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**COMMISSIONER**

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**DEPARTMENT OF PERSONNEL**  
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**WALLACE G. WILKINSON**  
**GOVERNOR**

November 1, 1991

The Honorable Wallace G. Wilkinson  
Governor, Commonwealth of Kentucky

Mr. James Shake  
Chairman, Kentucky Personnel Board

In accordance with KRS 18A.030 (12), I am submitting this Annual Report of the Department of Personnel for Fiscal Year 1990-1991.

Sincerely,

A handwritten signature in cursive script that reads "Thomas C. Greenwell".

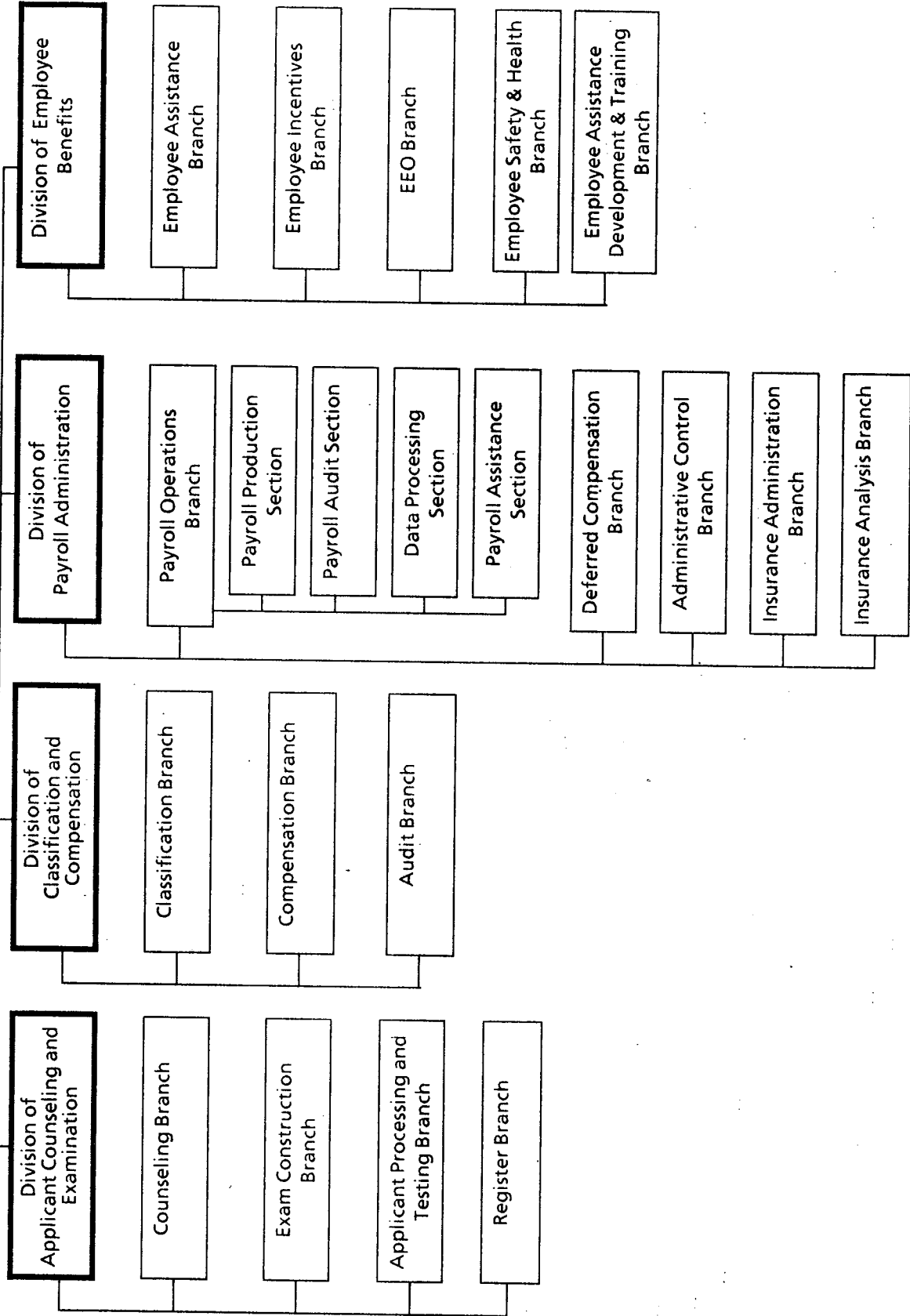
Thomas C. Greenwell  
Commissioner

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DEPARTMENT OF PERSONNEL (FY Ending 06-30-91)

Commissioner  
Administrative Services Branch



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

**Office of the Commissioner**

Provides executive policy and management support to the divisions of the department; promulgates administrative regulations; advises the Personnel Board on matters pertaining to the classified service; conducts investigations on all matters relating to the personnel laws and rules; prepares budget estimates for support of the personnel system; provides personnel services to unclassified employees according to agency agreements; and provides for such other services as are enumerated in KRS 18A.030.

**Division of Applicant Counseling and Examinations**

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

**Division of Classification and Compensation**

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

**Division of Payroll Administration**

Audits and certifies all state payrolls; prepares and maintains all employee records; prepares employee information reports; administers the health and life insurance programs for state employees; and administers the Kentucky Deferred Compensation System.

**Division of Employee Benefits**

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

**Department of Personnel**  
**Fiscal Year 1991**  
**Achievements and Statistics**

## ANNUAL REPORT FY 90-91

### Division of Applicant Counseling and Examination

Written Examinations Constructed .....	22
Number of Training and Experience Ratings .....	3,388
Applicants Interviewed .....	20,478
Mail-in Applications Reviewed .....	22,491
Personnel Actions Reviewed .....	13,167
Co-op Appointments .....	150
Verifications .....	5,981
Certificates Issued .....	5,702
Appointments from Register .....	4,375
Examinations Processed .....	40,107

#### **Increased Efficiency**

The Division of Applicant Counseling and Examinations made numerous changes to increase efficiency in assisting applicants. The size of both the waiting room and test room was increased to better serve the large volume of applicants. Also an additional receptionist station was installed to speed up applicant processing. A more efficient number system replaced long lines of applicants allowing applicants to take a number and wait until the receptionist calls them. A public address system was installed providing better communication between applicants and staff. In addition, staff members are now assigned to the waiting room area during times of increased applicant traffic to handle applicant inquiries. To better inform applicants, informational signs outlining testing procedures were added in appropriate locations.

#### **Equal Access for Testing**

The Division continues to provide equal access for testing with a new handicap test room, and further cooperation between the Department for the Blind and the Commission on Deaf and Hearing Impaired. Reasonable accommodation is provided for every applicant, such as exams with enlarged print, exams on audio tape (cassette), and exams in braille.

#### **Selection Methods Increase**

Selection methods, a type of examination used to rank an applicant on the register, were developed for 222 classes. This shows an increase of 45% compared to last fiscal year.

#### **Job Classes Opened**

There were 148 job classes opened for testing this fiscal year. This shows an increase of 22% compared to last fiscal year.

#### **Training and Experience Guidelines Constructed**

Training and experience (T&E) is one form of "testing" used that assigns a score based on an applicants previous training and experience. The Division constructed 63 new T&E guidelines, a 160% increase compared to FY '90.

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Division of Classification and Compensation

Classes Established .....	82
Classes Revised .....	83
Classes Abolished .....	34
*Grade Changes .....	59
Special Entrance Rates .....	141

\*Does not include the general grade changes of December 16, 1991.

**Documentation Reviewed**

Classification staff reviewed the substance of documentation submitted by agencies to establish, reclassify or reallocate 15,113 positions in state service.

**On-Site Survey Conducted**

With assistance from other branches of the division, staff conducted an on-site survey addressing approximately 300 classes in the seven surrounding states.

**Audit Branch**

The Audit Branch analyzed numerous proposed reorganization executive orders and administrative orders to assess the personnel impact of those orders and to make recommendations to the Director and Commissioner concerning those proposals. They reviewed, investigated and developed responses to questions or complaints from employees and the general public to the governor, commissioner, or directors concerning classification and compensation activities. In addition, this staff conducted research, made analysis, and recommended responses for the commissioner or director to questions and issues raised by legislators and legislative staff as well as other projects assigned by the director.

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### Division of Payroll Administration

#### Express Register System--Fastest Startup Ever

Since 1982 we have installed several major new systems within Personnel--Personnel & Position History, Express P-1s, and Instant Record Analysis to name a few. In every case, we have had to "sell" agencies on the use of them. Not so with the Express Register System. In less than 30 days after announcement, we had over 30 agencies request use of the System.

The next phase (III) will be to allow an agency to create a P-1 directly from XR. Much of the information needed to prepare a personnel action is already on the register. Having the computer create an appointment P-1 will save keystrokes, improve accuracy, and reduce preparation time. It will be several weeks before this phase is complete.

#### Detailed Title Code Information on CICS

Agencies can now access the Detailed Title Code information via a screen which gives users up to date information on salary comparisons for a particular title code in an agency, by county. It also provides salary projection information. Agency staffs indicate the new techniques of inquiry are saving them a great deal of time. Projects that previously took hours now require just minutes.

#### On-Line Master Position Control

The on-line Master Position Control has been modified to receive on-line information to distinguish employees and positions in Chapter 18A, Chapter 16, KRS 151B (certified and equivalent), KSBD Department of Education, Civil Defense, and Per Diem (unclassified, permanent). The screen provides the total number of full and part time, filled and vacant positions at the touch of a key. This on-line concept saves loads of time for the Department of Personnel. In the past the report would have to be requested from the programmers, with the request being very specific in what was needed or you would get data that would be irrelevant.

#### Microfiche Project--1.65 million images converted

The process of converting the hard copy personnel files to microfiche, which was started in September 1985, has been completed as of May 1991. There were approximately 40,000 active files with an average of 30 images per file, and approximately 15,000 inactive files with an average of 30 images per file.

#### P-1 Actions Processed this fiscal year

Processed and microfiched 207,441 P-1 actions and the supporting documentation.

#### Health and Wellness Fair

Valentine's Day took on added significance for government employees who work in Frankfort. On February 14, 1991, the Department of Personnel sponsored a Health and Wellness Fair at the Capital Plaza Tower. Health checks, screenings, literature, and information were available from health professionals at more than thirty booths in the Tower lobby.



### **Kentucky's Deferred Compensation Plan Ranks 9th Largest of all State Plans in Assets**

The 1990 Deferred Compensation Survey, as conducted by the National Association of Government Deferred Compensation Administrators, shows that the Kentucky Public Employees Deferred Compensation is the 9th largest (in terms of assets) in the nation. Kentucky ranks ahead of the more populous states of 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, 1991 Statement of Account. These were:

1. All time record number of statements prepared -- 25,602 (an increase of 3,089 over the June 30, 1990 numbers).
2. All time system account value high - \$236 million compared to \$203 million a year earlier.

This dramatic growth in Kentucky's System is due to a number of factors, among the most important are several key system enhancements. Effective January 1, 1991, Kentucky began accepting In-coming 401(k) Rollovers into participant accounts. Over \$100,000 has already been moved into Kentucky 401(k) Plan via this method. Another important enhancement is the modification of the record keeping system to handle Employer Matching contributions. This enhancement should prove to be more and more meaningful as public employers gravitate to the match as a key component of future employee benefit packages.

Without question one of the most popular additions ever to Kentucky's system has been the 401(k) Loan Program. Under this program, participants in the 401(k) Plan can loan themselves up to half of their 401(k) balance once their account value reaches \$2,000. Repayments, including all interest, go back to the participant's account so the reduction in account value is temporary. In the first six months some 56 participants loaned themselves approximately \$130,000.

Because of low administrative costs and economies of scale in processing, the Board of Trustees was able to cut the participant administrative costs for the 401(k) Plan in half effective January 1, 1991. This reduction, from \$12 to \$6 per year, has demonstrably peaked interest in this key component of the Kentucky System. A sizable portion of the System growth during the first six months of 1991 can be attributed to this dramatic cost reduction.

### **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. Hundreds of the FLIP Goal Charts have been produced for and distributed to Kentucky participants thru June 30, 1991.

### **Group Life Insurance**

The employees' group life insurance plan is administered by the Division of Payroll Administration, Insurance Administration. Currently, the contract holder is Investor's Heritage Life Insurance Company. More than 115,000 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 and the matching amount funded for boards of education employees is \$3,935. Employees may purchase additional amounts on themselves and on their dependents. Claims in excess of \$2 million have been paid in each of the past three years.

### **Workers' Compensation**

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

Approximately 80,632 employees are provided coverage under this self-insured program. Job-related injuries for fiscal year 1990-91 resulted in 6,215 claims filed, totaling \$7.8 million. Automated reports are received on all claims and monitored closely for any problem areas.

### **Health Insurance**

- Increased enrollment by 5 percent to over 63,000 in Kentucky Kare Plan.
- Hospital network included 117 participants with a net increase in discount provided of 57.25 percent over the previous year.
- Continued publication of quarterly newsletter, "Health Insurance Link," to communicate to all employees.
- New training efforts were initiated to inform over 900 employees regarding open enrollment and take information and materials back to their offices.
- Improved and updated video on health insurance for open enrollment.
- Implemented the Flexible Benefit Spending Accounts for Dependent Care and Health Care expenses.
- Employee Advisory Committee generated several recommendations which will be implemented as benefit changes for the coming plan year.
- Developed benefit design for new Preferred Provider Plan to be offered by Kentucky Kare Plans for the next plan year.

### **Cancer Plan**

Established uniform standards for the cancer plans offered under payroll deduction.

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### Division of Employee Benefits

- Provided direct employee assistance services to 681 state employees and their family members.
- Conducted 30 informational workshops to increase understanding of the available services of the Kentucky Employee Assistance Program.
- Presented 9 health and wellness seminars.
- Presented 7 safety seminars.
- Trained 91 state workers in First Aid/CPR.
- Published quarterly newsletter for 900 Agency Safety Representatives.
- Presented 15 cash awards to state workers through the Employee Suggestion System, totaling \$12,147.00. The suggestions represent a first year savings of \$122,381.31.
- Trained 760 supervisors during 29 sessions in implementing the Employee Performance Evaluation.
- Trained 300 managers during 10 workshops on the Employee Performance Evaluation.
- Presented the Governor's 4th Annual EEO Conference, with 34 workshops and 3 plenary sessions, to 446 registrants.
- Processed 336 Educational Achievement Awards, 52 of which were awarded to state workers for GED achievement.
- Awarded 2900 Career Service Certificates.

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Department of Personnel

EMPLOYEE FACTS  
(as of June 30, 1991)

Executive Branch* .....	43,064
Legislative Branch* .....	329
Judicial Branch* .....	2,577

\*(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:

48.0% are female

7.6% are minority

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

Earns \$23,696 per year salary

Receives \$5,018 in benefits

7.45% Employer-paid retirement	\$1733.62
7.65% Employer-paid FICA	1,780.16
12 x \$124.27 Health Insurance	1,491.24
12 x \$1.05 Life Insurance	12.6