



**SHIRLEY J. CLARK
COMMISSIONER**

**Commonwealth of Kentucky
DEPARTMENT OF PERSONNEL**

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**BRERETON C. JONES
GOVERNOR**

October 1, 1992

The Honorable Brereton C. Jones
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 1991-1992.

Sincerely,

A handwritten signature in cursive script that reads "Shirley J. Clark".

Shirley J. Clark
Commissioner

CONTENTS

Organizational Chart	1
Organization	2
Achievements and Statistics	3
Division of Applicant Counseling and Examinations	4
Division of Classification and Compensation	5
Division of Payroll Administration	6
Division of Employee Benefits	9
Department of Personnel -Employee Facts	10

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 applicants 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 1992
Achievements and Statistics

ANNUAL REPORT FY 91-92

Division of Applicant Counseling and Examinations

Written Examinations Constructed	21
Training and Experience Ratings Constructed	22
Developed Selection Methods	229
Applicants Counseled	14,640
Mail-in Applications Reviewed	19,512
P-1 Actions Processed	8,556
Examinations Administered and Processed	18,655
Register Certificates Issued	2,687
Appointments Processed	2,733
Verifications	3,945

Special Projects

- The Open Continuous Bulletin (Classification/Examination Information) was reviewed to determine the need of testing for all classes listed. Information gathered with regards to position distribution, vacancies, frequency of register certification requests, specific agency needs, etc. resulted in the reduction of the Bulletin by 539 classes.
- The Division continues to provide equal treatment and access for all applicants. All procedures, services, publications, and facilities with regard to the Americans with Disabilities Act were reviewed. With this in mind, forty-one special testing accommodations were made for applicants with disabilities.

ANNUAL REPORT FY 91-92

Division of Classification and Compensation

New job classes established	78
Job classes revised	81
Job classes abolished	33
Pay grade changes	24
Special entrance rates implemented	6

Documentation Reviewed

Classification staff reviewed the substance of documentation submitted by agencies to establish, reclassify or reallocate 11,088 positions in state service.

ANNUAL REPORT FY 91-92

Division of Payroll Administration

New Enhancements to Automated Register

Based on Agency requests, the following has now been implemented.

- (1) Agencies are now able to enter dashes in the position number on the screen for Request for Certification to make it easier than entering "just a string of numbers." Agencies will now need to enter dashes, otherwise the register will not process.
- (2) In order to avoid duplicate entry of a position number on a new register request, the computer system now checks the pending file to determine if the position number requested has already been used.
- (3) Certificate Requests are now left on the P-7 Inquiry Screen for 15 days after completion. Previously, they were placed on the screen for only 10 days.

UPPS Transactions Revised

Due to splitting the tax logic of Social Security and Medicare tax, several pages of UPPS transactions needed revision. The UPPS Transactions involved are the Master File Accumulation 1 and 2, Tax File Accumulation 1 and 2, and the Manual Pay.

Research revealed that by rearranging the forms and producing them on legal paper rather than using 11 x 14 paper, there would be a significant savings. The revision of one form plus purchasing 1,000 copies cost us \$140.00. The revision in-house with 1,000 copies from Quick Copy will run about \$25.00, saving us \$115.00 on one form. This change will not only save our department, but also others.

Two New Additions to POPY

Two new features are available in POPY. Both of these were developed as a result of health insurance changes.

First, there is a new screen--Screen Y--for health insurance only. This screen was developed to allow the changes during open enrollment to be made more easily. By making the screen as "English" as possible, agencies will be able to have employees who are not trained on UPPS assist during the busy open enrollment period. The second feature is the addition of the "Enter Next Employee" on several screens. The feature will be on Screens A, B, C, P and Y. This allows agencies to elect to view and/or update another employee without returning to the Menu Screen.

P-1 Actions Processed this fiscal year

Processed and microfiched 135,365 P-1 actions and the supporting documentation.

Kentucky's Deferred Compensation Plan Ranks Among the Twenty Largest of all State Plans in Assets

The Deferred Compensation Survey, as conducted by the National Association of Government Deferred Compensation Administrators, shows that the Kentucky Public Employees Deferred Compensation is among the twenty 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, 1992 Statement of Account. These were:

1. All time record number of statements prepared -- 28,501 (an increase of 2,899 over the June 30, 1991 numbers).
2. All time system account value high - \$276 million compared to \$236 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. During the twelve month period ending June 30, 1992, some 62 participants moved well over \$900,000 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 reporting period some 157 participants loaned themselves approximately \$465,500.

In addition to helping thousands of Kentuckians defer the payment of hundreds of thousands of dollars in state and federal income tax, Kentucky Deferred Compensation enables many participants to supplement their retirement income. New distribution in FY 91-92 totaled well over 2,200 and represented over \$500,000 in participant account values.

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 through June 30, 1992.

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 administers the Workers' Compensation program for state employees, volunteer firemen, volunteer ambulance personnel, and state universities (except the Department of Transportation and the University of Kentucky).

Approximately 79,553 employees are provided coverage under this self-insured program. Job-related injuries for fiscal year 1991-92 resulted in 6,221 claims filed.

Health Insurance

- Increased enrollment to over 65,500 in Kentucky Kare Plans.
- Hospital network included 127 participants.
- Began a trial PPO, Kentucky Kare Premier, in a 6-county area with nearly 20 percent enrollment of all eligibles.
- Continued publication of newsletter, "Health Insurance Link," to communicate to all employees.
- Over 900 employees were trained regarding open enrollment and to take information and materials back to their offices.
- Improved and updated video on health insurance and Commonwealth Choice for open enrollment.
- Increased enrollment for the second year of the Flexible Benefit Spending Accounts for Dependent Day Care and Health Care expenses.
- Employee Advisory Committee generated several recommendations which were implemented as benefit changes for the 1992 plan year.

ANNUAL REPORT FY 91-92

Division of Employee Benefits

- Provided direct employee assistance services to approximately 776 state employees and/or their family members.
- Conducted 17 informational workshops to increase understanding of the available services of the Kentucky Employee Assistance Program.
- Presented 6 health and wellness seminars.
- Presented 18 safety seminars.
- Trained 178 state workers in First Aid/CPR. This represents an increase of approximately 92% over last fiscal year.
- Published quarterly newsletter for 900 Agency Safety Representatives.
- Presented 16 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. Sent out 40,000 Employee Suggestion System brochures to state employees.
- Trained the Department's Division Directors and Branch Managers on Title I and Title II of the Americans with Disabilities Act. A Self-Evaluation and Transition Plan have been completed for the Department.
- Trained over 700 supervisors and managers during 30 sessions on the Employee Performance Evaluation System.
- Presented the Governor's 5th Annual EEO Conference, with 42 workshops and 3 complete sessions, to 439 registrants.
- Processed 151 Educational Achievement Awards, 34 of which were awarded to state workers for GED achievement.
- Awarded 3,000 Career Service Certificates.
- Processed 1,800 Auto Liability reimbursements.

ANNUAL REPORT FY 91-92

Department of Personnel

**EMPLOYEE FACTS
(as of June 30, 1992)**

Executive Branch*	42,481
Legislative Branch*	386
Judicial Branch*	2,609

*(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:

48.4% are female

7.5% are minority

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

Earns \$24,683 per year salary

Receives \$5,541 in benefits

7.45% Employer-paid retirement	\$1838.88
7.65% Employer-paid FICA	1,888.25
12 x \$150.00 Health Insurance	1,800.00
12 x \$1.15 Life Insurance	13.80

