279.09	213,921.59	287,890.97	251,527.08	205,826.49	2,579,255.74	2,913,000.00	88.54%
COT commodities		4,087.80	2,640.55	2,842.80	4,360.83	4,721.09	5,141.95	885.50	11,650.93	3,102.99	2,818.44	15,313.90	57,566.78	151.300.00	38.05%
Software Mtnc. (CGI, EPI)		119,354.43	49.20	721.624.64	!674,339.82)	437,044.89	997.50	665,187.82	146,656.92	54,500.00	9,087.50	575,400.65	2,055,563.73	1,863,300.00	110.32%
Supplies	1.070.31	643.67	2,590.83	1.650.02	5,507.61	1,194.63	1.264.92	694.44	512.11	1.843.83	431.39	1,160.49	18,564.25	34,900.00	53.19%
Commodities		240.35	2,440.17	(985.83)	6,330.49	138	2,083.66	2,746.44	294.20			30.86	13,181.72	96,300.00	13.69%
Travel	108.24	510.44	1.848.63	2,463.09	1.251.55	129.37	1,140.71	398.76	625.41	1,528.71	8,060.26	6,745.54	24,810.71	27,600.00	89.89%
Dues, Subscriptions, Other	4,435.52	2,230.34	4,470.49	4,611.54	-	1,666.41	3,594.91	728.15	200.00	5,210.22	300.00	6,417.00	33,864.58	53,400.00	63.42%
Subtotal	45,906.17	432,996.03	289,603.01	1,324,881.22	(227,230.49)	732,664.87	434,423.51	961,375.72	452,104.99	576,477.20	302,821.88	874,203.05	6,230,227.16	6,786,600.00	91.80%
Capital Costs	-	15,387.00	15,387.00	15,387.00	15,387.00	15,387.00	15,387.00	15,387.00	30,956.60	15,374.97	15,387.00	(100,745.46)	68,682.11	184,800.00	8.33%
Total	2,146,296.07	2,039,790.41	2,086,868.61	1,997,718.54	2,341,564.65	2,362,732.96	2,211,840.40	2,807,303.75	1,893,315.38	2,484,039.16	1,752,914.28	2,841,665.05	26,966,049.26	29,585,900.00	91.14%

Office of Administrative Services Accomplishments

Procurement

OAS assisted with the procurement of several contracts that were up for renewal including state-wide life insurance renewals, medication therapy management and actuarial services for health insurance, and legal services for the Deferred Compensation Authority.

Reorganization

A reorganization resulted in the relocation of the Governmental Services Center from Kentucky State University and the Kentucky Employees Assistance Program from the Bush Building to the State Office Building. Staff worked with Finance Facilities Management to construct training rooms within existing leased space to accommodate state employee training classes. This reorganization also moved the Division of Technology Services from the Department for Human Resources Administration to the Office of Administrative Services.

Division of Technology Services (DTS)

DTS was reorganized to the Office of Administrative Services (OAS) July 16, 2017. This reorganization aligns with the responsibility and duties of the division as it supports the vision and strategic roadmap for technology within all business areas of the cabinet. This division is responsible for the design, development, implementation, and ongoing support of cabinet information technology (IT) and projects which impact internal and external human resources initiatives. Division accomplishments include:

IT Security

Responsible for ensuring proper system and user security, DTS concluded the 2016/2017 iSTEP annual training requirement to educate more than 7,500 external users of the cabinet's 3 enterprise HR systems. This yearly requirement refreshes users on the cabinet's IT policies and procedures.

IT Support

DTS supported 4,868 IT-related incident tickets. Of those, 263 were change requests for HR systems, while 4,605 were logged as DTS incidents for access requests, production support requests, defects, and desktop/IT support.

DTS projects

- Implemented all of the Administrative Office of the Courts' HR processes in KHRIS
- Cost allocation redesign for KYTC's compliance with the FHWA.
- FICA tax compliance changes
- KHRIS infrastructure migration from a mainframe system to AIX platform
- Full cabinet business continuity exercise
- KHRIS Employee Self Service (ESS) Time Recording to 894 employees and developed a plan for additional employees
- KHRIS ESS accommodations and support for KEHP Open Enrollment

DTS projects in progress:

- Several manual processes identified for electronic processes
- KECC campaign to move to KHRIS ESS
- KHRIS functionality to elect and distribute online W2s in January, 2018
- Talent management software for electronic performance plan process
- Partnering with COT for an enterprise document management solution

Who we are

The Office of Legal Services (OLS) performs various tasks, including drafting legal pleadings, memoranda, proposed legislation, proposed regulations, and legal opinions. OLS represents the Cabinet in administrative hearings and proceedings before state and federal administrative agencies and courts.

Our favorite number this year:

This office processed 196 requests submitted under the Kentucky Open Records Act.

Office of Legal Services Accomplishments

Personnel Board-Related Matters

Reviewed and consulted with agency attorneys and administrators when needed on 339 appeals filed with the Personnel Board during the Fiscal Year. Reviewed and approved all Personnel Board settlement agreements involving Executive Branch agencies, as well as settlements which occur in other legal forums such as the Human Rights Commission. Provided legal support and guidance with respect to seven desk audits ordered by the Personnel Board, as well as other pending appeals involving classification questions. Attended monthly Personnel Board meetings, provided a summary of the Cabinet's activities, suggested regulation amendments, and reported on trends throughout the HR enterprise.

Litigation

Represented the Personnel Cabinet in 240 Personnel Board appeals. Served as counsel in a Personnel Board appeal for another agency due to an internal conflict of interest with one of the parties. Represented the Personnel Cabinet in various state court proceedings.

Requests for Information

Served as the Records Custodian for the Personnel Cabinet. Processed 196 requests submitted under the Kentucky Open Records Act and notified agencies and employees in appropriate cases. Reviewed and responded to 135 employee requests for inspection of records. Responded to 1011 investigative requests for employment from the U.S. Office of Personnel Management.

Personnel Actions

Reviewed and either approved, denied or requested further information for 9,568 background check files. Reviewed and either approved, denied or requested additional documentation for 3,955 personnel actions, including appointments, rehires, transfers, demotions, suspensions, reversions, separations, paid and unpaid leave, disciplinary fines, and work county changes. Reviewed, requested further information when necessary, and recommended for approval by the secretary of the Personnel Cabinet renewals of temporary assignments of other agency employees, special investigative leave actions, and petitions for written reprimand removals. Reviewed, requested further information when necessary, and recommended for approval along with the commissioner of DHRA any requests for closure of a state office building due to safety concerns, such as heating/air issues or water issues.

General Guidance / Legal Assistance

Continued review of all Personnel administrative regulations as part of the Governor's Red Tape Initiative. Coordinated the federal drug-free workplace certifications on behalf of the Executive Branch agencies necessary for obtaining federal funding. Undertook a review of all probationary periods for certain Executive Branch job classifications.

Office of Legal Services Accomplishments

Reviewed multiple contracts for various Personnel Cabinet business areas. Fielded numerous telephone calls from state employees and agencies regarding issues relating to the merit system, human resources, benefit information, open records requests, and background checks.

Legislative and Regulatory Matters

Assisted with legislation during the 2017 regular session. Attended legislative committee hearings and reviewed legislation regarding key issues facing the Commonwealth HR enterprise.

Additional Roles

Provided assistance/review for Personnel Cabinet divisions with proposed updates or changes to the Personnel Cabinet Retention Schedule. Served as the Cabinet's Ethics Officer and reviewed all outside employment requests and internal ethical considerations. Participated in mediations offered by the Personnel Cabinet's Office of Employee Relations.

Kentucky Employees' Health Plan & Group Life Insurance

Provided daily legal advice to Department of Employee Insurance (DEI) as administrator of the Kentucky Employees' Health Plan (KEHP) and Kentucky Group Life Insurance (KGLI). Attended the Kentucky Group Health Insurance Board (KGHIB) and Advisory Committee. Provided presentations to KGHIB regarding legislation proposed during the 2017 legislative session that could impact KEHP. Assisted in developing administration rules and amending the Administration Manual for use by Insurance Coordinators and Human Resource Administrators. Drafted KEHP's 2017 IRC Section 125 cafeteria plan document and HRA plan document. Drafted and reviewed one RFP for DEI services. Negotiated and drafted KEHP vendor contracts, contract amendments, MOAs, and business associate agreements with AON, KEHP's actuary, the University of Kentucky's Rx Coalition, and other vendors. Provided advice and oversight of the claims run out process administered by Humana. Provided advice and assisted with the development of the 2017 health insurance plan designs. Assisted with incorporating procedures related to the administration of group life insurance. Assisted with preparation for the 2017 Open Enrollment. Drafted new policies, terms and conditions, legal notices, and forms for use during Open Enrollment. Filed Kentucky Employees' Health Plan Benefits Selection Guide for 2017 with LRC following review by the Cabinet for Health and Family Services.

Counseled DEI on Annual Audits

Continued to provide legal advice regarding the ACA Employer Reporting requirements. Conducted legal analysis of various guidance and regulations produced by the U.S. Department of Labor, the IRS, and HHS implementing the Patient Protection and Affordable Care Act (H.R. 3590) (the "Reform Act") as amended by the Health Care and Education

Office of Legal Services

Accomplishments

Affordability Reconciliation Act of 2010 (H.R. 4872) (the "Reconciliation Act"). Provided guidance and assisted with the reporting and payment of the federal Patient-Centered Outcomes Research Institute (PCORI) fee on behalf of KEHP. Continued oversight of KEHP's compliance with health care reform requirements, COBRA, flexible benefits, and cafeteria plan rules. Continued drafting and updating HIPAA Security and Privacy Policies for KEHP, a covered entity. Reported security incidents impacting protected health information to the U.S. Department of Health and Human Services.

Who we are

The Office of Public Affairs (OPA) works with each department in the Cabinet to administer communications and marketing strategies for more than 265,000 self-funded health insurance plan members and dependents, and 33,000 state employees.

Our favorite number this year:

We reached state employees a total of 1,647,171 times with our email communications, alerting them to new programs or reminding them about benefits.

The Office of Public Affairs partnered with the Kentucky Employee Assistance Program (KEAP) to develop a brochure that would highlight the program's services.

The brochure was designed to provide an overall explanation of the program, familiarize employees with the vast number of services offered, and increase approachability.

The brochure is now being distributed at state offices and health clinics, and during training sessions, health fairs, employee onboarding.

Office of Public Affairs Accomplishments

Facebook

The Office of Public Affairs (OPA) continually seeks new and innovative ways to communicate with employees and health plan members. OPA continues to utilize Facebook to highlight news and events and provide important messaging to employees. As of June 30, 2017, the Personnel Cabinet's Facebook page had 5,724 followers. In March, 2017, the office worked with the Department of Career Opportunities to launch a Facebook page devoted to job opportunities within state government. The page now has nearly 1,000 followers. State employees and health plan members reach out to the cabinet through the private messaging on both Facebook pages for customer service requests. The platform is proving to be a useful and welcome addition to cabinet communication strategies.

Public information services

In 2016-17, OPA provided more than 200 public information services on behalf of the Cabinet and Cabinet secretary, including press releases, letters, speeches, employee newsletters and emails, health plan member emails, and media responses. OPA emails support initiatives across the cabinet, including wellness, Deferred Compensation and open enrollment. OPA continues to develop communication tools to provide employees with the information they need to participate in Cabinet-offered health and wellness programs including: the Go365® program, step challenges, the Diabetes Prevention Program, First Onsite Clinics, the LivingWell Promise, LiveHealth Online, Vitals SmartShopper, and others. The Cabinet's monthly newsletter for Executive Branch employees was also sent via email. OPA makes more than 4.7 million contacts annually with Cabinet customers.

Media inquiries

OPA works with the Office of Legal Services to fill and respond to each media-related open records request. The office also coordinates all the Cabinet's official media requests for information and media response polices.

Website governance

The Office of Public Affairs oversees each of the Cabinet's websites, their governance and maintenance. Personnel websites receive 3.5 million hits each year. CSI provides training and meets with the website author teams regularly to ensure website reliability and accuracy.

Expanding communications

The office continues to utilize new forms of communication, and began using Twitter, text messaging (LivingWell Program), and video in communication plans. OPA has been working with other departments and the Division of Technology Services in particular to launch a Personnel Cabinet phone app. The app will allow users to receive push notifications on topics of their choice.

Office of Public Affairs

Accomplishments

Program support & development

OPA continued to partner with other departments within the cabinet to support ongoing initiatives and launch new programs and services for state employees and health plan members. Such initiatives included the launch of the new Go365 program, step challenges and other wellness activities, including RealAppeal, Vitals SmartShopper, LiveHealth Online, the LivingWell clinics, and more.

OPA supported cabinet conferences and trainings by helping develop online registration forms, web pages, brochures, agendas, and posters.

Internal communications is also conducted by OPA, including the internal website, newsletter, email communications, displays, posters, etc.

Other support initiatives included the development of web forms cabinet programs including Return to Work and Group Life Insurance.

OPA also supported the Governor's Ambassador Awards, Public Service Recognition Week, open enrollment, health benefit fairs, Deferred Comp expos, the LivingWell Promise, and employee assistance programs.

Who we are

ODET also has responsibility for several professional development programs including the Certificate of Supervisor Essentials (CSE), Governor's Minority Management Trainee Program (GMMTP), and the Employee Educational Assistance Program (EEAP).

Our favorite number this year:

116.7

This represents the percentage increase in the total enrollment in the CSE program from 2016 to 2017.

Office of Diversity, Equality & Training

Program Spotlight

The 30th Annual Governor's Equal Employment Opportunity (EEO) Conference, held October 18, 2016, brought together more than 180 agency HR, EEO and legal staff.

The annual conference is one of the longest continually-run conferences of its type in the country. The event features workshops and networking opportunities around issues of diversity, inclusion, employee relations and equal opportunity employment. It celebrates and validates the Commonwealth's commitment to diversity and inclusion within state government.

The Honorable William E. McAnulty, the first African-American on the Kentucky Supreme Court was honored with the annual Anderson Laureate Award, given to individuals making significant contributions in the area of equal opportunity.

Office of Diversity, Equality & Training

Online Training

ODE&T provided online training to 6,898 employees in all 12 Executive Branch agencies. The Cabinet for Health and Family Services (1700), Department of Corrections (1504) and the Finance and Administration Cabinet (981) led the way!

Traveling "Roadshow"

In January of 2017, ODE&T committed to establishing regular scheduled opportunities for employees outside Frankfort to participate in the instructor led coursework offered by our staff. Each month, our staff travels across the state, in an effort to save time, travel and increase efficiency.

Certificate of Supervisor Essentials (CSE)

The CSE continues to provide current and aspiring supervisors within the executive branch the tools they need to be successful managers within the framework of Kentucky state government. Because of a more intentional and targeted effort to promote the program to the Commonwealth, between 2016 and 2017, the program saw explosive growth, including a more than 116% increase in year over year enrollment! The year also saw 126 employees complete the program. In addition, the program has participants representing counties all across the state.

External Partnerships

ODE&T continues to provide customized training and presentations to various constituencies both inside and outside the executive branch. These partnerships allow the office specifically, and the Personnel Cabinet and larger Commonwealth more generally, to expand its reach beyond the office walls. A partial list of those with whom ODE&T partnered to offer external training and development include:

Department of Parks,
KY Board of Nursing
Combined chambers of the KY Legislature
Kentucky Retirement Systems
Cabinet for Economic Development
Kentucky Bar Association,
Department of Education
Department of Agriculture
Kentucky Horse Park
Department of Corrections

Modernization and Efficiency

ODE&T is committed to continuously improving our processes in order to increase efficiency, improve communication and ease any burden to our external constituents. Over the course of the year, the office has done this in many ways.

- Providing new functionality and more intuitive navigation of the Commonwealth's Learning Management System (KELMS) through a major software upgrade
- Developed new electronic application and forms for our agency EEO contacts and CSE applicants
- Establishing regular meetings of 400+ agency KELMS contacts
- Reestablishing quarterly professional development and communication meetings involving all agency EEO contacts

Office of Employee Relations Accomplishments

Workers' Compensation Branch

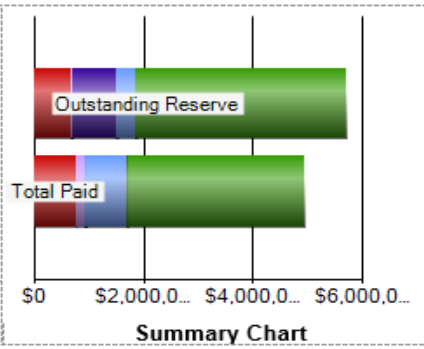
- The Workers Compensation Branch has received and processed 3,047 First Report of Injuries for injuries occurring in Fiscal Year 16-17.
- The branch provides coverage for approximately 48,665 state employees and quasi-state employees throughout 120 counties throughout the Commonwealth.
- The branch provides coverage for approximately 14,055 volunteer ambulance and firefighters in 118 counties in the Commonwealth
- The branch provides coverage for approximately 1,093 junior volunteer firefighters throughout the Commonwealth.
- The branch has received and processed 1376 temporary total disability benefit checks for leave reimbursement.
- There has been $249,274.23 in subrogation and other recoveries during FY 16-17.
- Ninety-five claims went into litigation and assigned to defense attorneys during FY 2016-17.

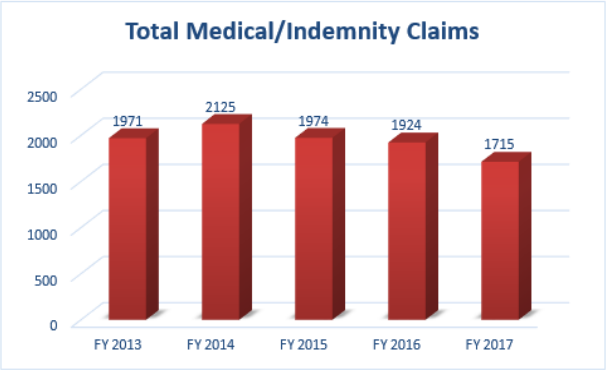
Employees in the Worker's Compensation Branch (WCB) focus on customers' individual needs and on cost containment. Branch employees maintain strategic

Total Incurred for Fiscal Year 16-17: $10,631,713.58
Medical claims: 1,715
Total Claims Reported 3,047

Totals by Class

Class	Total Paid	Out. Reserve
EXPENSE	$756,494.32	$669,529.03
IND.COMPROMISE	$0.00	$80.00
IND.FATALITY	$163,985.77	$26,373.45
IND.PPD	$7,500.00	$794,164.11
IND.TPD	$3,010.58	$5,191.90
IND.TTD	$758,623.83	$341,859.16
LEGAL	$43,041.78	$15,367.10
MEDICAL	$3,211,359.22	$3,839,868.10

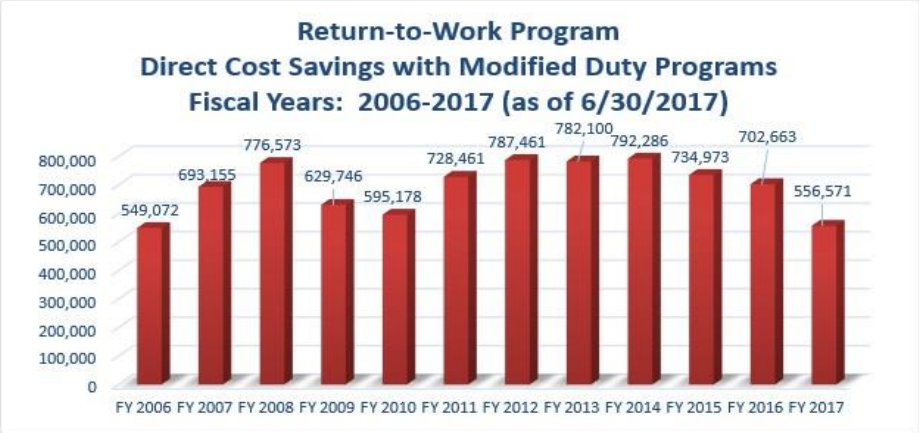




relationships with over 200 agency contacts to begin the management of a claim immediately. During severe weather and any emergency, WCB employees are proactive with Emergency Management centers to assist injured employees. The WCB and the Return-To-Work Branch are participating in the multiyear State Health and Medical Preparedness Advisory Committee (HMPAC) to improve the response in a catastrophic emergency in Kentucky. While this was a year of numerous weather emergencies including snow, flooding and tornadoes, there was not a dramatic injury increase for emergency personnel or regular employees. The Workers' Compensation Program has worked closely with the Safety Program and the Return-to-Work Program to prevent and reduce injuries. The WCB has continued to focus on customer needs. We continue to have knowledgeable employees ready to assist agencies and injured employees. Although First Report of Injury forms are submitted electronically, our employees take serious/catastrophic injuries by telephone, during business hours, to begin immediate management of benefits.

The Return-to-Work Program

The RTWP consults with employer to assist them in developing Temporary Modified Duty Program (TMPD). In our consulting role, we educate the employer on the importance and benefit of providing modified duty for an employee recuperating from a work related injury. Research shows that an injured employee recovers more quickly when returned to work as soon as medically possible. The RTWP plays an integral part providing agencies the resources and information needed in order to make the most informed decision regarding their ability to return their injured employees to work. The data in the following charts shows the cost saving benefits for agencies. The figures shown are strictly based on direct cost savings and do not take into account



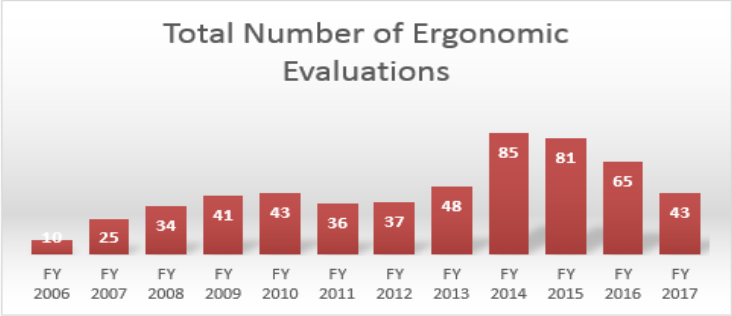
the indirect cost savings to an agency once an employee returns to work. The RTWP has been an official branch since 2005. In the past 12 years, the program has recognized a savings in temporary total disability benefits of over $7 million.

Ergonomic Evaluations

The Return-to-Work Program continues the efforts to educate employers and employees on the proper ergonomic standards for workstations. It is certainly best to conduct ergonomic evaluations prior to any injury occurring, however, an

ergonomic evaluation can occur any time during an employee's recuperation period in order to assist with return to work issues. Ongoing training is provided upon agency request. The RTWP also conducts job analysis to assist agencies in determining an employee's essential functions of the job. This helps the agency determine the need for the reasonable accommodation process.

The Return-to-Work Program also is the home to the Family and Medical Leave (FML), Sick Leave



Sharing (SLS), and Annual Leave Sharing (ALS) Coordinator, and the office of the Americans with Disability Act (ADA) Coordinator for state government. The FMLA guarantees an eligible employee at least twelve weeks of unpaid leave should they or an immediate family member have a serious health condition. This office works closely with the legal office in advising agencies about their responsibilities for FMLA and the processes they are to follow. The final decision rests with the agency and they are responsible for defending their decisions.
The Sick Leave Sharing (SLS) and Annual Leave Sharing (ALS) both allow employees to donate leave time to their co-workers in case of health related issues or catastrophic loss of property.
The Americans with Disability Act bans discrimination based on disability to provide all individuals equal access to employment opportunity, state and local government programs, public places, and telecommunications.

Employee Recognition Branch

Blood Drives

The office coordinated six blood drives, alternating between the American Red Cross and Kentucky Blood Center, registering 609 donors and collecting 558 units of blood.

Adoption Reimbursement Program

For employees who wish to adopt, the
For employees who wish to adopt, the
Commonwealth of Kentucky provides financial assistance of up to $3,000 ($5,000 for children with special needs) to help cover adoption expenses. With the exception of Kentucky State Police, this benefit is only available to executive branch employees covered by 18A. In FY 16-17, the adoption benefit program received and approved twenty-three (23) applications from 7 agencies. The approved reimbursements totaled $68,027.60

Kentucky Employees Charitable Campaign (KECC)

Each year the Personnel Cabinet administers the Kentucky Employees Charitable Campaign (KECC) to all

Office of Employee Relations Accomplishments

employees who receive their paychecks through the Commonwealth. Over $1.1 million dollars was raised for local charities in 2016. This year's campaign will be chaired by Lieutenant Governor Jenean Hampton and will launch on October 2, 2017 via a "virtual" kickoff coordinated with the United Way of Kentucky. The theme is "The Cheerful Giver" and the overall goal for this year has yet to be determined.

Employee Suggestion System

State government employees use an Internet-based system to submit improvement suggestions on-line. This efficient process helps to identify the Commonwealth as a leader in recognizing and managing employee ideas. The form is simple, user-friendly, and fast. Employees receive immediate confirmation of their suggestion and are able to track it throughout the process. During FY 16 - 17, employees submitted 277 suggestions. Awards totaling $5,130.90 were presented to 12 state employees through the Employee Suggestion System. Implemented suggestions represented a first-year savings of $164,909.

Governor's Ambassador Award

The 8th annual Kentucky Governor's Ambassador Awards program occurred on October 6, 2016. Five individuals and a team of public service employees received recognition in six categories: customer service, courage, leadership, professional achievement, teamwork, and community service and volunteerism. Employee Relations received 137 nominations involving 237 individuals. A selection committee reviewed and selected three finalists in each category. The governor then selected the six overall winners in each category. Nominees attended the awards ceremony, and award recipients received the honor of having a personalized engraved brick placed along Ambassador Avenue outside the Thomas D. Clark Center for Kentucky History.

Public Employee Recognition Week

Each year during Kentucky Public Service Recognition Week, we honor those who serve Kentucky as state and local government employees. The Employee Recognition Branch coordinates this effort within the Personnel Cabinet, and provides an online toolkit of ideas for use by other agencies. To avoid fall breaks, the Kentucky Employees Charitable Campaign, health insurance open enrollment, and the promise of a special session this fall, the recognition week will be April 22-28, 2018.

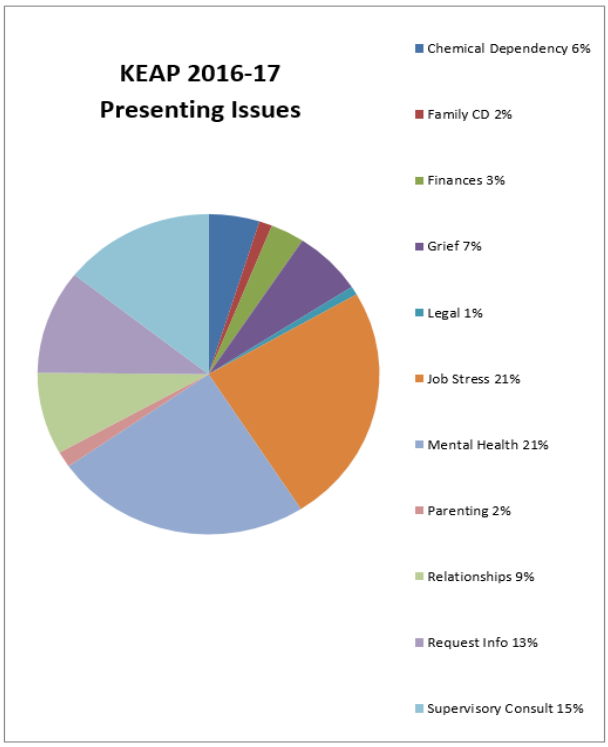
Employee Recognition Certificates

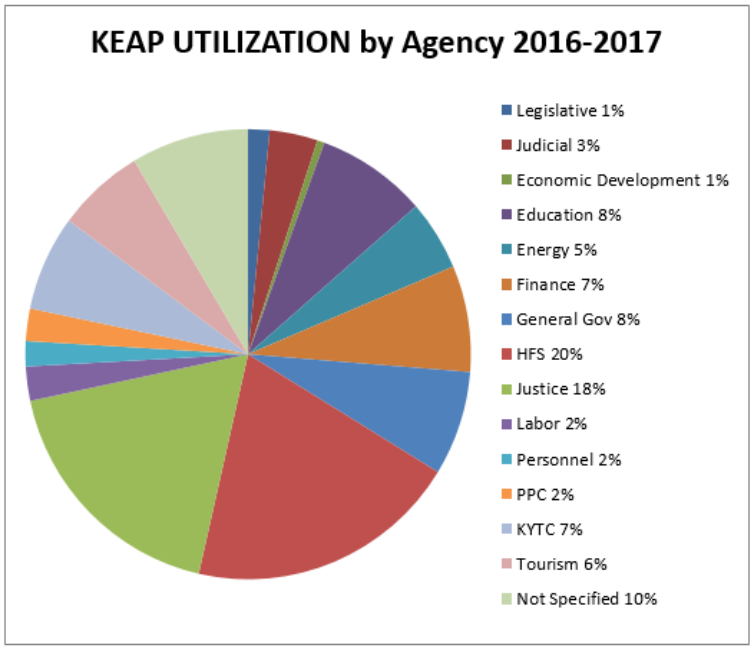
KRS Chapter 18A employees received service certificates in honor of their dedicated completion of 5, 10, 20, 30 and 40 years of service from the Personnel Cabinet. Fiscal Year 16-17 recognition certificates were processed for 3,086 employees. Retirement certificates were presented to 1,542 employees.

Office of Employee Relations Accomplishments

Kentucky Employee Assistance Program

The Kentucky Employee Assistance Program provided direct employee assistance services to 773 state employees and/or their family members. The cabinets in which employees most utilized services were the Cabinet for Health and Family Services (20 percent) and the Justice and Public Safety Cabinet (18 percent). Issues most frequently presented included mental/emotional health (21 percent) and job stress (21 percent). KEAP staff provided more than 143 live presentations resulting in numerous contacts, and including topics such as depression awareness, personal budgeting, stress management and verbal de-escalation. The number of live webinars continues to grow allowing participation across the state. KEAP worked with Go365 to award wellness points for participation in work/life balance trainings. KEAP staff presented at a number of agency events and conferences as well as health fairs. Staff consulted with many agency personnel offices on how to effectively address troubled employee situations.





The KEAP program opened satellite offices at the L & N Building in Louisville, and at the 300 Sower Blvd and Capitol Annex in Frankfort. The satellite offices allow KEAP to take their services to state employees who might otherwise not have the opportunity to leave the work site.

Workplace Relations Branch

The Kentucky Employee Mediation Program (KEMP) provides dispute resolution for Executive Branch employees. We offer two free services. In addition to the program manager, there are 20

part-time, volunteer mediators who are state employees in various cabinets and agencies.

- Mediation is usually between two employees. They can be co-workers or employee and supervisor. Anyone can request this service. In Fiscal Year 16-17, 24 mediations were conducted, involving 94 participants. Sixty-two percent were referrals from the Personnel Board. Settling an appeal through mediation instead of a hearing saves the Commonwealth hundreds of thousands of dollars. The matter is settled much quicker, with fewer employees, and both sides are more likely to be satisfied with the outcome
- Workplace Resolutions is used when an entire group is conflicted. A manager or above must request the service. The mediators meet with each person in the group individually, and then make recommendations to the requesting manager. Six Workplace Resolutions were completed, with 68 participants
- There were 403 contacts in the form of phone calls, emails, and personal visits. These were requests for information and for services.

Safety Program

Executive Safety Advisory Committee

The Executive Safety Advisory Committee (ESAC) includes representatives from various agencies who meet monthly to discuss safety and health initiatives and policy. Experts from inside and outside state government present information to the committee. ESAC shares accident numbers, claim counts, and monthly and quarterly accident/incident rates. ESAC uses this data to coordinate an analytical approach to ensuring proper health and safety training is provided to all state employees.

National Safety Month

In addition to working with other cabinets, the Safety Program works within the Personnel Cabinet to help ensure the health and safety of its employees. In June, the Cabinet participated in National Safety Month activities. Educational information was shared with employees in an entertaining way while teaching them about prescription drug safety, situational awareness, water safety, distracted driving, and emergency preparedness. A wide variety of free safety educational information is available to employees in the Kentucky State Office Building on an ongoing basis.

Safety Training

"Fundamentals of Safety and Health" is an online training class designed to provide standardized, statewide safety training. This course, available through GSC, teaches basic skills needed to keep workers safe. Sixteen interactive safety trainings are available on the Safety Program webpage, seven of which are available in Spanish. Participants may print a certificate after successful completion of the course.
In July, the Safety Program published the State Health & Safety Manual, which inventories training resources, lists injury-reporting requirements, and details the structural and meeting requirements for each agency's internal safety committee.

Office of Employee Relations Accomplishments

Safety Certifications

Personnel Cabinet employees can now be trained and certified/recertified in first-aid, CPR, and AED use from an internal licensed instructor and valid for two years.

Disaster Recovery Plan

The Personnel Cabinet has also drafted a Business Continuity & Disaster Recovery Plan to ensure completion of critical operations in the event of an emergency. The Cabinet held a mock-exercise in June to test the Plan. The cabinet is working with Kentucky Division of Emergency Management to finalize the Plan, and ultimately submit for FEMA review and certification. The Plan will then be used as a template for all other cabinets and agencies to follow in drafting their own Business Continuity & Disaster Recovery Plans.

The Personnel Cabinet has also partnered with the Kentucky Division of Emergency Management to utilize IPAWS to provide state employees with potentially life-saving information. IPAWS is FEMA's Integrated Public Alert and Warning System (IPAWS), which is an internet-based program capable of issuing critical public alerts and warnings.

Who we are

DHRA oversees the Commonwealth's employment application process; state payroll functions; maintenance of permanent employee personnel records, classification and compensation system for employees, records retention, and the statewide Performance Management Program.

Our favorite number this year:

The number of job applications submitted through the Career Opportunities System.

Human Resources Administration

Program spotlight

Department of Human Resources Administration

Accomplishments

Fair Chance Employment

On February 1, 2017 Governor Matthew G. Bevin signed Executive Order 2017-064, ordering that the Executive Branch state job application be amended to remove questions regarding convictions and criminal history. It further directed that agencies shall not inquire into an applicant's criminal history until the applicant has been contacted to interview for the position, unless required by law to do so.

The Executive Order does not remove the Commonwealth's ability to conduct background checks on applicants, but merely ensures that a criminal record does not serve as an automatic disqualification from receiving an interview or further consideration for employment, except as required by law. It allows those with a criminal history to explain their record and permits the Commonwealth to consider all relevant factors in hiring decisions.

DHRA responded to this Executive Order by immediately amending the merit and non-merit applications and providing agency guidance on the process of requesting background checks on selected final candidate, post-interview

Disaster Recovery Preparedness

In June 2017, DHRA participated in a cabinet-wide disaster recovery drill. After much preparation, staff spent the morning at an off-site location, reviewing critical procedures under various conditions of power and network connectivity, to ensure business continuity in the event of a significant emergency.

Self-Time Entry

Responsible for overseeing statewide time entry, DHRA is working to improve efficiencies through KHRIS Employee Self-Service (ESS). After a successful pilot program concluded within the Personnel Cabinet, DHRA has begun the process of introducing self-time entry to other agencies. Using a slow and steady approach in this endeavor, DHRA has been meticulous in each agencies' onboarding process to ensure proper set-up, training, and support is available to meet each agencies' unique needs. As of this reporting period, a total of 1,000 employees are utilizing self-time entry through KHRIS ESS.

Communications

DHRA is responsible for providing oversight and guidance to agencies on the administration of HR as well as processes involving KHRIS & Career Opportunities Systems (COS). In support of this, 11 issues of the "KY-HR: Policy & Procedure Publication" were created and distributed to agency HR staff. Additionally, DHRA continued to maintain the Personnel Cabinet's Human Resource (HR) website for agency HR staff. DHRA is also responsible for disseminating relevant HR information to state employees. This is accomplished through a variety of ways, though most regularly through the KHRIS Employee-Self Service welcome screen. This responsibility was recently transferred over to the Office of Public

Affairs, though twenty-four advertisements were coordinated for this space just this year. DHRA also continues to support and maintain information on the Personnel Cabinet's employee and career's website, to include the Employee Handbook.

Payroll Deferral

Aside from the regularly scheduled execution of the state payroll by DEM, DHRA successfully implemented a deferral of the June 30, 2017 pay to July 3, 2017, as mandated by the 2016-2018 Budget Bill passed by the General Assembly.

Performance Management

In an effort to better serve the employees and managers of the Commonwealth, several amendments to 101 KAR 2:180, Employee Performance Evaluation System, became effective January 1, 2017. In short, the amendments reduce the required number of interim reviews from three (3) to two (2) during the performance evaluation period. These changes to the system will continue to ensure two-way communication between the supervisor and employee. Fewer formal interim reviews will allow more time for continuous coaching and feedback and result in a more efficient and effective process.
As part of the oversight of the statewide Performance Management Program, DHRA performed audits on 3-10 percent of each Cabinet's employee performance evaluations for a total of 767. To successfully support this program, "Performance Matters" training on the employee performance evaluation system was conducted for 480 evaluators and interested employees.

Department of Human Resources Administration

Accomplishments

Record retention

DHRA provides continued oversight of the Cabinet's Records Retention schedule. Quarterly reviews were performed and DHRA assisted all areas with the creation and/or change process as necessary. DHRA also facilitated meetings and coordinated assistance from KDLA and provided guidance throughout the year on adherence and interpretation of the schedule.

Training

In addition to DHRA's responsibility to provide necessary HR process and system information to agencies, DHRA is also responsible for delivering training to agency HR staff required to perform HR functions within the Kentucky Human Resource Information System (KHRIS). Many division staff members are involved in these classes as trainers and subject matter experts. Trainings are offered to new employees in addition to current employees wishing to re-take the course(s) as a refresher. Counts of employees trained per course, for the reporting period, are:

- Human Resource Generalist – 35
- Benefits Administration Refresher – 17
- Organizational Management Refresher - 11
- Personnel Administration Refresher - 11
- Time Management Refresher - 5
- Payroll Refresher – 4
- County Fees/Human Resource Generalist – 2
- Time Keeper – 126
- Time Administrator – 52
- Organizational Management 200 – 18
- Personnel Administration 200 – 12
- Payroll 200 – 8
- Workers' Compensation Buyback - 72

Training (employee)

Through various avenues, DHRA has always provided reminders to employees on a number of HR issues. These reminders are sometimes served via training. Current employees were required to complete the "Overview of Executive Branch Ethics" course by the end of the 2016 calendar year. In 2017 this course was changed from an overview to an in-depth course. Presently, all new employees are required to complete this new ethics course along with Accurate Time Reporting and Security Awareness (presented by COT). All are available online through the Kentucky Enterprise Learning Management System (KELMS).

Division of Career Opportunities (DCO)

DCO's responsibility is to operate a centralized applicant and employee certification program, operate the state register programs, including the administration of layoff plans and reemployment lists as required by KRS 18A.113 through KRS 18A.1132 and KRS 18A.115, 18A.130 and 18A.135, and coordinate outreach programs such as recruitment and administrative internship programs. DCO consists of the following branches: HR Certification, Applicant, Veterans, & Recruitments Assistance, and Register.

Department of Human Resources Administration

Accomplishments

Customer Service

DCO handles a large variety of customer service tasks, including:

- Walk-ins (Assisting applicants in the computer lab): 142
- Career Opportunities System (COS) helpdesk email responses: 8,932
- Phone calls (Applicant Services): 12,561
- Veterans assisted: 869
- Veteran's preference assigned: 789
- Veteran's outreach emails sent: 2,061
- Total applicants in COS: 288,430 [New applicants: 18,392]
- Job submissions: 244,495
- QA reviews (performed on selected candidates prior to appointment): 8,008
- Applications reviewed for minimum qualifications (MQR): 38,295
- Applications reviewed for immediate fill registers: 8,693
- Registers certified- 10-day postings: 4,994 / immediate fills: 1,510

Agency-HR & Managers

DCO provides exceptional agency customer service. DCO offers outreach assistance for agency HR personnel through on-going agency visits and provides COS training and presentations. In addition, DCO features and spotlights jobs on our website in order to continuously assist agencies with hard to fill positions.

Facebook

The Personnel Cabinet's Division of Career Opportunities (DCO) Facebook page was created on February 23, 2017. The page offers an avenue for vacant positions to be highlighted daily for recruitment purposes. There are a wide variety of positions posted on this page that focus on hard to fill or high demand positions as well as others.

Projects/Training

The Personnel Cabinet's Division of Career Opportunities (DCO) launched the newly renovated Career Opportunities System (COS) training courses for all agency level user types on October 16, 2016. These courses provide the basic knowledge and skills needed to navigate through COS as well as to perform any related business processes. An additional update will be forthcoming with the launch of a new state application in FYE 2018.

System Support (Business)

DCO continuously submits essential change requests that not only improve upon COS, but are beneficial to the customers that use the system.

Recruitment

DCO continues to participate in various recruitment events for state agencies. DCO reaches out to agency counterparts and the Office of Diversity and Equality for assistance with these important events, on a regular basis. During this period, DCO participated in 12 different events.

This division is responsible for executing the state payroll, for processing personnel actions for Chapter 18A, Chapter 16, Department of Education- Adult and Technical Education, and LRC,

Department of Human Resources Administration

Accomplishments

Division of Employee Management (DEM)

for maintaining employees' official personnel file, and for classification, and compensation. The Division is also responsible for implementing lay-off plans, monitoring and assisting agencies in complying with the provisions of the Fair Labor Standards Act (FLSA), and the review and implementation of reorganizations. DEM consists of the following branches: Organizational Management, Classification and Compensation, Personnel Administration, and Payroll.

Desk Audits

To ensure that employees were properly classified, DEM completed 9 classification desk audits, 6 of which were board ordered.

Job Class Specification Changes

DEM is responsible for maintaining the job class specifications of jobs used by state agencies. This is a constant project and at times, other areas assist in this review. Based on those ongoing reviews during the current reporting period the following changes took place:

- Abolished 24 job class specifications
- Revised 216 job class specifications
- Established 26 job class specifications

Personnel Action Processing

DEM is responsible for the final processing of all HR actions. Over the course of this reporting period, DEM reviewed and approved 32,830 individual personnel actions. 29,615 annual increments and 4,064 probationary increases were processed primarily through mass upload. The total number of personnel actions processed for this Fiscal Year total 66,510.

Personnel Files/Records

DEM is responsible for the maintenance of all personnel records. During this current reporting period, 10,708 records were scanned into these files. These documents are typically multiple pages in length and consist of supporting documentation to personnel actions, written reprimands, records inspection documents, etc.

Reorganizations

DEM is responsible for the implementation of agency reorganizations. During this current reporting period, 35 were implemented. As a part of that process, statewide agency organizational charts were also maintained.
Note: The Personnel Cabinet was reorganized effective July 16, 2016. DHRA's Division of Technology Services was abolished from under DHRA and re-established under the Office of Administrative Services.

Department of Human Resources Administration

Accomplishments

Agency Onboarding - Ky Retirement Systems

Effective September 16, 2016, pursuant to Executive Order 2016-340, Kentucky Retirement Systems became a KRS Chapter 18A agency within the Executive Branch. DEM was responsible for onboarding their HR staff as well as assisting with the onboarding of their employees.

Salary Surveys

To stay knowledgeable of current compensation practices in surrounding states and in an effort to remain competitive, DEM participated in 26 salary surveys from states within the National Compensation Association of State Governments.

State Payroll

Responsible for executing the state payroll, DEM processed $1,666,275,560.10 in payroll for an average of 42,338 employees during this review period. As a result, DEM was successful in preparing and disseminating 48,325 Wage and Tax Statements (W-2) for 2016.

Department of Employee Insurance

Program spotlight

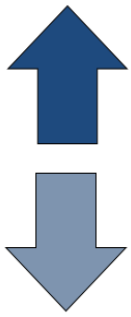
Diabetes costs moving in the right direction because of innovative program offerings

Diabetes is one of the most costly conditions for the KEHP. The state plan spends over 1 million dollars every year on claims for diabetes care. More than 23,000 KEHP members have been diagnosed with diabetes. And, while that number is down from 2015, the KEHP continues to pursue innovative solutions to this complex medical condition.

The American Diabetes Association recognized the Kentucky Employees' Health Plan as a 2017 HEALTH CHAMPION – for inspiring and encouraging a culture of wellness and meeting healthy living criteria.

Diabetes Value Benefit

Starting on January 1, 2016, KEHP members living with diabetes paid a reduced co-pay and co-insurance, with no deductible, for most of their maintenance diabetic prescriptions and supplies. The benefit increased adherence to their diabetes medicines while lowering the use of their other medications by 3.5 percent. Likewise, emergency room visits are down 10.l3 percent; doctor's office visits decreased 3.1 percent; and hospital admissions declined 6.5 percent from 2015.



Increased

Prescription Costs: +13.9%

Diabetes Scripts per Patient: +5.4%

Plan Paid PPPM Diabetes Rx Only +28.6%

Decreased

Medical Costs: -7.0%

Total Scripts per Patient: -3.5%

ER Visits Diabetes/per 1000 Patients: -10.3%

Office Visits Diabetes/per 1000 Patients: -3.1%

Acute Admits Total Diabetes/per 1000 Patients: -14.9%

Days Length of Stay Diabetes: -2.4%

Diabetes Prevention Program

KEHP offers our members the opportunity to attend Diabetes Prevention Program (DPP) classes. If a member has pre-diabetes, they can attend a class, for no charge, which helps lower the risk of developing Type 2 Diabetes. KEHP members learn how to improve their health through stress reduction, weight loss, and increased physical activity with the support of a certified lifestyle instructor. The sixteen-week course has a proven track record of success. Through March 2017, members had lost 5,798 pounds and logged over 69,000 minutes of physical activity. Most importantly, the beginning member average A1C of 6.07 dropped to 5.58 for the ending average. So what's next? Beginning in 2018, our members will be able to take this innovative program offering online! It allows us to meet the needs of our members no matter where they are!

Diabetes Prevention Program (DPP) aggregate report – by the numbers*

371 KEHP Active Participants
80 DPP Active Classes**

5,798 lbs. Total Weight Loss

5% (15.6 lbs.) Cumulative Average Weight Loss

69,652 minutes Total Physical Activity

188 minutes Cumulative Average Physical Activity

6.07 A1C Beginning Average
5.58 A1C Ending Average

*based on DPP provider completed data reports through March 2017
**classes in various stages within the program

Department of Employee Insurance Accomplishments

Diabetes Self-Management Education Program

Diabetes Self-Management Education (DSME) classes are a covered benefit under the KEHP. The classes allow KEHP members to learn the many ways to manage their complex condition. The classes provide education on diabetes and how it affects the body. It also emphasizes the need for changes in physical activity and eating habits. Evidence shows that DSME programs provide the best chance of helping people make needed changes to enhance their health outcomes and quality of life.

Wellness engagement and growth

January Jump-start Step Challenge: 972 million steps during the challenge. 7,981 active members with 8,120 average daily steps.

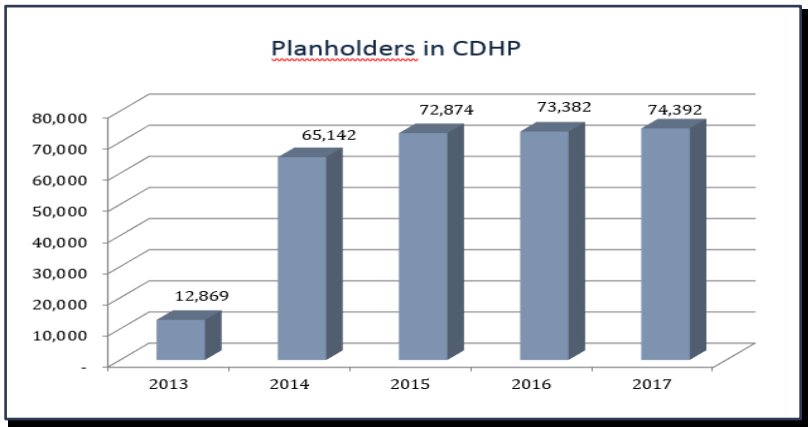
LRC Biometric Screening event in March 2017; 97 Biometric Screenings completed at this event. All KEHP vendors present and available for members to gain valuable information; many Personnel Cabinet Programs also available at this event, including Deferred Comp and KEAP.

Teacher Appreciation Giveaway supporting Governor Bevin's Declaration of Teacher Appreciation Week in May: 7,757 school district employees replied to contest; 3 fitness devices given away.

LiveHealth Online Medical and LiveHealth Online Psychology

On June 1, 2015, KEHP launched LiveHealth Online, a telehealth benefit available at no cost to members. KEHP members can contact a doctor 24/7 for health concerns such as cold and flu symptoms, allergies, sinus infections and more. If needed, LiveHealth Online can also submit a prescription request. As of July 31, 2017, 15,076 KEHP members had registered with 8,537 doctor visits. Members have rated their experience, on average, at almost a perfect 5 star rating with a savings of almost 2 million dollars, in medical costs, to the plan.

The program proved so successful in 2016 that KEHP launched LiveHealth Online Psychology. So far, our members have utilized LiveHealth Online Psychology 358 times this year. This easy to use access to a behavioral health professional is proving to be another innovative solution to member access to their behavioral health benefit.



Department of Employee Insurance Accomplishments

Increased migration to consumer driven health plans

In Plan Year 2017, more than 150,000 members were covered by a Consumer Driven Health Plan (CDHP) versus 28,500 in 2013. This represents significant savings for the plan as well as an increase in member education related to health insurance related costs.

Division of Insurance Administration

Open enrollment

KEHP held an active enrollment for more than 290,000 KEHP members and their dependents. KEHP conducted 13 benefit fairs across the Commonwealth, and offered computer kiosks at all locations to assist members with online enrollment. More than 5,500 members attended the benefit fairs and more than 1,500 flu shots were given. During the Open Enrollment period, our customer service support staff answered more than 18,000 phone calls. Staff traveled across the Commonwealth to provide open enrollment training to 800 insurance coordinators (ICs) and human resource generalists (HRGs) to ensure they were well versed to assist their employees during Open Enrollment.

Enrollment and member services

The KEHP Enrollment/Eligibility team scanned in 56,870 health insurance documents for processing. The documents include new hire applications, Qualifying Events, Transfers, Terminations, and demographic updates. Our grievance committee processed 3400 enrollment/ eligibility grievances.

Kentucky Group Life Insurance Branch

This branch administers the state-sponsored life insurance contract. Duties include maintaining the eligibility database, processing enrollment, managing claims, generating and mailing summaries of coverage, and providing customer service for insurance coordinators. Eligible employees receive $20,000 of basic insurance coverage and accidental death and dismemberment coverage free of charge. Employees may choose to purchase dependent and optional plans. Coverage is contracted through Nationwide Insurance Company. Nationwide is responsible for approving and processing death claims, providing underwriting services, and completing conversion account setup.

• All Group Life Insurance billing, reporting and premium reconciliation were successfully incorporated into DEI's Premium Billing Branch operations. November 2016 Group Life Insurance billing and reconciliation merged with DEI's Premium Billing Branch. At the time of the merger, Group Life had an outstanding premium debt of $274,439.23. As of March 9th, 2017, the Group Life Insurance program has an outstanding premium debt of $35,395.34. These totals demonstrate

Department of Employee Insurance Accomplishments

a reduction of uncollected premiums in the amount of $239,043.89 in a four month period.

• Jefferson and Nicholas Co. Group Life Insurance Bill At Home successfully transitioned to online billing starting in February 2017. All Group Life Optional Insurance plans are now payroll deducted. This will result in an annual operational savings of approximately $20,000.

There are now 150 Wellness Champions serving agencies across the Commonwealth.

Division of Financial & Data Services

Management of multiple vendors

The Division provides strict controls related to the finances of KEHP's $1.7 billion Trust Fund. The staff manages data related to funding, enrollment, claims invoice payments, and agency billing for the five vendors who administer the KEHP and for vendors who provide consulting services. The Division's workload also includes process documentation, files, coding, reports, testing and Open Enrollment planning, implementation and testing.

Financial Management

Managed daily operations of reconciliation, payments, funding, reports and banking of vendors' banking processes, process documentation, reporting, funding templates, ASO fee processes, and claims reconciliation processes, while working with calendar year end financial reconciliation.

Premium Billing

Managed daily billing and premium reconciliation, reporting, and customer service for health premiums, flexible spending accounts, and health reimbursement arrangement contributions and administration fees for KEHP and KGLI.

Who we are

The Kentucky Public Employees' Deferred Compensation Authority (KDC) is authorized by Kentucky Revised Statute to administer voluntary supplemental retirement plans.

Our favorite number this year:

KDC currently has more than 75,000 participants, serves more than 985 employers, and maintains in excess of $2.8 billion in assets.

Deferred Compensation Authority

Program spotlight

Fiscal Year 2017 Budget

For the 21st year, KDC has completed the fiscal year under its approved budget, spending only 86.05% of its fiscal year 2017 budget. The Board takes its fiduciary responsibilities very seriously, and has exercised exceptional care, custody and control in using collected participant fees.

Fee Equalization Provision & Fee Fairness

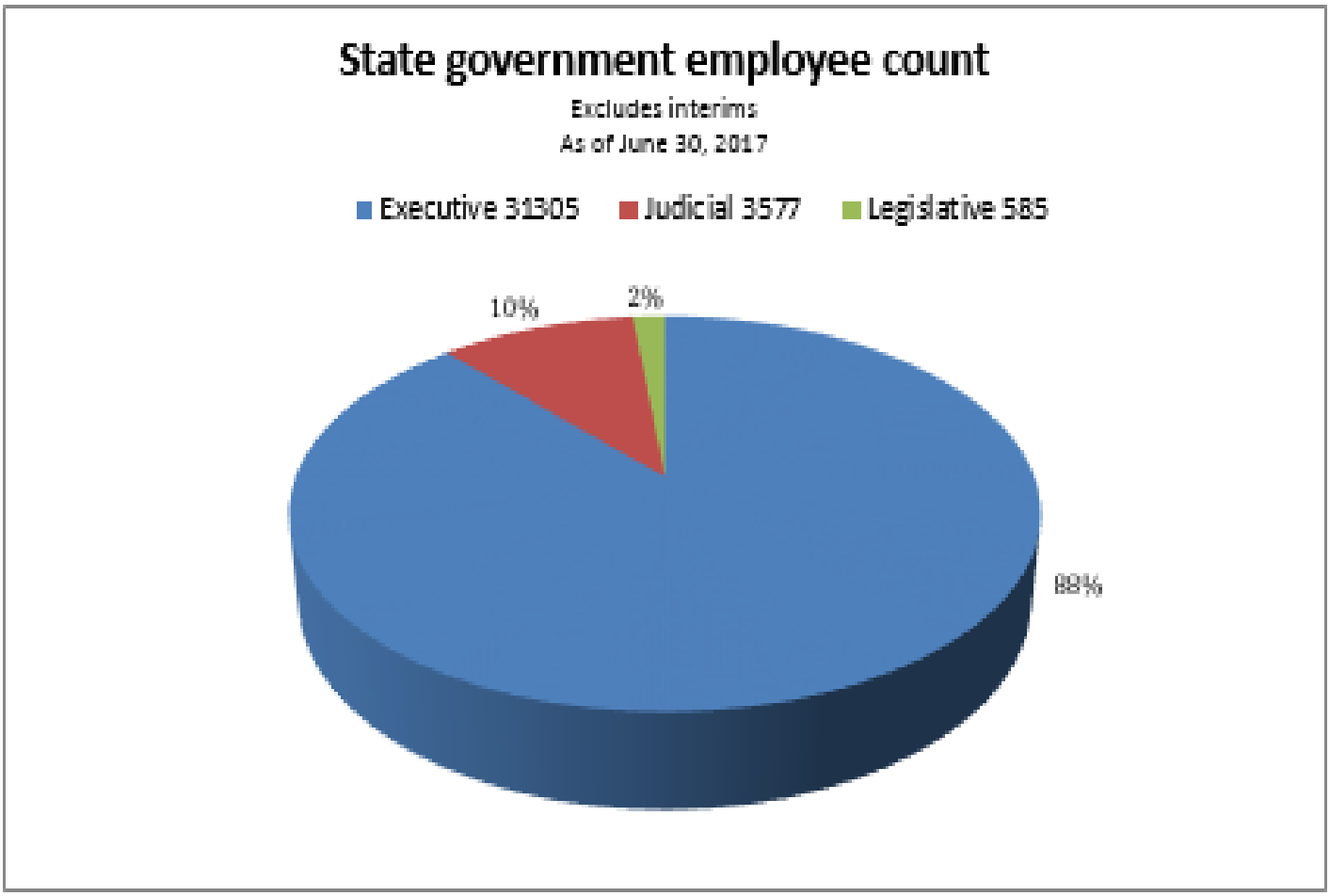
The Fee Equalization program completed on June 30, 2017 and resulted in returning approximately $2.8 million directly to participants. KDC staff, Board, and Consultants continue to review participant fees for fee fairness and to maintain efforts to reduce the unallocated fund balance.

Management Change

William C. Biddle was recently named Executive Director of KDC. Biddle previously served as KDC General Counsel for nearly 10 years.

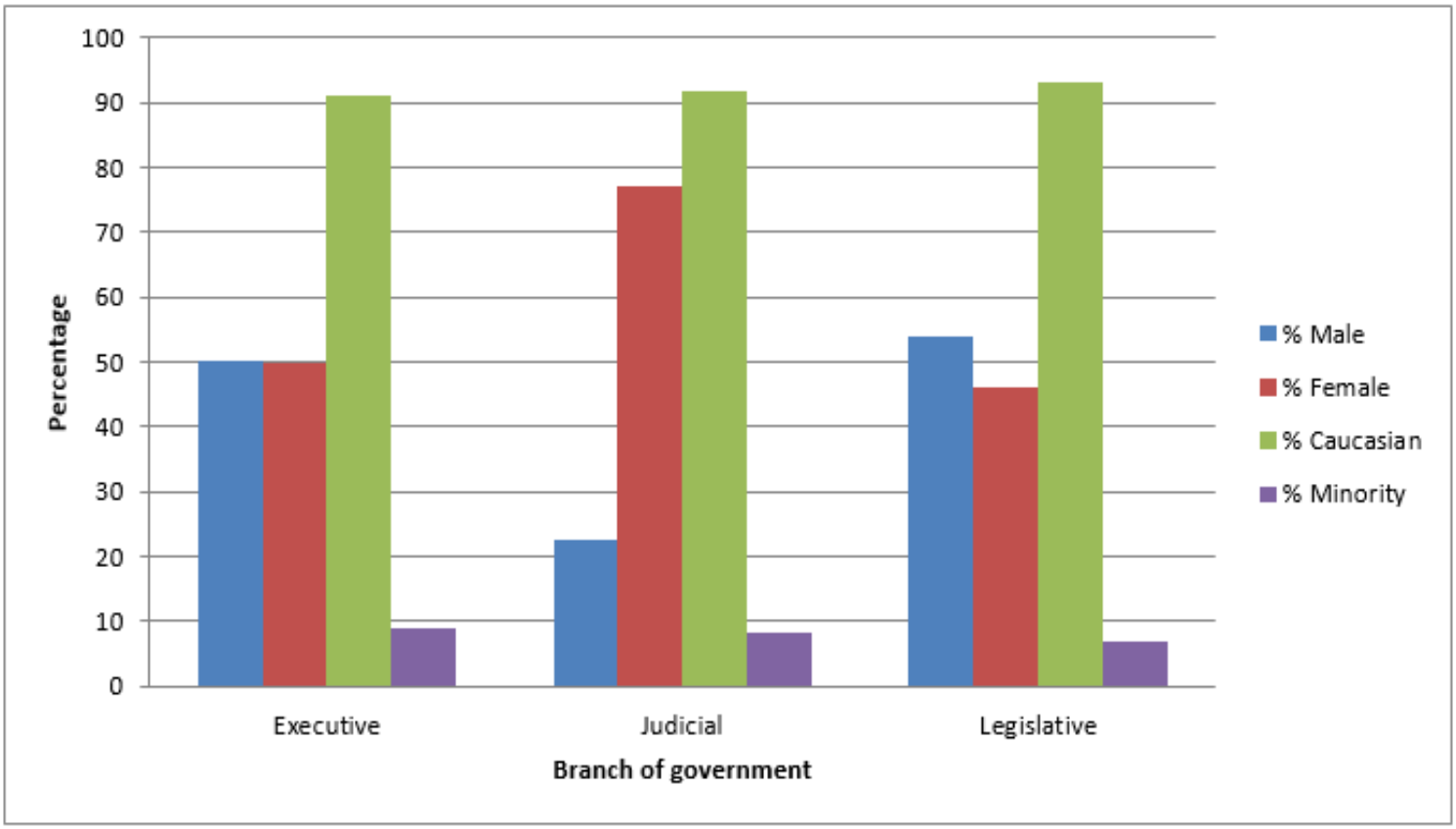
Employee statistics

Employee Count



Employee statistics

Employees by race & gender



Employee statistics

Employee Compensation

Average gross annual salary	$42,890.37
Average employer paid annual benefits:	
Retirement	$19,104.70
FICA	$2,958.28
Health Insurance	$7,670.24
Life Insurance	$11.64
Total benefits	$29,744.87
Average annual employee compensation	**$72,635.24**

Last annual increment increase (1%) - 2015/16
Last 5% annual increment – 2001
Last time wage equity was applied to adjust our salary schedule - 2007

18A.355

CPI has increased 19.5% in last 10 years.