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**Personnel Cabinet**  
**Annual Report**

**James E. Cox**  
Governor

**Carol M. Palmore**  
Secretary

**1997-98**

**Annual Report**

**Personnel Cabinet**

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All information contained in this report is as of  
June 30, 1998.

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# Mission, Values, and Goals

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## MISSION

The Personnel Cabinet shall provide the leadership and services necessary for effective, efficient, and innovative human resources management of the highest quality for Kentucky State Government, its employees, and the citizens of the Commonwealth.

## VALUES

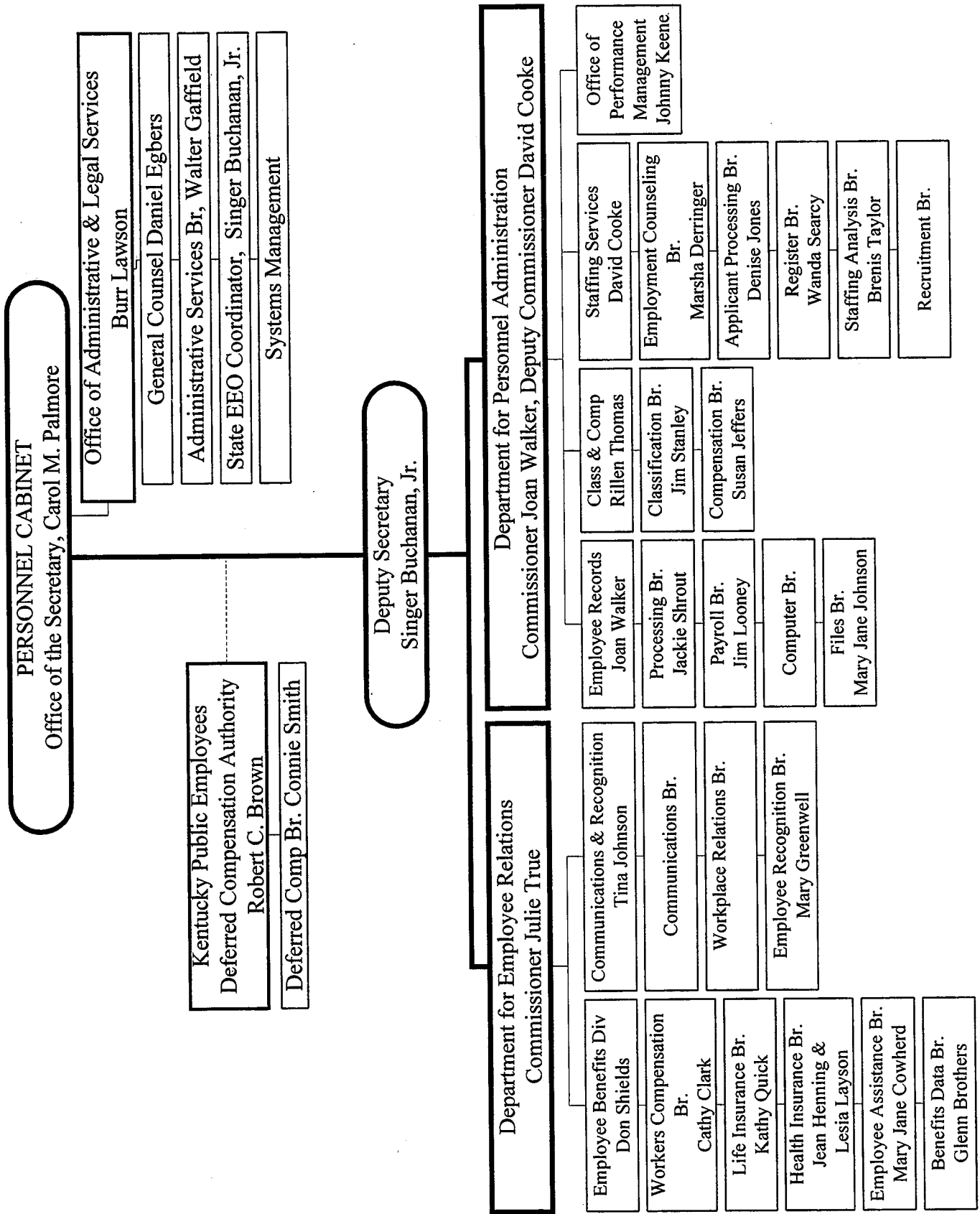
- Quality
- Innovation
- Service Orientation
- Integrity
- Objectivity

## GOALS

- To facilitate the recruitment and retention of a workforce of the highest quality;
- To expand customer focus in all program areas and operations;
- To create an environment that promotes job satisfaction for state employees;
- To be operationally efficient; and,
- To have an open and comprehensive communications network.

June 30, 1998

# Organizational Chart



# Responsibilities

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## Office of the Secretary

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

## Kentucky Public Employees' Deferred Compensation Authority

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

## Office of Administrative and Legal Services

### General Counsel

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

### Administrative Services Branch

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

# Responsibilities

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## **Systems Management Branch**

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

## **Equal Employment Opportunity Unit**

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

## **Department for Employee Relations**

In addition to regular responsibilities, this department coordinated all logistics for the annual Governor's EEO Conference (the major training event for EEO counselors and coordinators, personnel executives, and managers) including registration, development, and scheduling of 30 workshops and 3 general sessions for 682 participants.

## **Division of Communications and Recognition**

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

## **Division of Employee Benefits**

This division is responsible for the Life Insurance Program, the state Flexible Benefit Program, the state employees' Workers' Compensation program, the coordination of the State Safety Program, the Employee Assistance Program, and the health insurance program. Many of these programs serve employees of other governmental entities such as local school districts, universities, and other local governments.



# Responsibilities

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## Department for Personnel Administration

### **Division of Employee Records**

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

### **Division of Classification and Compensation**

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

### **Division of Staffing Services**

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

### **Office of Performance Management**

This office is responsible for coordinating and implementing employment performance evaluation systems throughout state government.

# Deferred Compensation Authority

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## Office of the Secretary

### Kentucky Public Employees' Deferred Compensation Authority

Kentucky's Deferred Compensation plans have maintained their high ranking among Government Deferred Compensation plans. Based on the most recent survey data provided by the National Association of Government Deferred Compensation Administrators (NAGDCA) for IRS-457 Plans, the Kentucky Authority is twentieth (20) in the nation both in terms of 457 Plan assets and the number of participants. Also, a separate report indicates that Kentucky continues to rank fifth (5) in both assets and participants for those states reporting both 457 and 401(k) plans. According to the NAGDCA survey, Kentucky continues to rank ahead of several more populous states.

During Fiscal Year 1997-1998, the Authority Board again authorized and implemented several major plan changes. These changes included:

- For the second consecutive year, authorized a significant "reduction" in participant fees (expected to save participants approximately \$231,000 a year). This represents a two (2) year fee reduction of approximately \$675,000 annually.
- Amendment of the Commonwealth of Kentucky Employees' Deferred Compensation Plan (the 457 Plan) to comply with several important provisions of the Small Business Job Protection Act. One such provision states that the Plan assets are no longer the property of the State. As a result of the amendment, the assets are now maintained for the exclusive benefit of the participants and beneficiaries.
- Revision of the *Spectrum of Investment Options* to offer a more diversified and comprehensive investment vehicle for participants.
- Introduction of a new employee awareness program entitled "Push '98". This highly successful and award-winning program focused on making current and potential participants more aware of the benefits of participating in the Deferred Compensation program.

As a result of the additional fee reductions and Push '98 Campaign, the Authority has been advised it will be the recipient of two (2) Recognition Awards from NAGDCA. This is the third consecutive year the Authority has received at least one (1) of these prestigious national awards. These

# Deferred Compensation Authority

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awards are being presented to honor the Authority's achievement in the development and improvement of plan design.

The Authority has achieved yet another record breaking year as participation and assets reached new highs. The following graphs represent the combined results from the Authority's 457 and 401(k) retirement plans through June 30, 1998:

- *Participant Volume* - Graph 1 and the accompanying table indicates a continuation of the phenomenal growth rate the Authority has incurred. The number of plan participants (with account balances) increased from 35,502 last year to 39,033 at June 30, 1998. This represents an increase of 3,531 participants or a 10% increase as of the 1998 fiscal year end.
- *Plan Assets* - Graph 2 and the accompanying table shows that 1997 plan assets, on a calendar year basis, have experienced phenomenal growth over 1996 (1997 - \$631 million vs. 1996 - \$519 million). Assets, on a fiscal year basis, have increased from \$578 million as of June 30, 1997 to \$702 million on June 30, 1998, representing a \$124 million or approximately 21% increase.
- *Plan Trends* - Several important trends continued during Fiscal Year 1997-1998 within the Deferred Compensation program.

*Investments* - Graph 3 indicates for the third consecutive year, quarterly participant investments have increased. Quarterly investments have increased from \$12.8 million as of June 30, 1997 to \$14.3 million at June 30, 1998. This is an increase of \$1.5 million or approximately 11.7%.

*Plan Assets Allocation* - Graph 4 and the accompanying table demonstrates that for the third straight year participants invested (by an ever-widening margin) more into the mutual funds than in the Fixed Contract Fund (FCF). This is the second consecutive year in which investments into the mutual funds were greater than into the FCF in "each" quarter of the year. Graph 5 indicates the allocation of assets is now \$454 million (64.6%) in the mutual funds and \$237 million (33.7%) in the FCF. The remaining 1.7% represents insurance company benefit accounts and loans.

- *Investments* - Graph 6 demonstrates that annual investment increased substantially again this year and totaled \$56 million compared to \$49.3

# Deferred Compensation Authority

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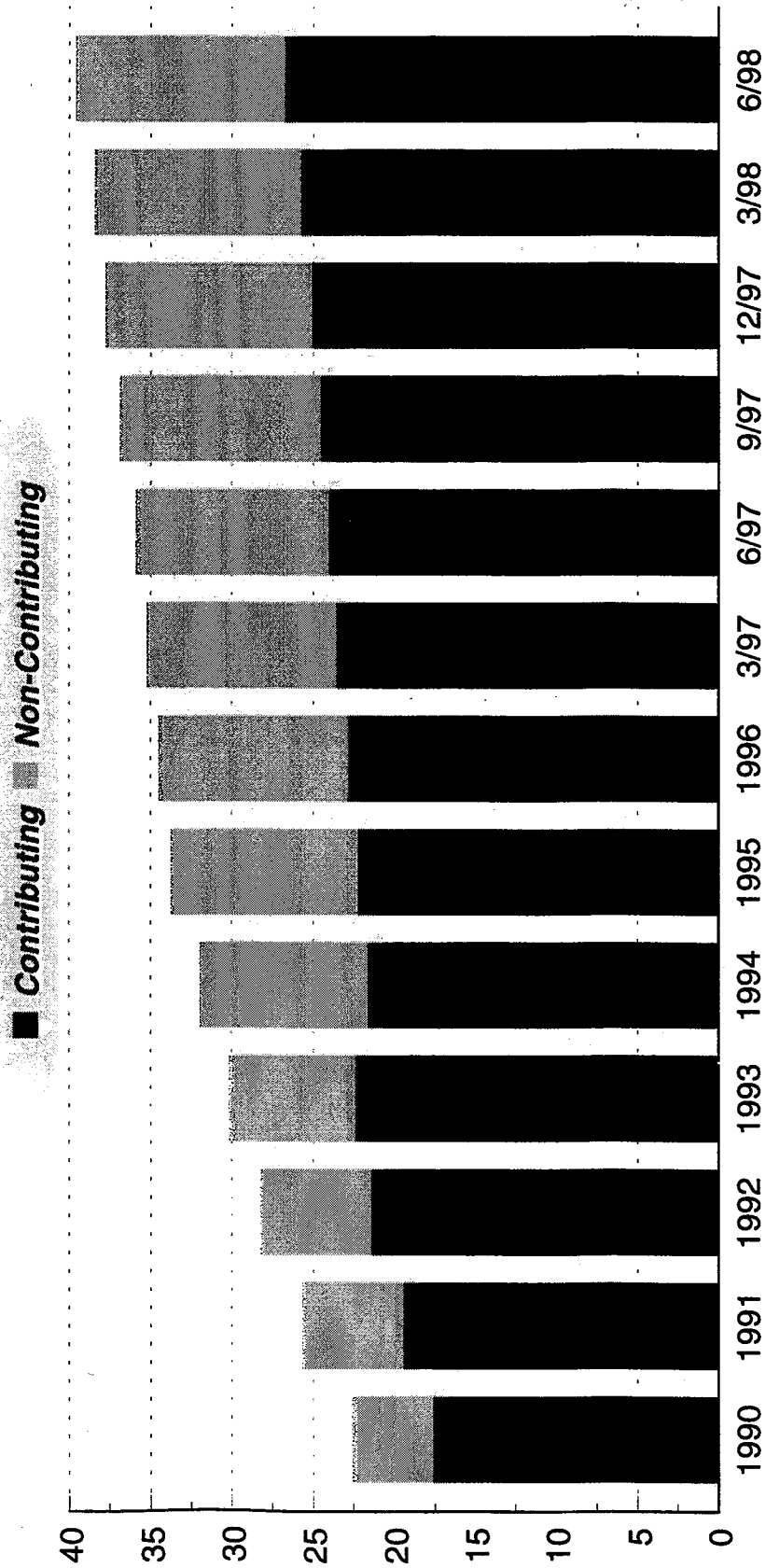
million at June 30, 1997, representing nearly a 14% increase. The percentage of the investments into the 401(k) plan increased to approximately 63%. For the year ended June 30, 1998, the dollars invested in the 401(k) plan exceeded those invested in the 457 plan by almost \$15 million.

The Authority currently offers participants twenty-four (24) investment options to selection. The investment spectrum ranges from conservative - to - moderate - to - aggressive. This spectrum of investments consists of twenty-three (23) mutual funds and one (1) stable value or fixed fund product.

# Deferred Compensation Authority

**Kentucky  
Deferred Compensation  
Authority**

## Total Participants by Year (With Account Balances)



**NationalDeferred**

# Deferred Compensation Authority

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## Total Participants by Year 1990-6/30/98 (With Account Balances)

Year	Participants
1990	23,384
1991	26,691
1992	29,146
1993	30,188
1994	32,024
1995	33,781
1996	34,589
6/30/97	35,502
12/31/97	37,330
6/30/98	39,033

Kentucky  
Deferred Compensation  
Authority

NationalDeferred

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# Deferred Compensation Authority

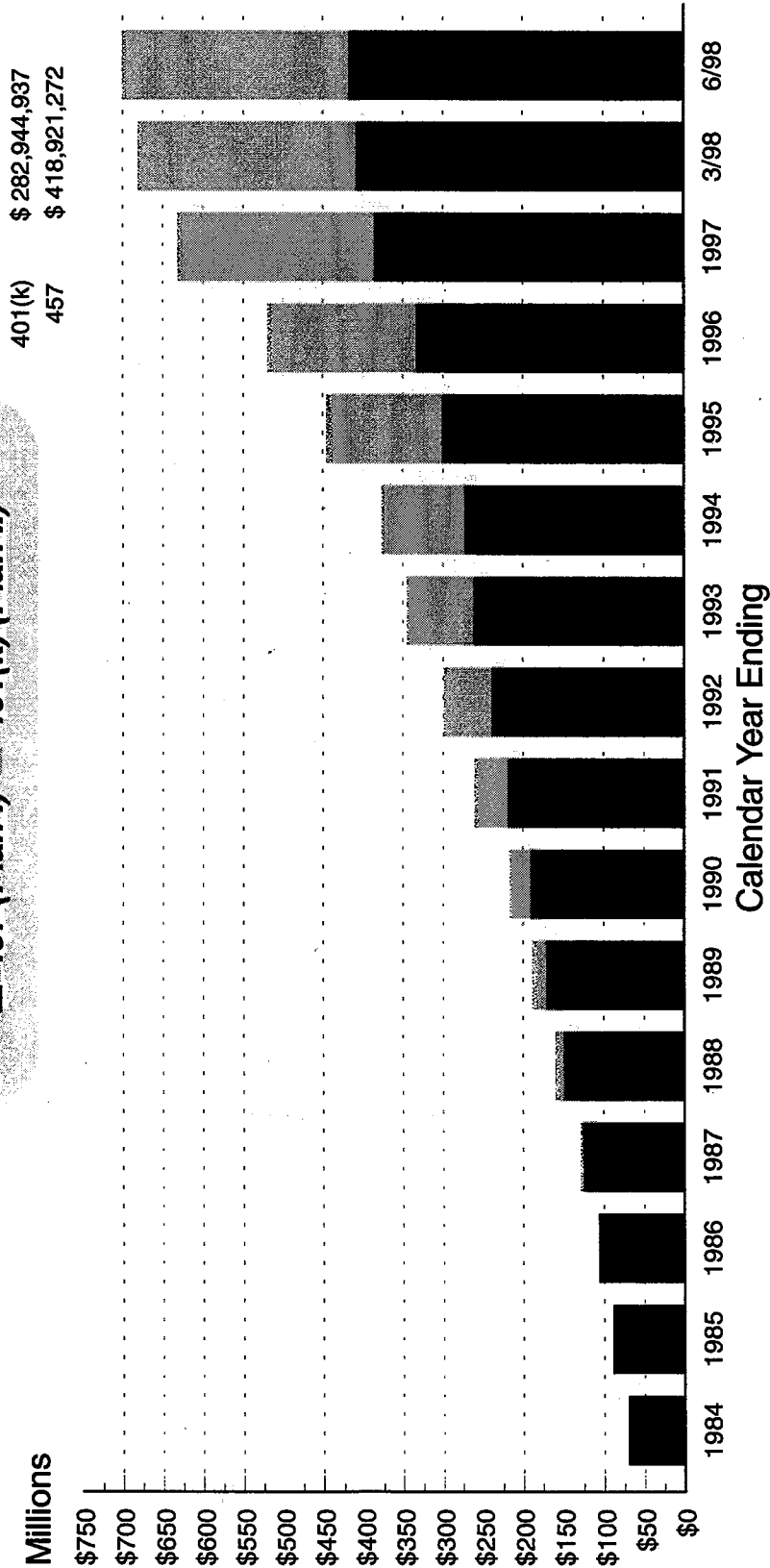
## Kentucky Deferred Compensation Authority

### Asset Growth By Year

(Excluding Life Insurance and Uninvested Receipts)

YTD Increase 10.10%

■ 457 (Plan I) ■ 401(k) (Plan II)



NationalDeferred

# Deferred Compensation Authority

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Kentucky  
Deferred Compensation  
Authority

## Asset Growth By Year

(Excluding Life Insurance and Uninvested Receipts)

Year	Assets
12/31/90	\$216,922,484
12/31/91	\$260,551,464
12/31/92	\$299,421,872
12/31/93	\$345,628,472
12/31/94	\$377,971,229
12/31/95	\$445,688,072
12/31/96	\$518,994,025
12/31/97	\$631,499,204
6/30/98	\$701,866,208

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NationalDeferred

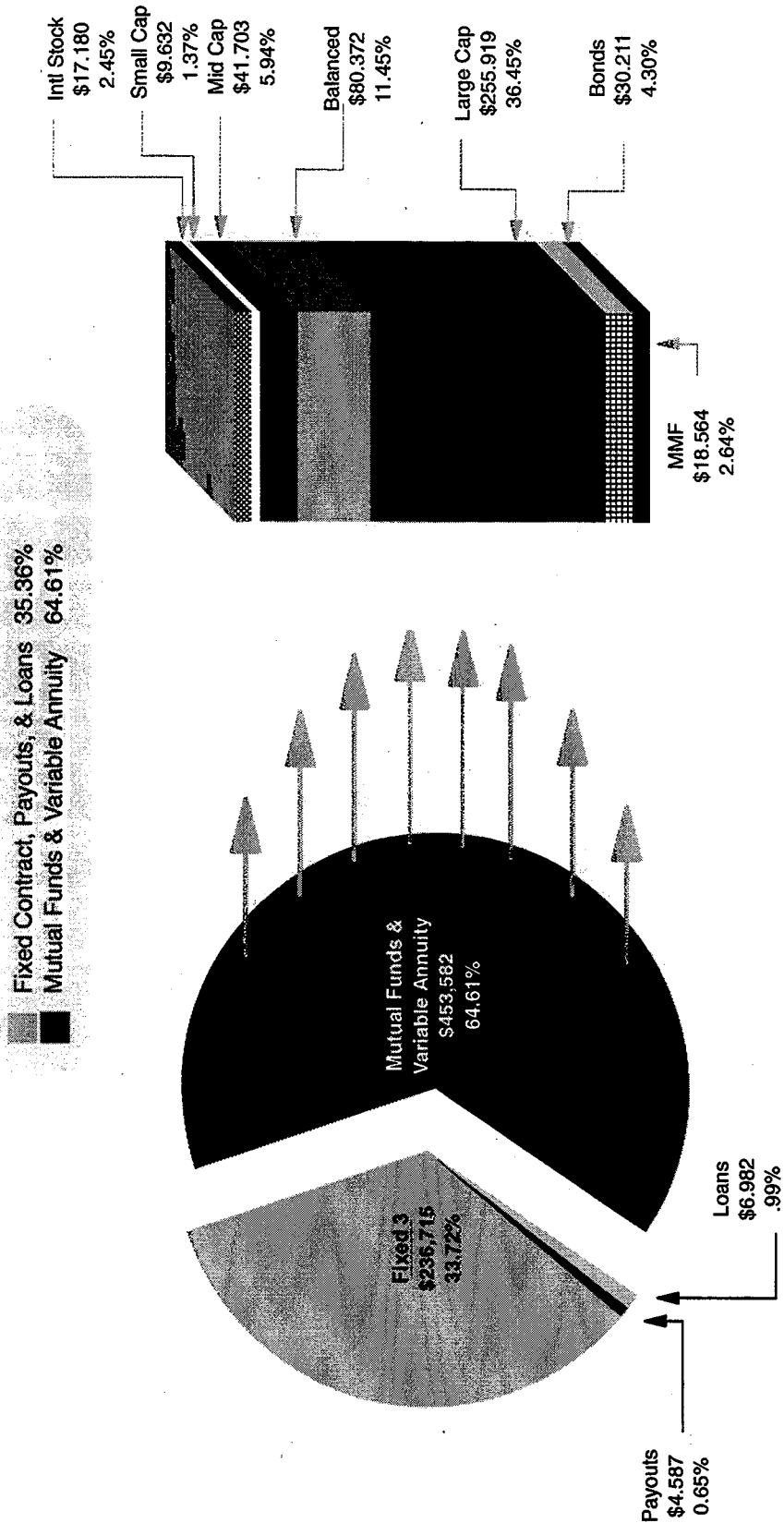


# Deferred Compensation Authority

**Kentucky  
Deferred Compensation  
Authority**

## Allocation of Plan Assets As of June 30, 1998

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



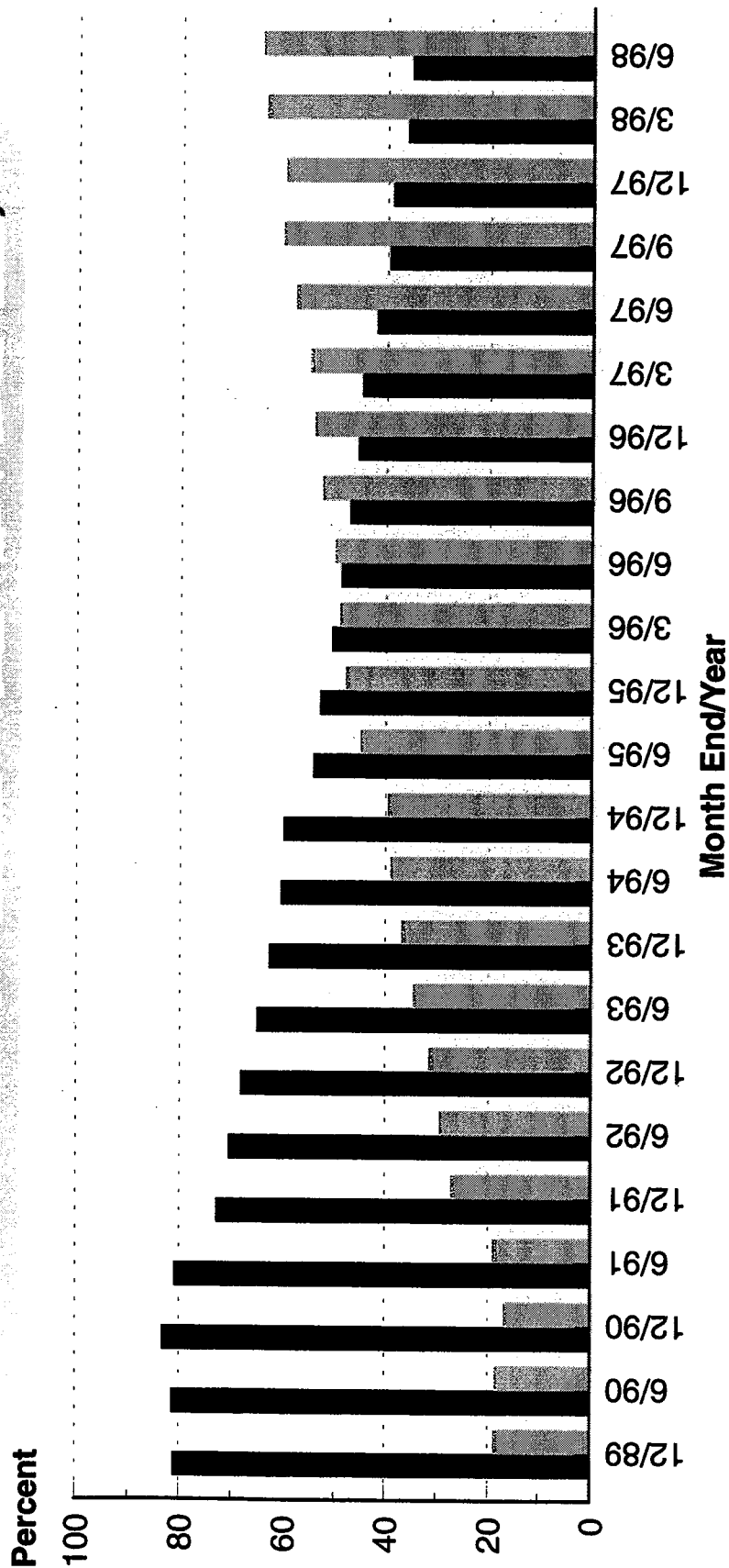
**NationalDeferred**

# Deferred Compensation Authority

Kentucky  
Deferred Compensation  
Authority

## Percentage Allocation of Assets (Excluding Life Insurance and Uninvested Receipts)

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



National Deferred

# Deferred Compensation Authority

Kentucky  
Deferred Compensation  
Authority

## Assets - Fixed and Variable Third Quarter 1997 to Second Quarter 1998

	Fixed	Variable
9/97	\$238,330,056	\$378,280,301
12/97	\$239,989,712	\$391,509,492
3/98	\$239,783,651	\$440,475,439
6/98	\$241,314,310	\$460,551,898

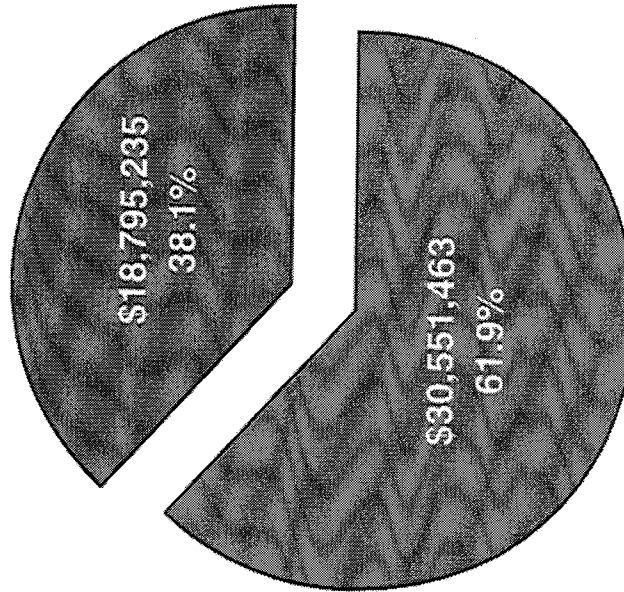
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# Annual Investments

(Excluding Life Insurance)

Year Ending  
June 30, 1997

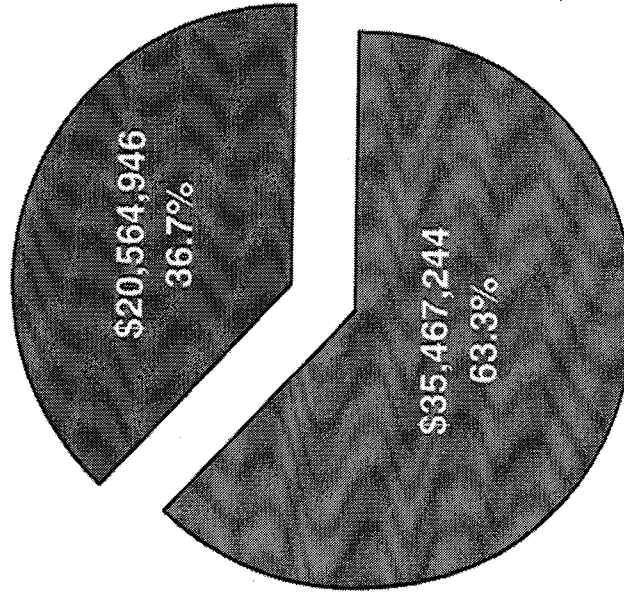
457



401(k)

Year Ending  
June 30, 1998

457



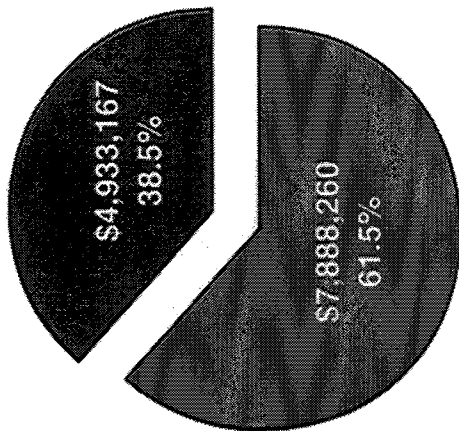
401(k)

Kentucky  
Deferred Compensation  
Authority

# Investments By Quarter

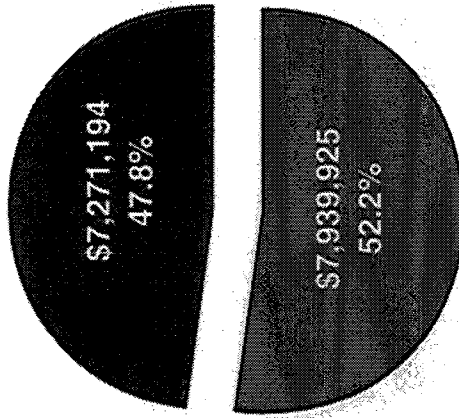
(Excluding Life Insurance and Uninvested Receipts)

457



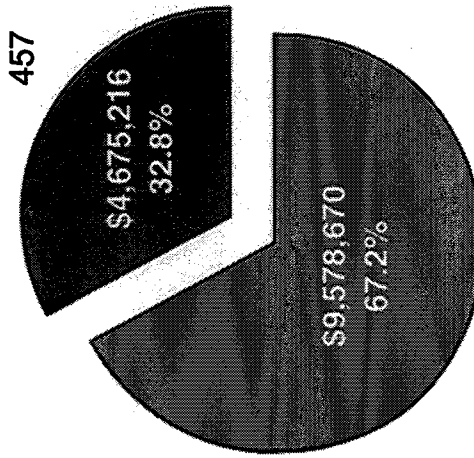
401(k)

6/30/97



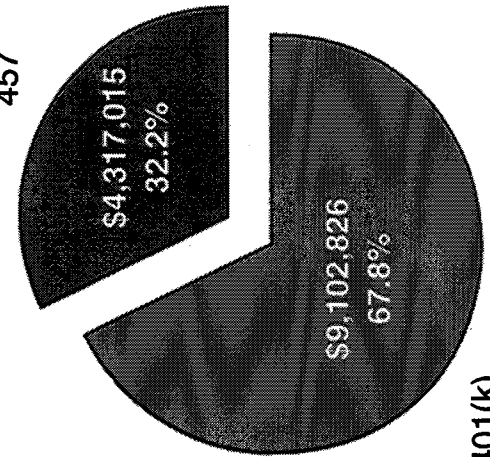
401(k)

9/30/97



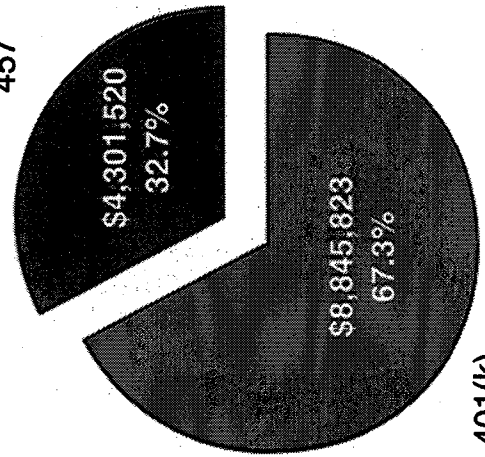
401(k)

6/30/98



401(k)

12/31/97



401(k)

3/31/98

# **Administrative & Legal Services**

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## **Office of Administrative and Legal Services**

### **General Counsel**

- Wrote or drafted approximately 154 Opinion letters or personnel related documents concerning various personnel topics. Also responded to various e-mail inquiries on various personnel subjects.
- Reviewed and approved or consulted on 592 disciplinary action letters, 40 special leave letters and 6 layoffs issued by agencies.
- Reviewed and consulted with agency attorneys and personnel officers regarding 530 appeals filed with the Personnel Board.
- Represented the Personnel Cabinet before the Personnel Board in 291 appeals in which the Cabinet was a party.
- Processed 340 requests submitted under the Kentucky Open Records Act for personnel files and other documents.
- Successfully defended the Personnel Cabinet in 22 appeals to the Court of Appeals and 30 cases appealed to or filed in the Franklin Circuit Court.
- Made presentations to the International Personnel Management Association (IPMA), Kentucky Rehabilitation Association, and the Governor's EEO Conference.

# **Administrative & Legal Services**

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## **Administrative Services Branch**

- The Personnel Cabinet had expenditures of \$27,464,835 in the fiscal year ending June 30, 1998. This includes the partial expenditure of both \$3.2 million in approved EMPOWER Kentucky projects and \$1.6 million in capital construction funds for Health Insurance Administration. The cost for the provision of workers' compensation benefits for employees amounted to 51.7% of the Cabinet's total expenditures. The Cabinet administers the State Payroll (1,505,186,956.68 in FY 1997-98), the Kentucky Public Employees deferred Compensation Authority (\$722.3 million in assets at 6/30/98), and life insurance benefits for employees (\$7.3 million in premiums in FY 1997-98).
- On June 30, 1998, the Cabinet had 142 permanent full-time employees and 27 seasonal or temporary employees. This marked an increase from the previous year because of EMPOWER Kentucky projects in the Divisions of Employee Records and Staffing Services and initial efforts geared toward the assumption of health insurance administration for Kentucky State Government beginning in calendar 1999.

# Administrative & Legal Services

## Personnel Cabinet Expenditures 1997-98 Fiscal Year

Organizational Unit	Personnel & Contracts	Operating	Capital	TOTAL
Secretary's Office	\$	\$	\$	\$
Office of the Secretary	\$ 356,717	\$ 104,894	\$ -	\$ 460,610
Office of Administrative and Legal Services	\$ 521,553	\$ 502,413	\$ -	\$ 1,023,966
Deferred Compensation Authority	\$ 2,699,228	\$ 238,833	\$ -	\$ 2,938,061
<b>Subtotal</b>	<b>\$ 3,877,497</b>	<b>\$ 645,339</b>	<b>\$ -</b>	<b>\$ 4,522,836</b>
<i>Department for Employee Relations</i>				
Commissioner's Office	\$ 171,885	\$ 98,195	\$ -	\$ 270,080
Communications and Recognition	\$ 196,689	\$ 83,842	\$ -	\$ 280,532
Health Insurance Administration	\$ 687,214	\$ 549,513	\$ -	\$ 1,236,727
Kentucky Employee Assistance Program	\$ 262,721	\$ 38,473	\$ -	\$ 299,195
Life Insurance Administration	\$ 249,782	\$ 67,466	\$ -	\$ 317,248
Workers' Compensation	\$ 13,816,588	\$ 378,915	\$ -	\$ 14,195,503
<b>Subtotal</b>	<b>\$ 15,384,879</b>	<b>\$ 1,215,315</b>	<b>\$ -</b>	<b>\$ 16,600,195</b>
<i>Department for Personnel Administration</i>				
Commissioner's Office	\$ 258,915	\$ 35,595	\$ -	\$ 294,510
Classification and Compensation	\$ 648,137	\$ 79,998	\$ -	\$ 728,135
Employee Records	\$ 848,929	\$ 908,692	\$ -	\$ 1,757,622
Staffing Services	\$ 1,203,624	\$ 511,282	\$ -	\$ 1,714,906
<b>Subtotal</b>	<b>\$ 2,959,605</b>	<b>\$ 1,535,567</b>	<b>\$ -</b>	<b>\$ 4,495,172</b>
<b>Empower Kentucky</b>	<b>\$ 185,435</b>	<b>\$ 728,219</b>	<b>\$ 91,009</b>	<b>\$ 1,004,663</b>
<b>Capital Construction</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 841,969</b>	<b>\$ 841,969</b>
<b>TOTAL</b>	<b>\$ 22,407,417</b>	<b>\$ 4,124,440</b>	<b>\$ 932,978</b>	<b>\$ 27,464,835</b>



# **Administrative & Legal Services**

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## **Systems Management Branch**

The Systems Management Branch consists of six (6) staff members who are responsible for overseeing the computerization of the Personnel Cabinet as well as providing the technical support required to keep the IT solutions operational.

- Technologies currently being utilized include the Internet, Intranet, imaging systems in the Register Branch, Employee Files, Deferred Compensation, and a major focus on Health Insurance (including OCR/ICR technology to enhance forms processing).
- Workflow processing and on-line testing are on the drawing board.
- The Systems Management Branch monitors and maintains nine (9) file servers, four (4) optical storage and retrieval devices, and over 200 workstations.
- This branch also interacts with other agencies and vendors to insure the Cabinet is current regarding technology implementation at the state level and in the private sector.

## **Equal Employment Opportunity Unit**

- Monitors the progress of the State's Affirmative Action Program and reports to the Cabinet Secretary semi-annually on that progress.
- Assists agencies in their recruiting efforts to meet or surpass the affirmative action goals. As of July 31, 1998, the goal set for minorities is 7.51% and the goal for females is 52.42%. These goals are based on eligible persons 16 years and older from the Kentucky 1990 census. A graph of the Personnel Cabinet's ethnic and gender makeup is on the following page.

# Administrative & Legal Services

## Ethnic & Gender Personnel Report 1/1/98 Through 7/31/98

### Cabinet/Department: Personnel Cabinet

Job Category	Total	White		Black		Hispanic		Asia/Pac		Amer Indian		Other		Total Minority	M	F
		M	F	M	F	M	F	M	F	M	F	M	F			
Officials and Admin	16	6	6	3	1	0	0	0	0	0	0	0	0	4	9	7
Professionals	91	17	63	2	7	1	0	0	0	0	0	0	1	11	20	71
Technicians	10	1	7	0	2	0	0	0	0	0	0	0	0	2	1	9
Protective Service Workers																
Para-Professionals	6	0	4	0	1	0	0	0	0	0	0	0	1	2	0	6
Office and Clericals	43	2	37	1	3	0	0	0	0	0	0	0	0	4	3	40
Craftsmen	11	0	11	0	0	0	0	0	0	0	0	0	0	0	0	11
Service Workers																
<b>TOTALS</b>	<b>177</b>	<b>26</b>	<b>128</b>	<b>6</b>	<b>14</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>23</b>	<b>33</b>	<b>144</b>

# Communications & Recognition

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## Department for Employee Relations

### Division of Communications and Recognition

- Provides ADA technical assistance and training to Personnel Cabinet and state agencies.

### Communications Branch

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

Questions received on the employee information lines consist of: personnel records, grievance procedures, sick leave sharing/family medical leave, classification, health insurance, retirement, applying for and testing for positions, how to access the Internet for job availability, educational achievement awards, etc.

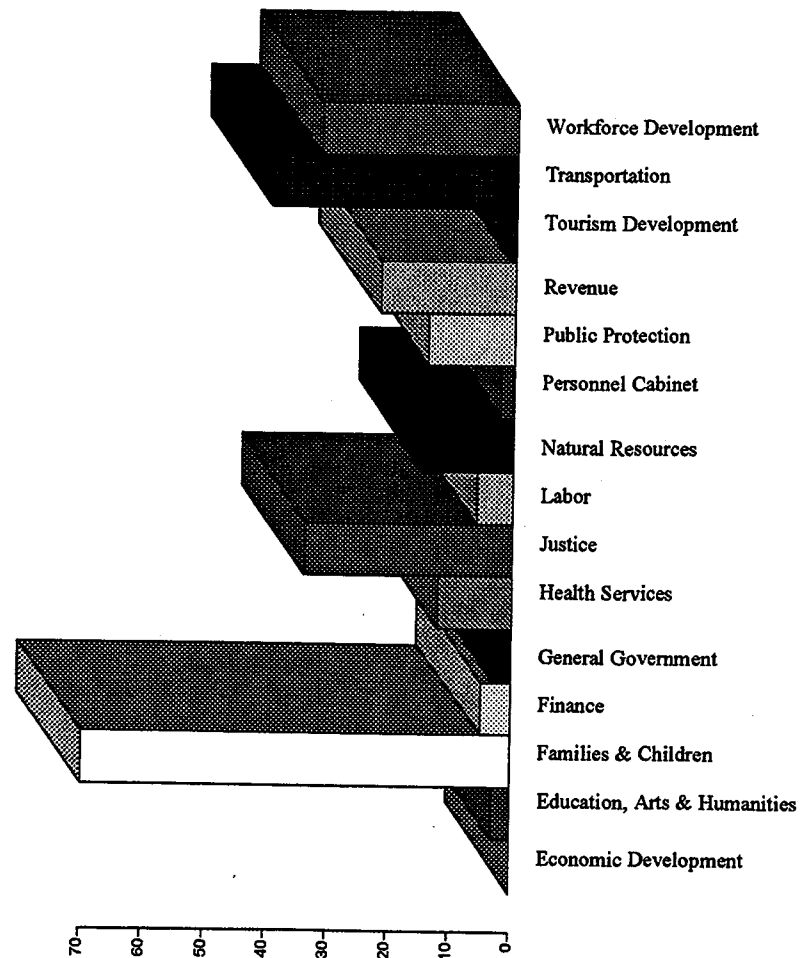
### Employee Recognition Branch

- Presented awards totaling \$34,496.25 to state workers through the Employee Suggestion System. These suggestions represented a first-year savings of \$517,617.92 for fiscal year 97-98.
- Processed 3,018 Career Service Certificates.
- Processed 155 Educational Achievement Awards.

# Communications & Recognition

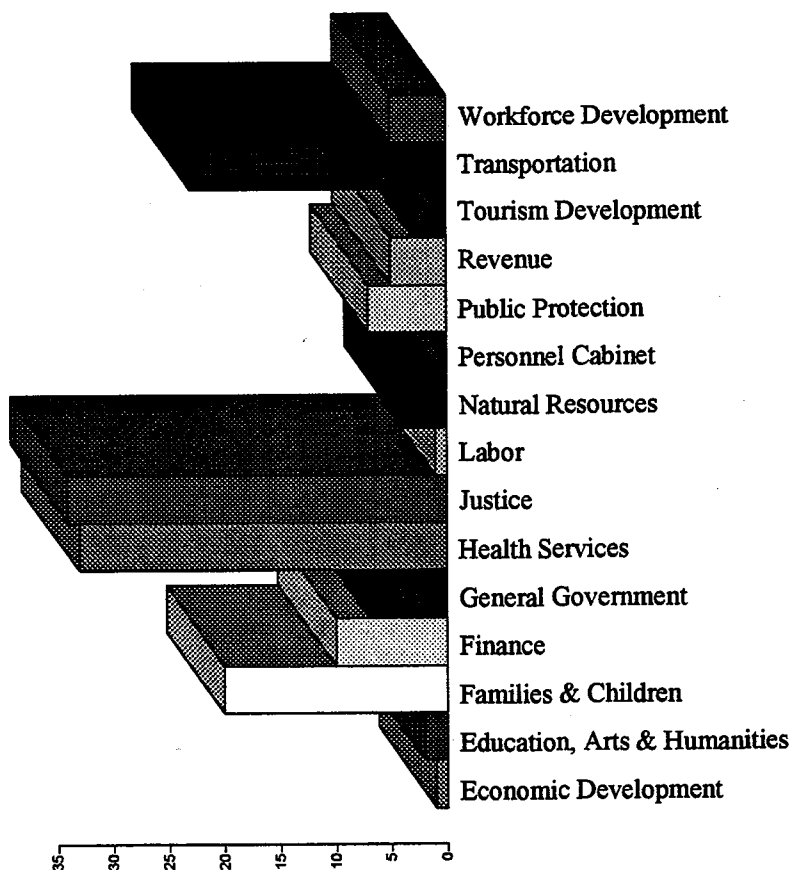
## Suggestions Submitted by Cabinet

Economic Development Cabinet	0
Education, Arts, and Humanities	3
Cabinet for Families & Children	70
Finance and Administration Cabinet	5
General Government	3
Health Services Cabinet	12
Justice Cabinet	34
Labor Cabinet	6
Natural Resources	15
Personnel Cabinet	2
Public Protection & Regulation	14
Revenue Cabinet	22
Tourism Development Cabinet	1
Transportation Cabinet	40
Workforce Development Cabinet	32



## Educational Achievement Awards

Economic Development Cabinet	1
Education, Arts, and Humanities	2
Cabinet for Families & Children	20
Finance and Administration Cabinet	10
General Government	7
Health Services Cabinet	33
Justice Cabinet	34
Labor Cabinet	1
Natural Resources	4
Personnel Cabinet	0
Public Protection & Regulation	7
Revenue Cabinet	5
Tourism Development Cabinet	3
Transportation Cabinet	23
Workforce Development Cabinet	5



# Employee Benefits

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## Division of Employee Benefits

### Group Life Insurance Administration Branch

- The life insurance in force exceeds three billion dollars.
- The current Basic Insurance and AD&D rate per thousand is \$0.145.
- The Group Life Insurance Administration Branch carried out all administrative services including: enrollment processing, eligibility data base maintenance, bill generation and payment processing, refunds, customer service, claims processing, and distribution of materials.
- Life Insurance conducted an open enrollment in April. About 3,500 applications were received. Optional accounts increased by 1,354 (9.1%) and optional volume increased by \$36,557,000 (10.8%). The dependent accounts increased by 1,333 (13.3%).
- The contract with Aetna was renewed for January 1, 1998, through December 31, 1999. The original contract rates were maintained.
- The Branch administers group life insurance for eligible employees at 387 locations.

	<u>Locations</u>	<u>Total Monthly Premium</u>
State Agency	147	\$ 268,786
Board of Education	182	\$ 346,040
Health Department & Other	58	\$ 25,479
	<u>387</u>	<u>\$ 640,479</u>

- The Branch collects \$ 389,519 a month in Basic premiums.

	<u>Employee</u>	<u>Premium</u>
State Agency	40,956	\$ 118,772
Board of Education	89,261	\$ 258,857
Health Department and Other	4,100	\$ 11,890
	<u>134,317</u>	<u>\$ 389,519</u>

# Employee Benefits

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- The Branch collects \$ 250,786 a month in Optional and Dependents premiums.

	<u>Accounts</u>	<u>Premium</u>
State Agency	15,662	\$ 150,014
Board of Education	10,289	\$ 87,183
Health Department and Other	1,623	\$ 250,786
	27,574	\$ 250,786

- The invoicing process includes:

- ✓ Roster billing 214 locations (156 boards of education, 52 health departments and 6 other) for 14,558 accounts each month.
- ✓ Individually billing 1,454 accounts to employees of 26 boards of education.
- ✓ Roster billing 147 state agency (accounting) locations for 56,618 accounts. The premium is posted through a payroll tape update, and the bills are checked for completeness, arrears, and any discrepancies.

- The Branch processed 313 claims.

- \* 190 Basic Insurance and AD&D Claims
- \* \$ 4,180,000 Basic benefits
- \* 42 Optional Insurance and AD&D Claims
- \* \$ 1,076,000 Optional benefits
- \* 80 Dependent Group Life Claims
- \* \$ 730,500 Dependents benefits
- \* 1 Dismemberment Claim
- \* \$ 10,000 Dismemberment benefits

- Other Branch activities:

Checks received and processed	11,527
Refunds processed and mailed	1,862
Applications	18,764
Phone calls received	9,225
Supply requests	659

# Employee Benefits

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## Workers' Compensation Branch

As of June 30, 1998, the Workers' Compensation Program had successfully returned one hundred fifty (150) employees to work by temporarily modifying positions, permanently modifying positions, or by the employees moving into different jobs. This has been calculated as a savings of approximately \$1.5 million dollars for the FY 1997-1998.

The Commonwealth of Kentucky Workers' Compensation Program continues to bring agencies under the managed health care program. The Workers' Compensation Board has approved the program for Jefferson County. As of June 30, 1998, we have thirty-nine (39) agencies utilizing the managed health care program. The Workers' Compensation Board has just approved the managed health care program for ninety-three (93) additional counties. This office remains responsible for training all covered employees.

As of July 1, 1998, the Workers' Compensation Branch added Kentucky Community and Technical College System (KCTCS) to its program. This increased the number of employees covered by the Workers' Compensation Program by approximately 8,000.

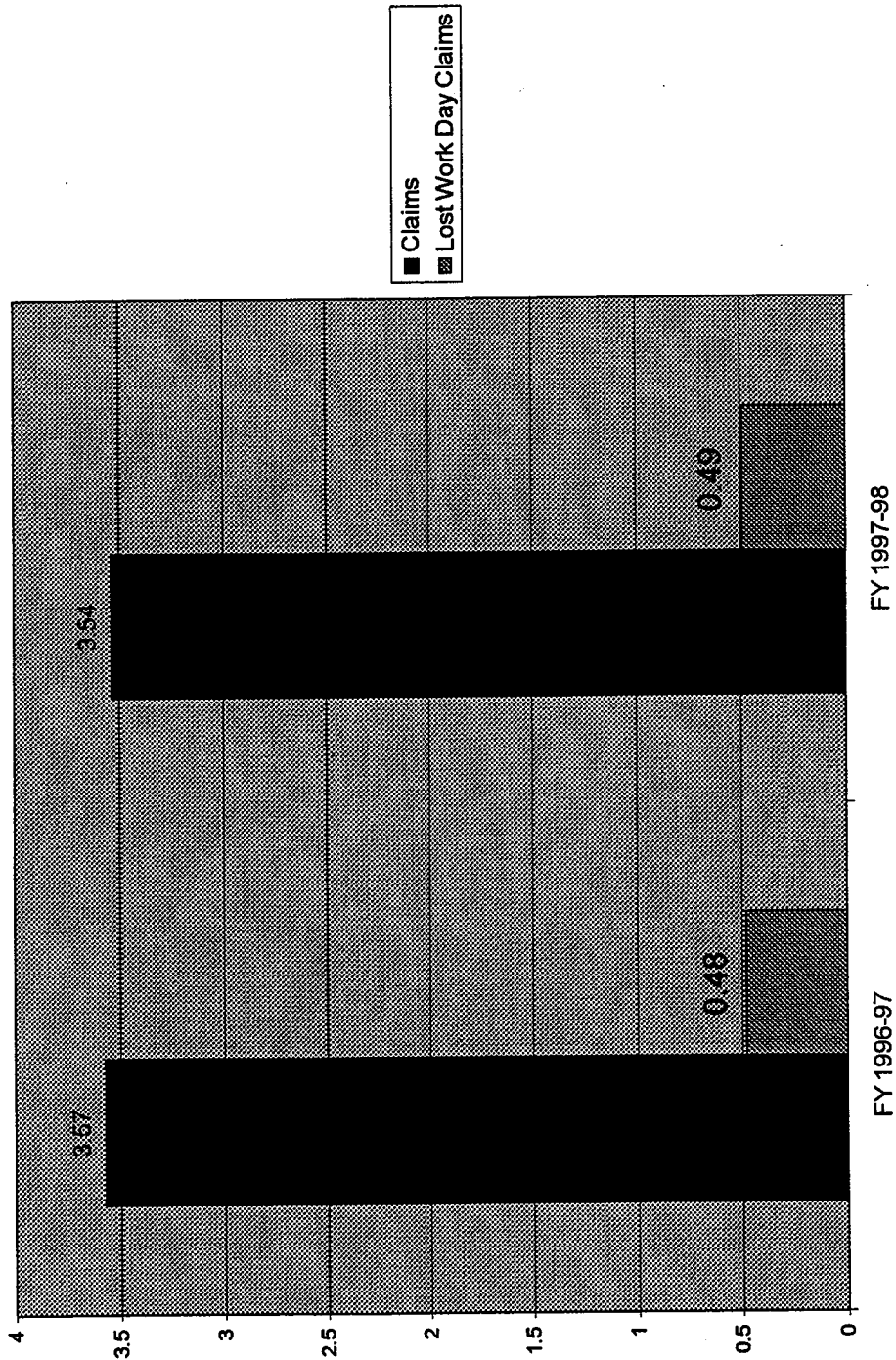
The charts included represent the percentage of workers' compensation claims, lost work day claims, and the most frequent reported injuries (per 100 employees) for Fiscal Year 1997-1998.

Approximately 98,000 employees are provided coverage under this self-insured program. Job-related injuries for Fiscal Year 1997-1998 to date total 5,178.



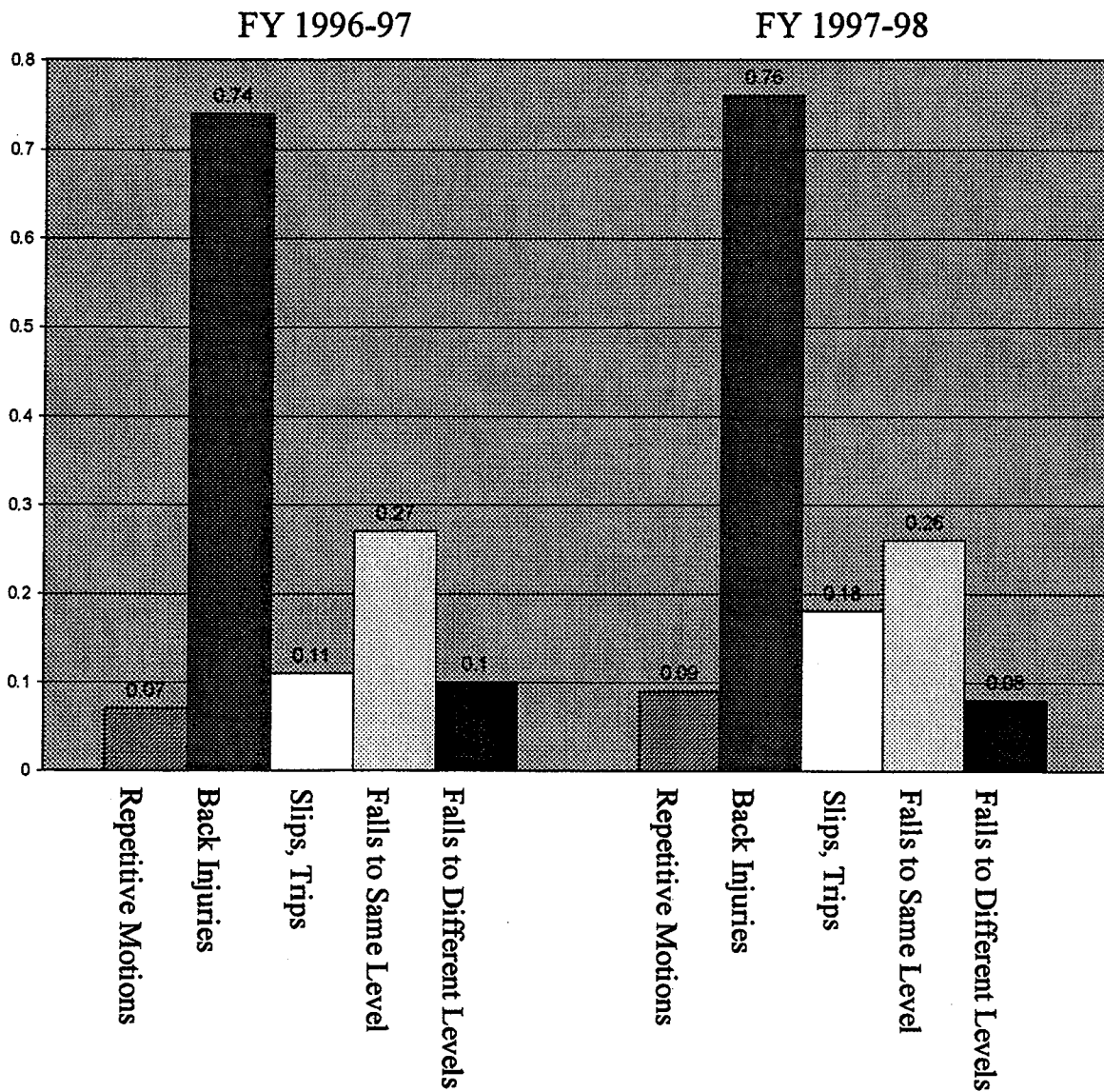
# Workers' Compensation Incidence Rates

(Injuries Per 100 Workers)



## Workers' Compensation Incidence Rates

(Injuries Per 100 Workers)



# Employee Benefits

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## Kentucky Employee Assistance Branch

### CLIENT TOTALS:

During the 1997-1998 year, the Kentucky Employee Assistance Program provided direct employee assistance services to approximately 905 state employees and/or their family members.

### AGENCY UTILIZATION:

The cabinets in which employees most utilized the services were the Justice Cabinet (13% of our clients came from the Justice Cabinet); the Transportation Cabinet (13% from DOT); the Cabinet for Health Services (12%) and the Workforce Development Cabinet (11%).

### MAIN PRESENTING ISSUES:

The issues most frequently presented include: mental/emotional health (24%), supervisory referral (19%), and job stress (18%).

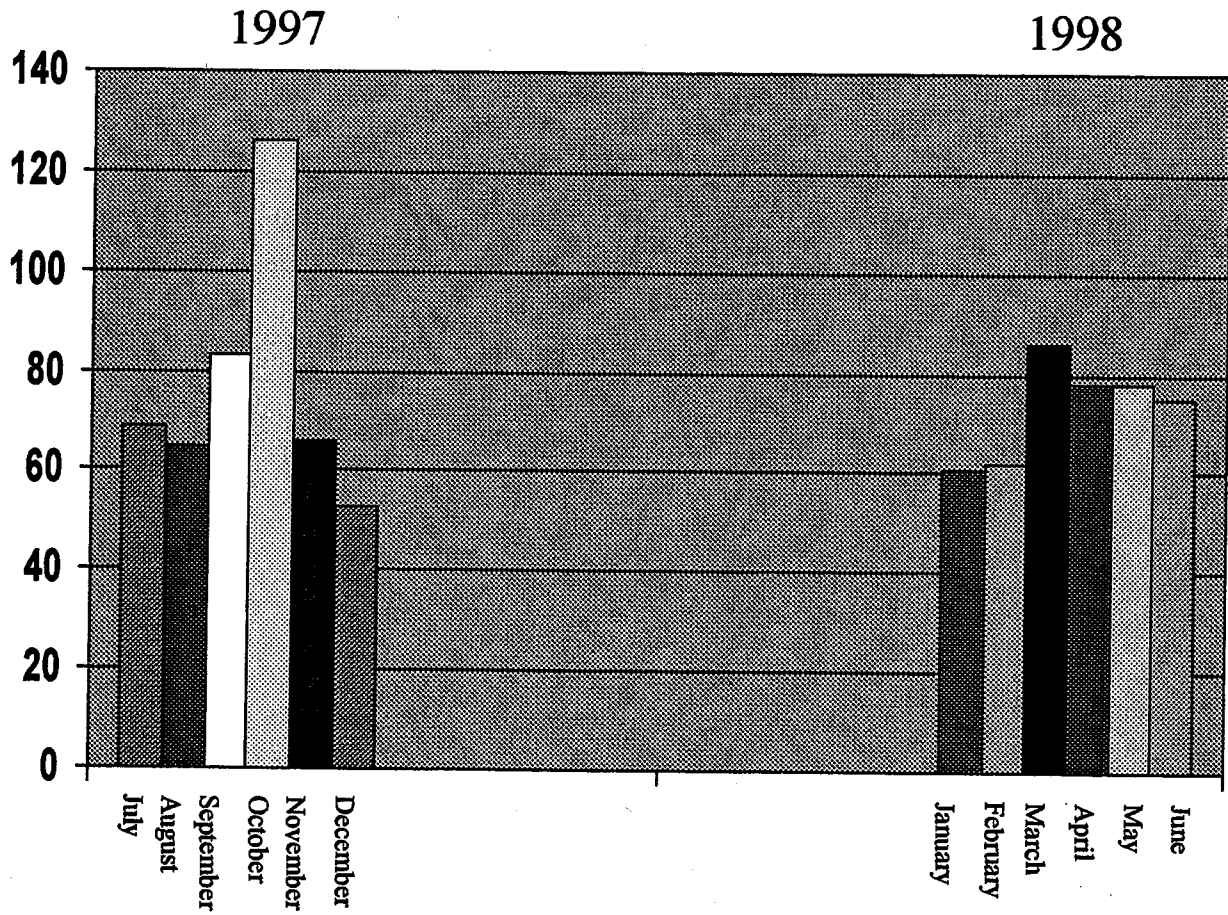
### INDIRECT CONTACTS (OUTSIDE MEETINGS AND WORKSHOPS):

KEAP staff was involved in many workshops and meetings that resulted in numerous indirect contacts. These contacts included monthly presentations at GSC on how supervisors can use KEAP as a management tool. KEAP staff conducted workshops on various topics such as Violence in the Workplace, Stress Management, Mental Illness in the Workplace, as well as Critical Incident Stress Debriefings and Grief in the Workplace Sessions. For National Depression Screening Day, the KEAP staff provided free depression screenings in various state buildings. KEAP provided a round of "personal development" sessions in fulfilling a request by the Revenue Cabinet. Topics included stress management, substance abuse, finances, mental health/mental illness, HIV/AIDS, and KEAP information.

KEAP was instrumental in developing training for State Government supervisors throughout state government. This training included topics necessary for supervisors to effectively perform their jobs such as EEO, Workers' Compensation & ADA, Performance Management, Employee Assistance, Family and Medical Leave, and Health Insurance & Commonwealth Choice. During this Fiscal Year 531 supervisors were registered to participate in these events. Program representatives within the Personnel Cabinet have traveled to all regions of the state training staff from most State Government agencies.

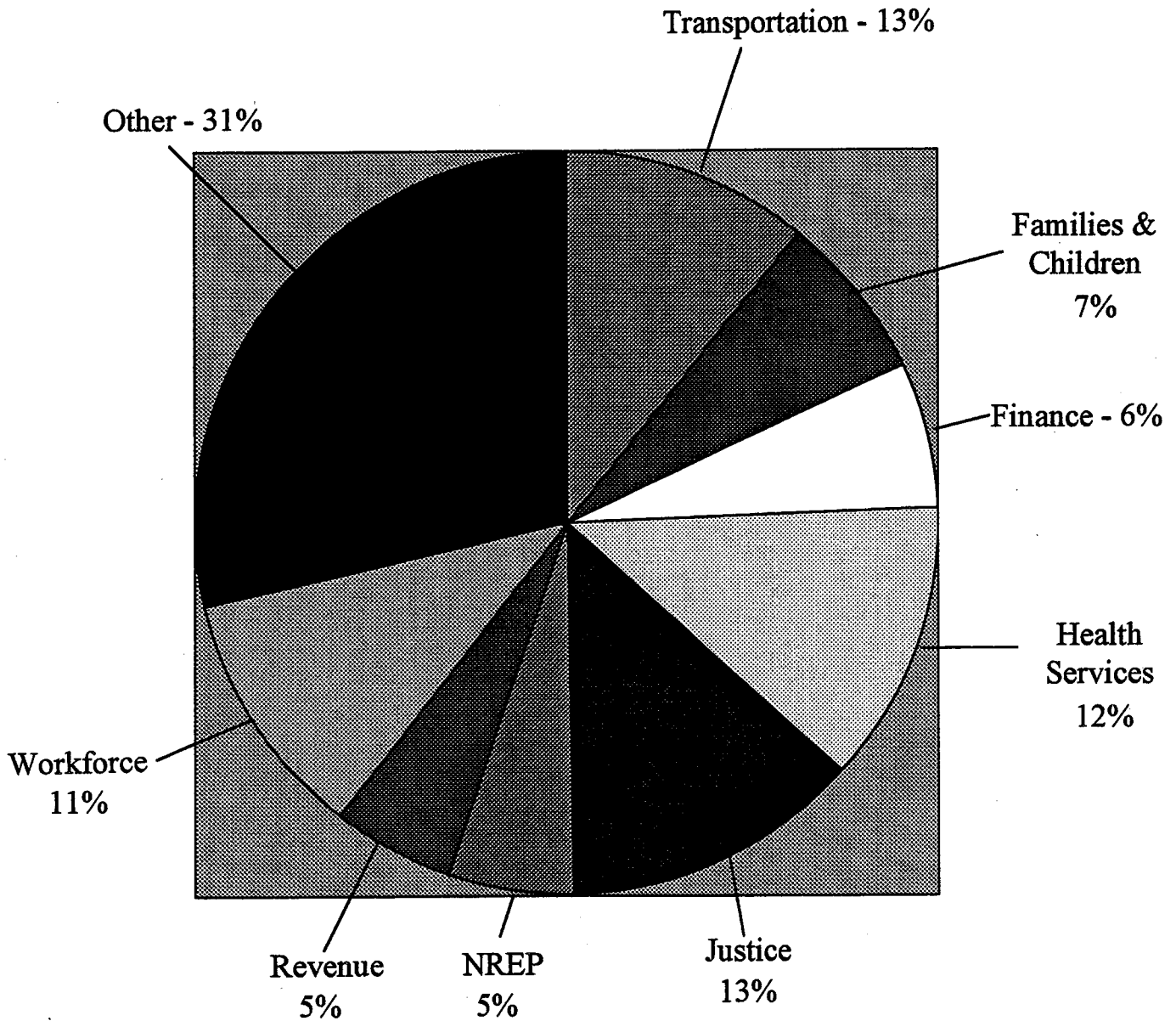
# Employee Benefits

## KEAP New Client Totals



Total New Clients is 905			
July	69	January	63
August	65	February	62
September	83	March	86
October	126	April	78
November	66	May	78
December	54	June	75

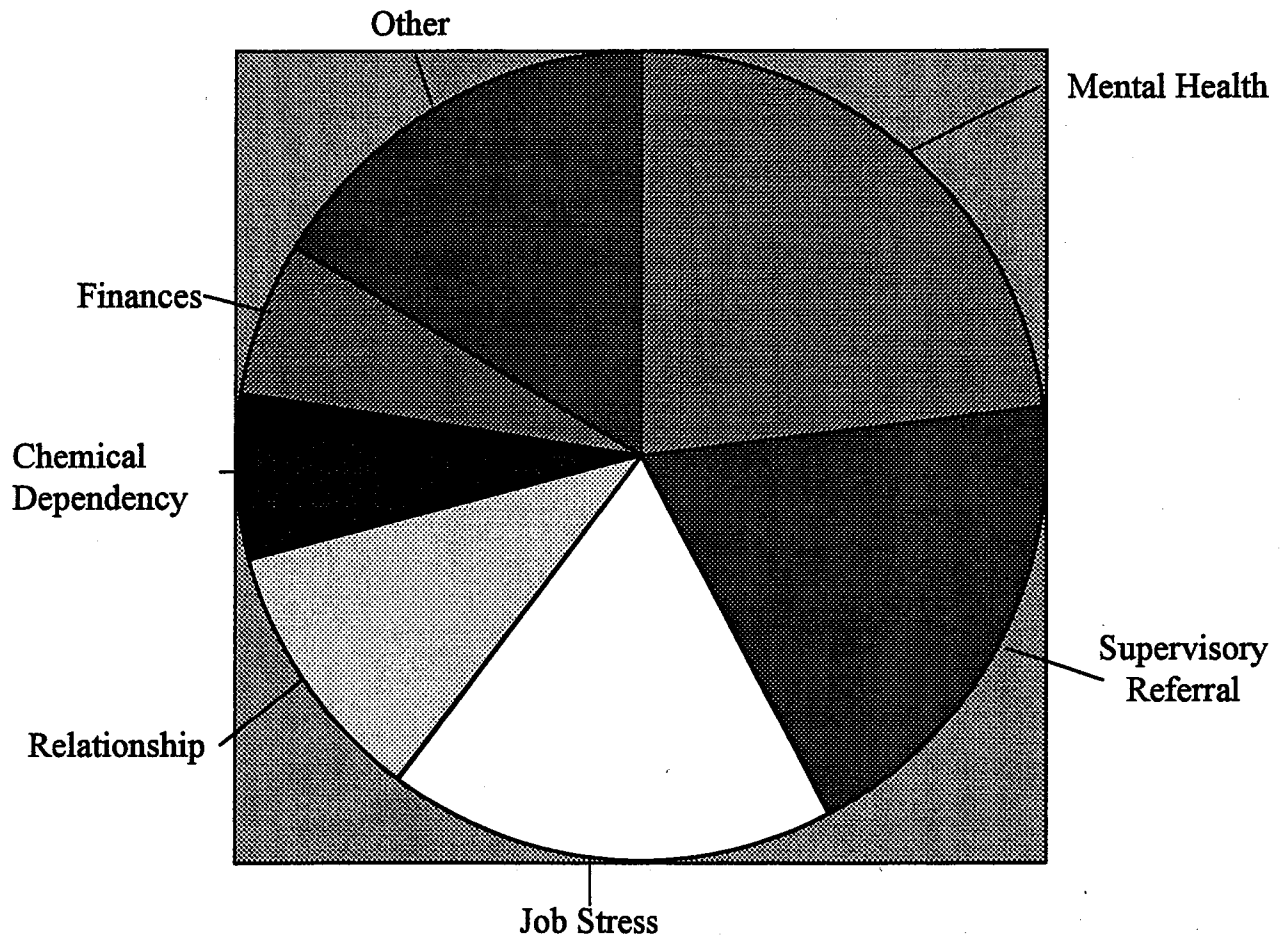
# Agency Utilization



# Employee Benefits

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## Kentucky Employee Assistance Program



### PRESENTING ISSUES:

Mental Health	214	(24%)
Supervisory Referral	180	(19%)
Job Stress	169	(18%)
Relationships	96	(10%)
Chemical Dependency	63	(07%)
Finances	58	(06%)
Other	152	(16%)

# Employee Benefits

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## Health Insurance Branch

- Worked with United Chambers correcting Health Insurance Applications.
- Trained approximately 200 Insurance Coordinators prior to Open Enrollment on changes and updates in the program.
- Trained approximately 900 employees across the state on the basics of Open Enrollment procedures that they were to share with co-workers at their work sites. This training was done via tele-conference and through several live meetings.
- Produced a KET program that dealt with the Open Enrollment process and other health insurance issues.
- Organized a two day Benefits Fair at the Civic Center in Frankfort to give employees access to the health care providers.
- Updated the Health Insurance/Commonwealth Choice Administration Manual and distributed same to all agency Insurance Coordinators.
- Updated, printed, and distributed Commonwealth Choice enrollment materials (booklets and enrollment forms) to nearly 43,000 state employees.
- Processed approximately 12,000 Commonwealth Choice enrollment forms following open enrollment and approximately 100 per month throughout the year on new employees.
- Processed monthly discrepancy reports on Commonwealth Choice.
- Attended Kentucky Health Purchasing Alliance Board meetings.
- Met with and presented programs to the Employee Advisory Committee for Health Insurance four times throughout the year.
- Assisted Data Branch with new scanning project. Health Insurance Branch attended numerous meetings.
- During Open Enrollment approximately 1,000 phone calls were taken per day.
- The Personnel Cabinet took over the responsibility of procuring Health Insurance for the State group.

# Employee Benefits

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- Assisted in developing Request for Proposal for 1999 Health Insurance bids.
- Trained 513 supervisors at supervisor training in six different locations throughout the State.
- Hired and trained additional staff.

## Benefits Data Branch

- The official start up date for this branch was August 1, 1997.
- A contract was signed with File Net Net in early March of 1998 to assist in the development of necessary hardware and software to hasten the implementation of programs.
- File Net subcontracted with IDMS (Intellegent Document Management Solutions) in late March of 1998 to assist in further development of the program.
- Since that time, the IDMS staff and the Benefits Data Branch staff have had an aggressive ongoing program to establish parameters by which this branch will operate. At this time all systems are in place, and final testing is being conducted.
- The primary responsibility of the Benefits Data Branch will be the development and maintenance of a data base consisting of all members covered by the Commonwealth Health Insurance Plan, Commonwealth Life Insurance, and the Workers' Compensation program.
- This will be accomplished through the new software program and scanning hardware. The first test of this program will be during the 1999 Open Enrollment period during which approximately 160,000 applications will be scanned into the system. Updates will continue throughout the year.
- With this platform in place, a conversion, at some time in the future, to the acceptance of electronic data transfer will be possible. This program is truly on the cutting edge of technology and will prove to be a tremendous asset to the Employee Benefits Division and to State Government as a whole.



# Employee Records

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## Department for Personnel Administration

### Division of Employee Records

#### Processing Branch

- Processed 123,084 personnel actions.
- Modified CICS to include the on-line Position Description (part of the EMPOWER Kentucky initiative).

#### Files Branch

- The conversion of current employee records from microfiche to imaging is continuing.
- Delivery of files to Staffing Services has decreased significantly now that files are available for viewing through the imaging system.

#### Payroll Branch

- Scheduler, a software package which automates the use of production jobs, continues to be used and has been included in all the daily, pay period, and monthly processes. This process saves our personnel time but it also saves the time of the DIS Central Computer operators because it eliminates human intervention unless an error condition occurs.
- RDS (an electronic Report Delivery System) is in place. As a result we have eliminated most of the microfiche. We have provided training for this system and the Document Direct payroll package to enable agencies to use this system.
- Manual pay adjustment has been modified to allow for most adjustments to be done on-line.
- Direct Deposit screen has been modified to allow agencies a more simplified entry and to allow the entry to stay on the system so it can be changed.

# Employee Records

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- On-line data files created for agencies. This allows them to download to PC's to better utilize data for agency requirements.
- Create FTP files so data can be transmitted directly to other computers. An example is the New Hires reporting required by the federal government to be sent to Richmond, Virginia, each week.
- Import and export data electronically instead of mailing.
- Reduced paper and microfiche produced. We were sending three full boxes to Finance each pay period, and now we are sending one envelope with 15 sheets of letter size paper in a manila envelope.

## Computer Branch

- Includes data entry and mainframe printing for the Cabinet and those agencies that use the Personnel Cabinet for printing of reports, forms, timesheets, etc.
- Trained new employees in this area.
- All employees received PC's and are trained to use the included software.

# Classification & Compensation

## Division of Classification and Compensation

Nature of Actions	1994/1995	1995/1996	1996/1997	1997/1998
Job Classes Revised	116	127	73	79
New Classes Established	95	70	22	26
Job Classes Abolished	36	85	140	64
Pay Grade Changes	17	158	8	18
New/Revised Special Entrance Rates	101	165*	56	58
Class Title Changes	0	17	16	21
Title Code Number Changes				2

\*Many were increases to existing special entrance rates.

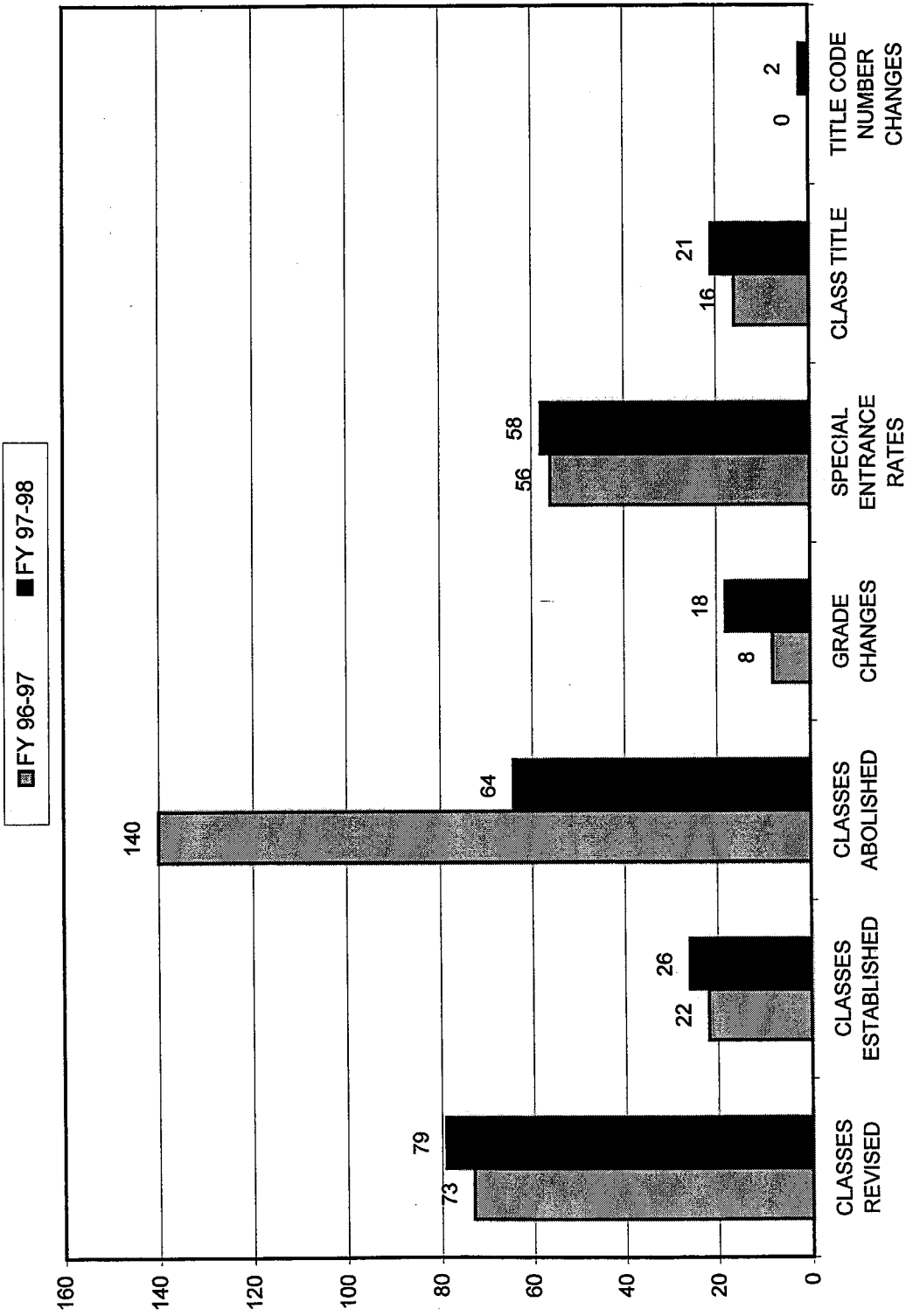
Positions Established	8,448
Positions Abolished	7,846
Positions Reclassified	2,209
Positions Reallocated	2,288

The above total is 20,791 actions taken by the Division of Classification and Compensation. This compares to a total of 18,608 in FY 1997-1998; 19,206 in FY 1995-1996; and 18,937 in FY 1994-1995.

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

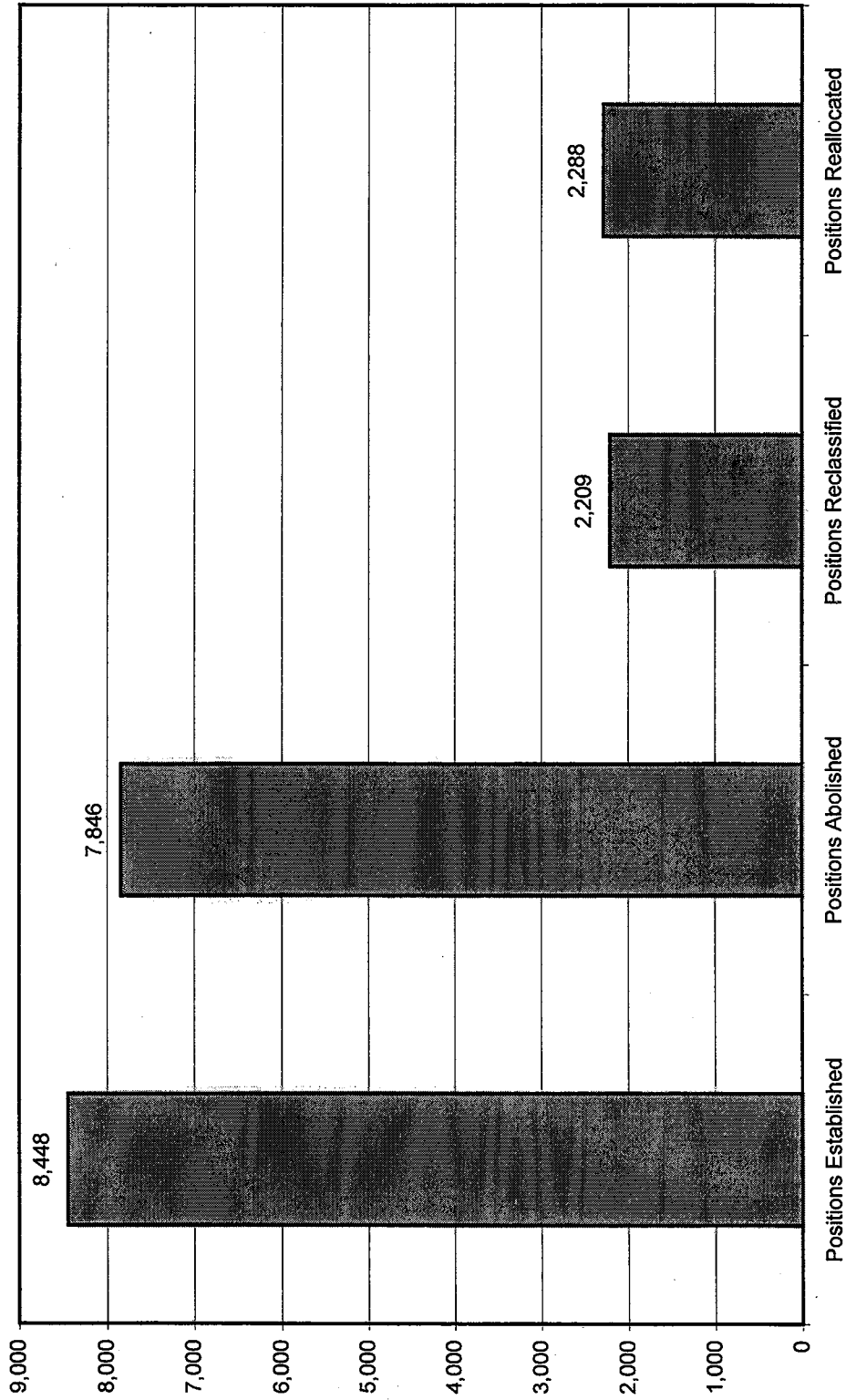
# Classification & Compensation

CLASSIFICATION & COMPENSATION PLAN CHANGES IN FY 98 VS FY 97



# Classification & Compensation

## CLASSIFICATION & COMPENSATION ACTIONS REVIEWED



# Staffing Services

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## Division of Staffing Services

The Division of Staffing Services has been busy implementing the EMPOWER Kentucky Initiatives outlined in Appendix A. These initiatives were part of a broad strategy of change instituted by the Personnel Design Team, consisting of representatives from up to 21 different state agencies which met during 1995 and 1996.

In January of 1997, the task of implementing these initiatives was assigned to a Core Personnel Empower Implementation Team headed by a process owner. The team and all of those assisting with the implementation of these initiatives have functioned at a high level of effectiveness and efficiency. As expected, and based on the initial work plan submitted by the Core Implementation Team, (See Appendix B), the workload of the Division of Staffing Services has increased in a number of categories and decreased in others, as indicated below. It is anticipated that due to the addition of technology enhancement, the work in some areas, such as the number of applications issued manually to agencies, for example, will continue to decrease. This will allow vitally needed resources to be shifted to increase other services to customers.

Each EMPOWER Kentucky Initiative could be elaborated on in great detail. It is not our purpose to do so in this summary report; however, we would like to specifically mention several aspects of Initiatives 1, 2, 4, 8, 10 15, and 17.

### Initiative 1

Since the announcement by Governor Paul Patton and Secretary of the Cabinet Crit Luallen of the listing of state merit jobs on the Personnel Cabinet's web site on April 16, 1997, the number of inquiries for direct services from the Staffing Services Division has increased considerably, up to 85 percent. However, the number of inquiries on the web site has been phenomenal, up to 813 per day or over 4,000 per week.

### Initiative 2

KRS 18A.110 (7)(c) was revised so that effective July 15, 1998, Internal Mobility (current state employees) candidates who meet the minimum qualifications can be placed on merit registers without taking written tests. This has been a very popular revision, and during FY 98-99 the elimination of testing of state employees will allow them to spend more time on the job for a savings of approximately \$267,500.

### Initiative 4

57 state agencies have been connected to the Register imaging system, which allows these agencies to obtain their registers and corresponding applications electronically, and if desired to print them on-site. The addition of this technology has allowed the Register Branch, with approval from the Department for Libraries and Archives, to eliminate 116,000 manual applications and supporting documents. This space has in turn been utilized for expanding offices to provide room for increased counseling and other customer services generated by the listing of merit vacancies on our web site as mentioned in Initiative 1 above. This innovation has also eliminated the copying by hand of approximately 116,000 applications and supporting documents each year, which were then in turn shipped to agencies. The resources formerly used for copy-

# Staffing Services

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ing were shifted to providing increased test accommodations for applicants with disabilities and other customer services.

## **Initiative 8**

The Position Description (PD) which is submitted to the Division of Classification and Compensation and is the basic document used to reclassify positions has been redesigned and can now be completed on-line and submitted electronically to the Personnel Cabinet. This procedure will eliminate the mailing of hundreds of PD's and will allow agencies to quickly complete, edit, and submit PD's and, in turn, will allow the Division of Classification and Compensation to quickly review, approve, store, and retrieve PD's. The system also allows for the change of position numbers electronically when reorganizations take place, thus providing a historical tracking of changes in the positions.

## **Initiative 10**

State employees' records are currently stored on microfiche, and in order to be viewed in their entirety, a copy of the microfiche must be produced from the original, shipped to those who need the records, and then placed in a microfiche reader. The conversion of approximately 3,000,000 microfiche to an on-line imaging system containing the records of state employees is currently underway. The conversion is approximately 60 percent complete, and once completed the Personnel Cabinet and respective state agencies will have on-line access to the records of all state employees currently on their payroll. This will allow a variety of personnel actions to be completed quickly and easily, including the review of employee's credentials needed to qualify them for promotions within the state merit system.

## **Initiative 15**

Applicants who take written tests for merit jobs are placed on merit registers the same day in which they take the test, thus allowing them to be considered for jobs where the register is being issued the same day the applicant tests.

## **Initiative 17**

With the help of our agency representatives on the Personnel Core Implementation Team, a statewide policy for advertisement of vacant state merit and non-merit positions was developed and placed on the Personnel Cabinet's web site. All agencies are currently using these procedures, which has helped in providing consistent information to potential applicants and in complying with EEO advertisement guidelines.

In summary, all of the Empower Kentucky Initiatives are on schedule. However, Initiative 9 has been placed on hold pending a review of current technologies to determine if there is a more efficient way of providing ranking information to candidates already on the register.

## **A. INCREASES**

- ◆ The number of requests for services has increased by 70 percent, due to the increased number of applicants who have access to the Personnel Cabinet web site at [www.state.ky.us](http://www.state.ky.us) where merit vacancies are listed.
- ◆ The number of mail-in applications reviewed has increased by 62 percent, due to

# Staffing Services

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the vacancies being advertised on the web and to the EMPOWER Kentucky Initiative of placing applicants on registers the same day their application is received, provided the selection method for the job is 100% Qualifying.

- ◆ The number of educational verifications processed has increased by 85 percent, due to the increase in the number of applications, new hires, and promotions.
- ◆ The number of written examinations that were reviewed, rewritten, or constructed has increased by 55 percent, due to an EMPOWER Kentucky Initiative of making the written examinations more job-related and reviewing the selection methods for all classes to determine if they should be changed to a Training and Experience (T&E) rating or 100% Qualifying.
- ◆ The number of police records checked has increased by 44 percent, based on the increased number of applications.
- ◆ The number of testing accommodations for individuals with disabilities has increased by 33 percent.
- ◆ The total number of applications issued, both manually and electronically, has increased by 34 percent.
- ◆ The number of appointments processed from registers has increased by 26 percent.
- ◆ The number of Training and Experience (T&E) ratings of applications for prospective employees has increased by 19 percent, due to the increased number of applicants.
- ◆ The number of register certificates issued has increased by 17 percent.
- ◆ The number of applicants counseled has increased by 11 percent.

## B. DECREASES

- ◆ The number of applications issued manually to agencies has decreased by 46 percent. This is due to the EMPOWER Kentucky Initiative of connecting state agencies directly to the register system so they can electronically retrieve and print registers and corresponding applications on-site.
- ◆ The placement of register information on terminals in the Applicant Processing Waiting Room of the Personnel Cabinet, and the placement of this information online to agencies, has resulted in a reduction of the number of walk-in requests for register information by 25 percent. Additionally, allowing state employees' Internal Mobility status on registers to be valid for two years has also contributed to this reduction.



# Staffing Services

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- ◆ The number of selection methods determined has decreased by 8 percent, due to the combining of a number of classes, the abolishment of others, and a reorganization of the Staffing Analysis function.
- ◆ The number of P-1s (personnel actions) reviewed and processed in Employment Counseling has decreased by 7 percent, due to the Initiative of discontinuing the review of reinstatements and re-appointments of seasonal (interim) employees. The Processing Branch is now handling these functions, thus eliminating the double handling of P-1's for reinstatements and re-appointments of interim employees.
- ◆ The number of tests administered, both to Internal Mobility and Competitive applicants, has decreased by 5 percent, due to written tests being converted to a Qualifying and T & E selection methods, and Internal Mobility test scores being extended for two years instead of one during 1997.
- ◆ The number of Internal Mobilities processed and placed on registers where no test was required has decreased by approximately 2 percent. This was due to Internal Mobility applicants waiting for KRS 18A.110(7)(c) to be changed so they could be placed on registers without having to test. This was accomplished on 7/15/98. It is anticipated that during FY 98-99, the number of Internal Mobilities requesting to be placed on registers will increase due to the no testing requirement.

# Staffing Services

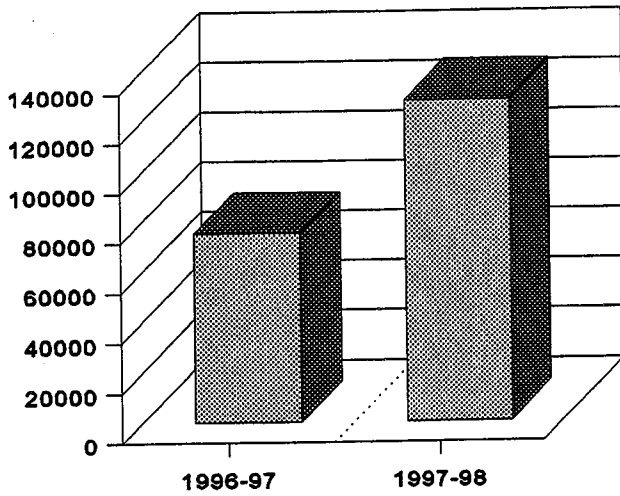
Listed below is a number count indicating the frequency of various activities within the five organizational entities of the Division of Staffing Services, i.e., the Director's Office, Applicant Processing, Employment Counseling, Register, and Staffing Analysis, which includes the development of tests and other selection methods, and the evaluation of applicants' Training and Experience (T&E).

<b>ACTIVITIES</b>	<b>FREQUENCY</b>	<b>% CHANGE</b>
Requests for Services	128,688	+ 70%
Applications Issued Manually to Agencies	63,000	-46%
Tests Administered (Internal Mobility and Competitive)	41,228	-5%
Internal Mobilities Processed and Placed on Registers	8,077	-2%
Applicants Counseled	18,221	+ 11%
<b>ACTIVITIES</b>	<b>FREQUENCY</b>	<b>% CHANGE</b>
Mail-in Applications Reviewed	26,260	+ 62%
P-1 Actions Processed	3,851	-7%
Register Certificates Issued	6,215	+ 17%
Appointments Processed	6,408	+ 26%
Walk-in Rank Information Requests	4,990	-25%
Testing Accommodations for Individuals with Disabilities	240	+ 33%
Training and Experience Ratings	2,573	+ 19%
Educational Verifications	2,446	+ 85%
Selection Methods Determined	304	-8%
Training and Experience Ratings Constructed	17	0%
Written Examinations Constructed	51	+ 55%
Records Checked	274	+ 44%
Applications Issued Electronically to Agencies	92,375	<b>New</b>
Total Number of Applications Issued to Agencies (manually and electronically)	155,375	+ 34%

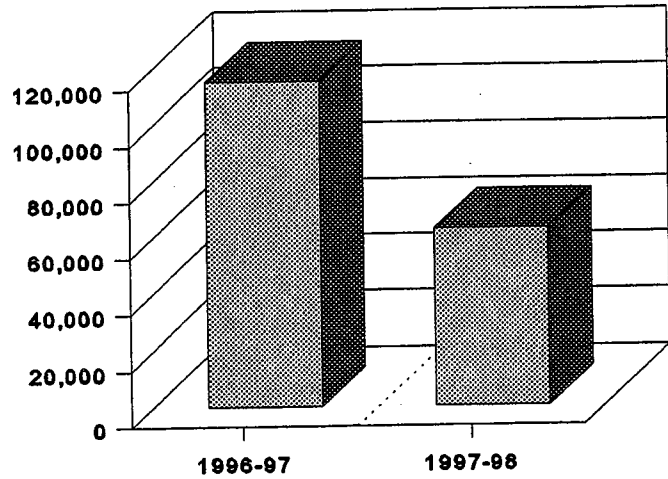
In summary, due to the EMPOWER Kentucky Initiative, the conversion of manual systems to electronic processing systems, providing greater access of the information to the public, etc., the work of the Division has increased in various categories from 7 to 85 percent, and has decreased in other categories from 2 to 46 percent.

# Staffing Services

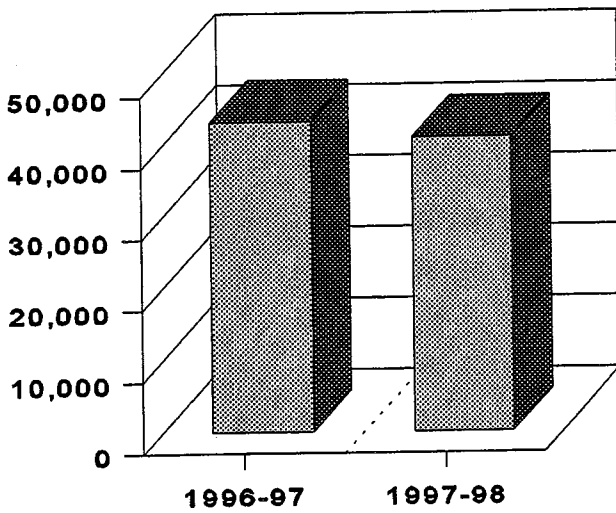
1. Requests for Services



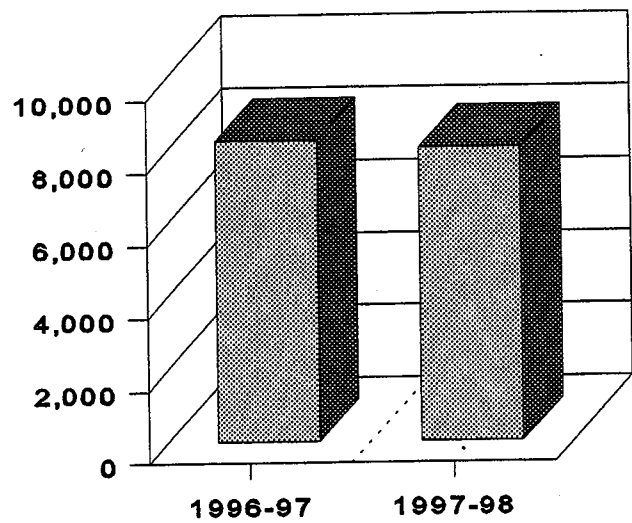
2. Applications Issued Manually



3. Tests Administered  
(Internal Mobility and Competitive)



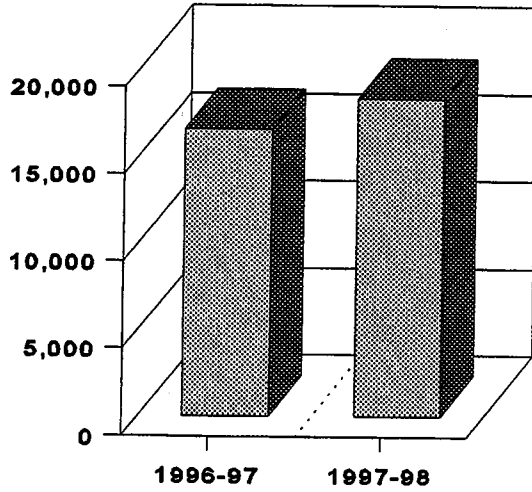
4. Internal Mobilities Processed  
and Placed on Registers



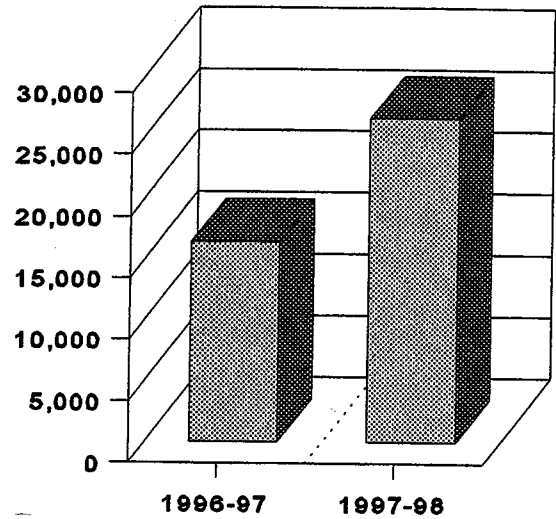
# Staffing Services

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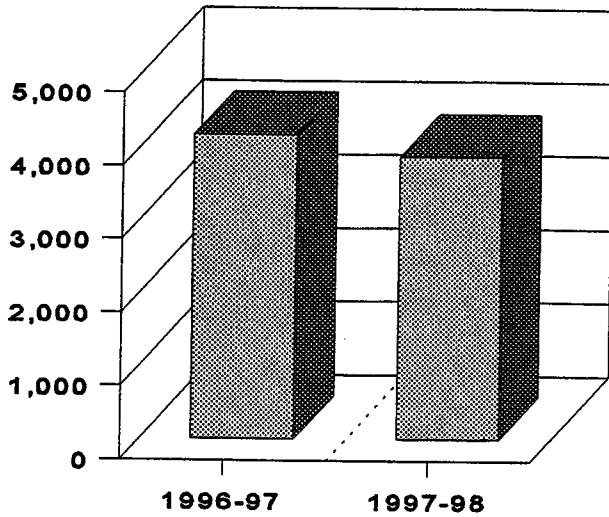
5. Applicants Counseled



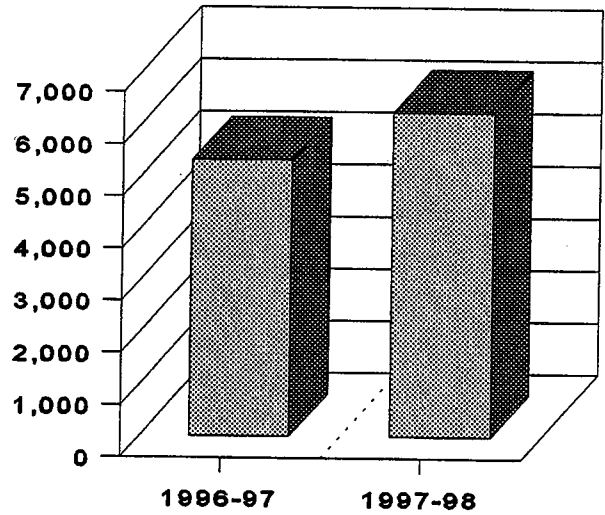
6. Mail-in Applications Reviewed



7. P-1 Actions Processed

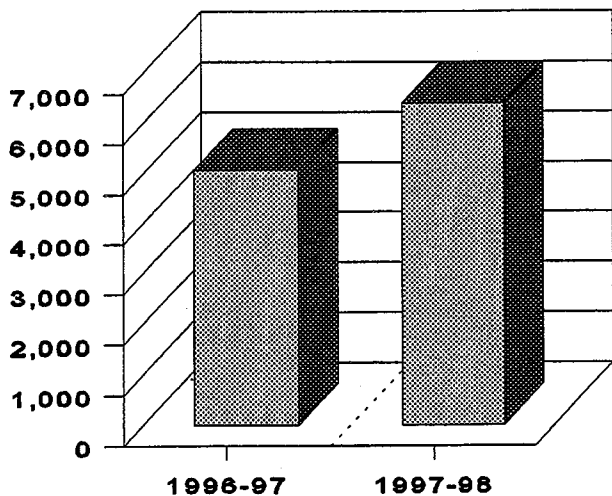


8. Register Certificates Issued

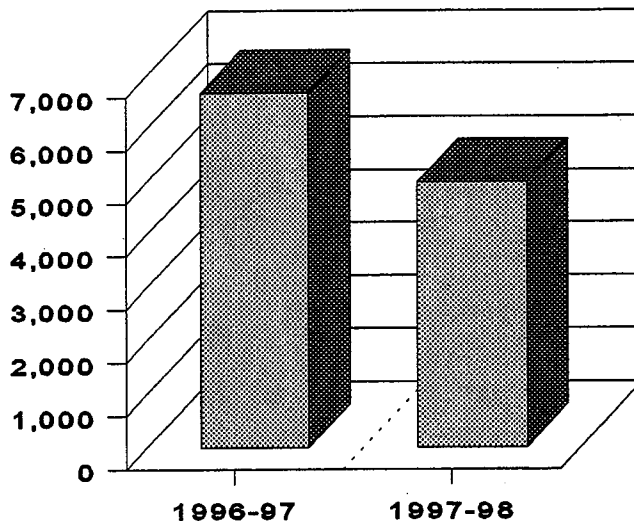


# Staffing Services

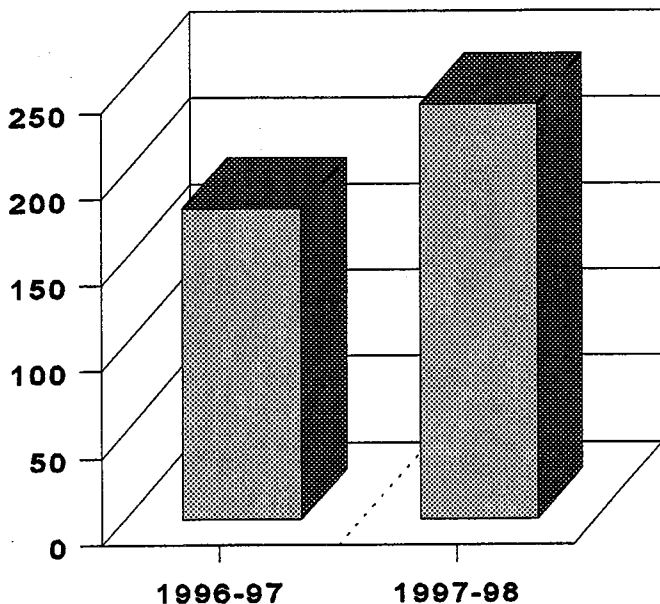
9. Appointments Processed



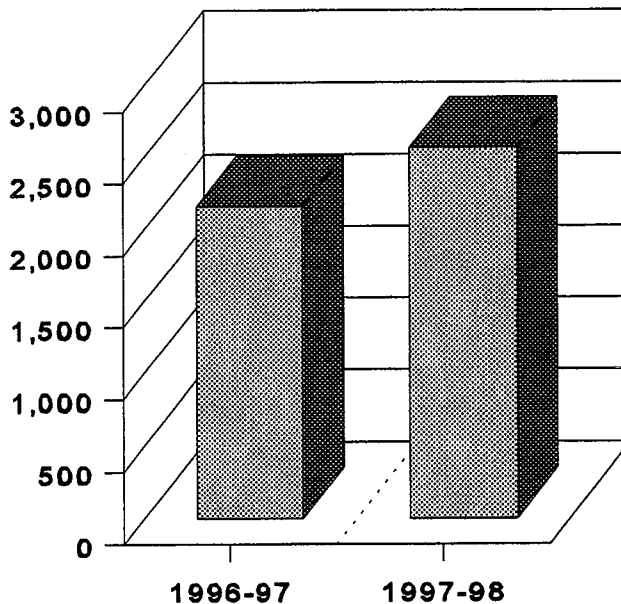
10. Walk-in Rank Information Requests



11. ADA Testing Accommodations



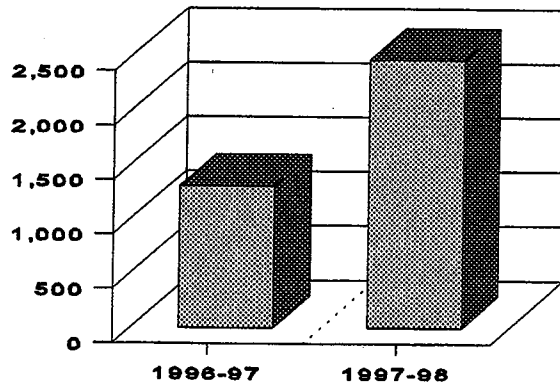
12. Training and Experience Ratings



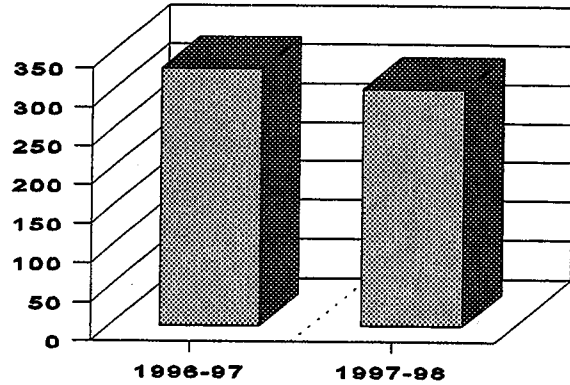
# Staffing Services

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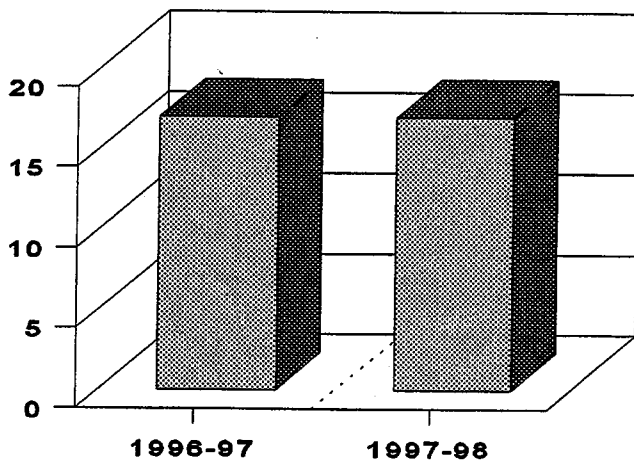
13. Educational Verifications



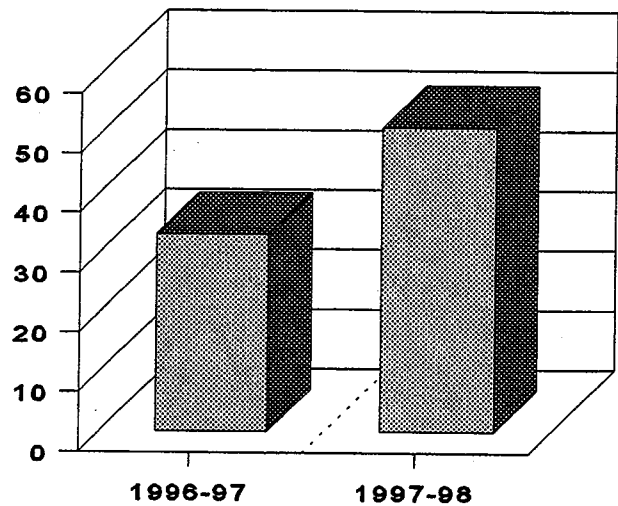
14. Selection Methods Determined



15. Training & Experience Ratings Constructed

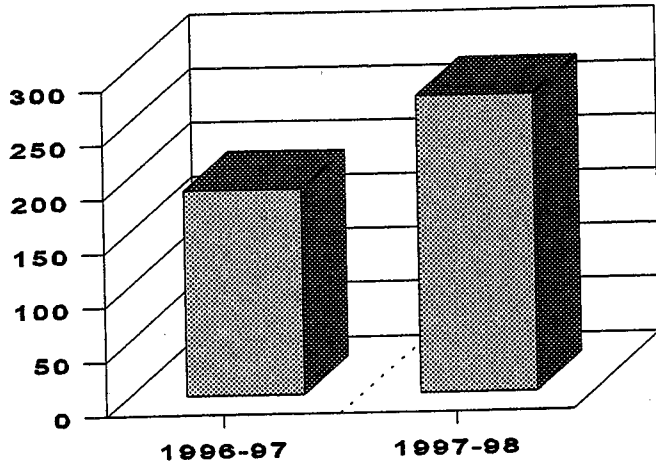


16. Written Examinations Constructed

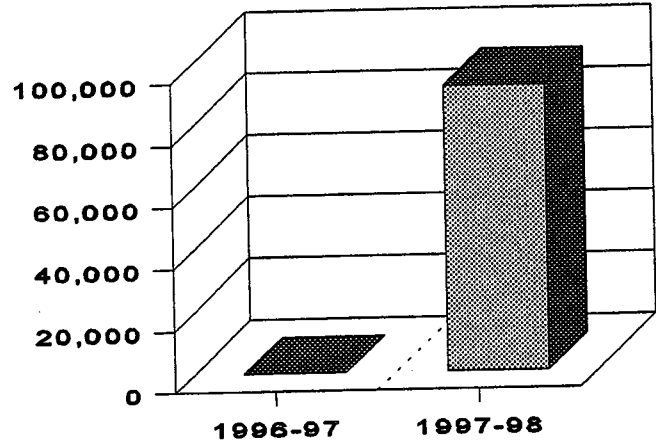


# Staffing Services

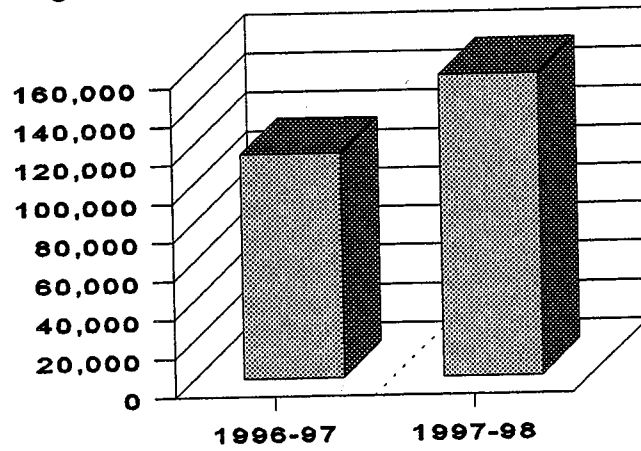
17. Records Checked



18. Applications Issued to Agencies Electronically



19. Total # of Applications Issued to Agencies (Manually and Electronically)



# Staffing Services

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Appendix A

## EMPOWER KENTUCKY PERSONNEL INITIATIVES

1. Statewide listing of jobs on Internet.
2. Same-day placement of Quals applicants on registers.
3. Enhanced outplacement and recruiting program.
4. Elimination of merit tests for internal mobility candidates.
5. On-line access to registers and applications in agencies (view and print).
6. On-line access to Superbook and class specifications in agencies.
7. On-line access to application form and ability to submit application electronically.
8. On-line access to Position Description form, complete and submit electronically.
9. Voice-activated telephone response system, providing register information such as scores, counties of availability, etc.
10. Streamline workflow within Staffing Services by imaging applications when submitted and making information immediately available to counselors for on-line approval.
11. Streamline workflow within Staffing Services by installing on-line test approval system.
12. Streamline workflow by conversion of current employee documents from fiche to imaged records and place on-line for immediate access by Personnel Cabinet and agencies.
13. Streamline workflow in Staffing Services by installing electronic grading of T & E system.
14. Streamline workflow by initiating P-1 electronically at the lowest level within agencies, and standardizing supporting documents and approval paths.
15. Initiate best practices by converting some Written Tests to T & E and Qual selection methods.
16. Streamline register process by placing names on register the same day of testing.
17. Enhance testing process by automating test review system.
18. Establish consistent policy on external advertisements to coordinate and coincide with Internet job listings.
19. Update Personnel Payroll/Policy and Procedure Manual and place on Intranet.
20. Complete Year 2000 conversion of payroll system.

For further information, contact David R. Cooke of the Division of Staffing Services at 502/564-6920.



## CORE PERSONNEL TEAM BASIC WORK PLAN

3/13/97

Appendix B

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
1. Statewide job listing, & one-day placement of all Qual applicants on registers & conduct outplacement & recruitment programs. D. Holzwarth, D. Cooke, R. Denney, M. Derringer Agency personnel as needed	Establish web site & obtain project software. - Microsoft Project - Powerpoint	Write programs to activate site listing from register and hire tech. Cabinet systems modification & enhancements for the technology projects. - Programming - \$7,000 - Systems Engin. - \$46,500 - Office & equip. - 10,400 - Rent & Ut. - 1,350 - Renovations - 6,000	Purchase web site, equipment, etc. needed to start system. - Equipment web site & training - \$9,000	Run test data. Give counselors info. about calling up vacancy via cert. # - Inquiry Certificate Log.	Provide Staffing Services staff equipment & access to data. Access to equip. will allow staff info. from Initiatives 2-8 & to carry out tasks in 12-17. - Equip. - \$235,597 - Renovation - \$4,800 - Counselor - \$33,100 - Qual clerk - \$16,000 - Recruiter/Website staff - \$33,100 - Annual Maint. - \$33,833 - Order network cards for PCS	Connect Personnel & agencies to web site. Announce to agencies, place site info. and initial ads on KET, etc. Expand outplacement services.
Cost	\$2,000	\$71,250	\$9,000	↑	\$356,430	\$25,000(463,680)
Estimated Target	March 1	April 1 - March, 1999	March 15	April 1	April 1 - September	April 1 - March, 1998

Measurement -- 1) Increase in number of applicants. 2) Obtain information on where applicants learned of vacancies.

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
2. Eliminate all merit tests for promotion (IM candidates).	Prepare drafts of legislative regulations.	Submit to cabinet secretaries & leadership.	Obtain approval of Governor & staff.	Submit to legislature.	Announce & implement.	
Savings	↑	↑	↑	↑	\$267,500	
Estimated Target	March 15	April 1	April 15	April 15	May 1	

Measurement -- Eliminating 4,733 tests @ \$14.00/hour X 4 hours = \$267,500.

\*NOTE: Costs and target dates are subject to revision as the process moves forward.

# Staffing Services

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
3. Access to long rank (Names) on registers. W. Searcy R. Denney	Programs written by DIS.	Test programs and system in-house.	Update personnel/payroll procedure manual.	Connect system to CICS, announce to agencies, & provide training.		
Cost	→	→	→	\$7,100		\$7,100
Estimated Target	April	April 1	May 15	May 15		

Measurement -- 1) Number of queries by agencies.

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
4. Access to register & apps., view & printed in agencies. Libraries access to apps. W. Searcy J. Benedict R. Denney D. Holzwarth	Input all apps. & supporting documents.	Reprogram for ease of access to data & program for Windows 95. Reprogram - \$8,000 Hardware & software for Register and pilot agency - \$11,063	Complete pilot.	Identify agencies with "connectability" & train. - PC & Monitor - \$4,528 Licenses - \$660 Install & program - \$970 Maintenance - \$305	Agencies connect to imaging system.	
Cost	\$16,000	\$19,063	→	Approx. \$6,463/unit	→	\$35,063
Estimated Target	July 31	April 15	May 1	August 15	October 1	

Measurement -- Number of Queries by agencies.

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
5. Access to Superbnok & class specs by all agencies via CICS or web. (Specs as text)	Designate a coordinator to coordinate & input all data & keep system updated.	Programming & system revision by contractor.	Test data in-house.	Update personnel/payroll procedure manual & communicate.	Connect system to CICS & web, announce, & provide training.	
Cost	T&E sec. - \$24,100	\$28,500	→	→	→	\$52,600
Estimated Target		June 1	October 1	November 1	November 15	

Measurement - Queries by agencies.

# Staffing Services

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
6. Complete app. on PC in SPC & scan all walk-in & mail-in apps. into imaging system.	Install 2 PCS in applicant area at SPC & connect to imaging.	Create program. Place on-line & test.	Purchase & install scanner & connect to imaging system.	Announce & make available to applicants.		
Cost	\$13,000	\$2,500	Initiative 1	↑		(\$15,500)
Estimated Target	May 1	June 1	June 15	July 1		

Measurement -- Number of Queries and submissions.

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
7. Submit application via web/CICS or E-mail & announce recruitment & outplacement program services.	Program and set up protocol. Connect to imaging, hold & review.	Test.	Update personnel payroll procedure manual.	Announce to agencies & public. Hire counselor to handle additional work. Counselor - \$33,100 Equipment - \$6,000 Renovation - \$4,000 Furniture - \$3,000		
Cost	\$12,000	↑	↑	\$46,100		(\$58,100)
Estimated Target	August 15	October 15	December 1	Jan. 1, 1998 - Dec., 1998		

Measurement -- Number of submissions.

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
8. Access PD form & submit electronically.	Redesign form & create program via contractor.	Install equipment & test in-house.	Program and place on CICS. Announce, train, and update personnel/ payroll procedure manual.			
Cost	↑	↑	\$10,000			(\$10,000)
Estimated Target	September 1	September 15	December 1			

Measurement -- Queries by users.

# Staffing Services

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
9. Voice-activated response.	Outline data & info. routines to be on system.	Meet with vendors & find out cost & best system.	Select vendor. Purchase & install equipment.	Program routines & protocols & test system.	Advertise service & publish instructions.	
Cost	→	→	→	→	\$100,000	(\$100,000)
Estimated Target	April 15	May 15	June 1/July 1, 1997	October 1, 1997	July, 1998	
Measurement -- Queries by users.						

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
10. Conversion of employee fiche to imaged records & place on-line & Year 2000 conversion.	Design system & protocols.	Select vendor for conversion & connect.	Select vendor for hardware. Purchase & install.	Connect to internal users & test-run.	Place on-line for agency access.	Year 2000 Conversion.
Cost	→	→	→	→	\$1,300,000	\$353,000(\$1,653,000)
Estimated Target	August, 1997	October, 1997	January, 1998	March, 1998	May, 1998	September 1998
Measurement -- Queries on various systems.						

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
11. Establish workflow protocols for P-1 & flowthrough documents.	Hire network analyst chief & identify documents. Initiate docking sites, etc Network. Anal. - \$46,500 Office & Equip. \$10,400 Rent & Util. - \$1,350 Renovation - 6,000	Redesign form, conduct agency survey, & identify paths. Select & institute pilot.	Outline process paths/procedure & program system.	Obtain & install equipment. Train & conduct pilot.	Refine & retest. Update manuals -- training agency personnel, install equipment, & make operational.	
Cost	\$64,250	→	\$100,000	Approx. \$6,463/unit	\$400,000	(\$564,250)
Estimated Target	September 15, 1997	December, 1997	June, 1998	September, 1998	December, 1998	
Measurement -- Number of agency users, queries and submissions.						

# Staffing Services

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
12. Electronic grading of T & Es. B. Taylor R. Denney	Design protocols.	Identify & purchase equipment. Program system.	Test system. Refine same.	Publish instructions. Activate system.		
Cost	→	Same as Initiative 1 in Phase 5	→	→		(\$10,000)
Estimated Target	September, 1997	November, 1997	January, 1998	March, 1998		

Measurement -- Number graded.

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
13. On-line test approval by counselors. M. Derringer R. Denney D. Holzwarth	Design protocol.	Identify/purchase equipment. Program system.	Test system. Refine same.	Publish instructions & activate system.		
Cost	\$5,000	Same as Initiative 1 in Phase 5 & \$5,000	→	→		(\$10,000)
Estimated Target	June, 1997	August, 1997	September, 1997	October, 1997		

Measurement -- Number approved.

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
14. Convert written tests to T & Es & Quals. B. Taylor, M. Derringer	Identify classes. Conduct feasibility study.	Outline conversion schedule.	Hire professional staff to process work.	Conduct job anal. Create T & E guidelines & protocols.	Announce new test methods & begin use.	
Cost	→	→	\$132,400	→	→	(\$132,400)
Estimated Target	April, 1997	September, 1997	January, 1998	April, 1998	December, 1998	

Measurement -- Number of positions identified for conversion. 2) Number of T & E guidelines developed per month.

# Staffing Services

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
15. Name on register same day of testing.	Reprogram system.	Test system.	Update personnel/payroll procedure manual & implement.			
Cost	→	→	→			(\$28,100)
Estimated Target	December, 1997	February, 1998	April, 1998			

Measurement -- Number placed on registers same day.

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
16. Automatic test review.	Design system.	Program system.	Obtain equipment. Connect PC & mainframe & test.	Announce & implement based on protocols.		
Cost	→	\$9,000	\$16,000	→		(\$25,000)
Estimated Target	September, 1997	November, 1997	December, 1997	January, 1998		

Measurement -- Number of test reviews produced.

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
17. Consistent policy on external advertisement. J. Benedict	Identify problems & conduct review by participants.	Brainstorm solutions & procedures.	Revise & implement.	Announce & update personnel/payroll procedure manual.		
Cost	→	→	\$2,600	→		(\$2,600)
Estimated Target	April, 1997	June, 1997	August, 1997	TBD		

Measurement -- Publishing of Personnel Memo by Secretary of Cabinet.

# Staffing Services

INITIATIVE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5	PHASE 6
18. Update personnel payroll/policy & procedure manuals & place on Intranet.	Program system.	Initial input of data.	Test continuous update system.	Announce to agencies.		
Cost	→	→	→	\$2,000		(\$2,000)
Estimated Target	July, 1998	December, 1998	April, 1999	May, 1999		

Measurement -- Placement on system.

TOTAL - \$3,169,393  
 RESERVE - \$ 30,607  
 GRAND TOTAL - \$3,200,000

# Performance Management

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## Office of Performance Management

This office was created within the Department for Personnel Administration by Executive Order 96-909 on July 11, 1996. This office has the overall responsibility of coordinating, implementing, and administering employee performance evaluation systems throughout state government. Specific tasks include the following:

- Provide support to agencies in the development and delivery of performance review training and informational seminars.
- Continuously monitor the system's effectiveness and identify process improvements.
- Consult with agencies to assist them in complying with evaluation statutes and/or regulations/procedures.

## ACCOMPLISHMENTS

- Provided performance management training to approximately **1,453** supervisors and managers throughout state government.
- In conjunction with the Personnel Pilot Project Steering Committee developed and proposed enabling legislation to the 1998 General Assembly that would remove the current evaluation system (18A.112) from statute and allow the Personnel Cabinet to put forth administrative regulations for a new evaluation system. The proposed legislation (HB 633) passed the House of Representatives, but died in the Senate State Government Committee.
- **93.6%** of eligible employees statewide were reported as rated for the Midyear 1997 performance period.
- **93.4%** of eligible employees statewide were reported as rated for the Year end 1997 performance period.

## OPPORTUNITIES

- Repeal current employee performance evaluation system as set forth by statute (18A.112) and allow Personnel Cabinet to put forth regulations for an improved system.
- Revise employee evaluation form to improve current process by emphasizing the



# Performance Management

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legal requirements which mandate that an evaluator plan for performance and meet with employee to discuss specific job requirements at the start of the performance period. (Target Date – January 1999)

- Make revised form available on-line through Personnel Cabinet's web site and allow supervisors to complete form using the computer. (Target Date – January 1999)
- Allow all agencies to enter performance ratings electronically at Midyear and Year end rating periods. (Target Date – December 1998)
- Staff Office of Performance Management to increase monitoring of the evaluation process and to provide additional administrative guidance and support of agency performance management responsibilities.

# Employee Facts

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## ANNUAL REPORT FY 97-98

### PERSONNEL CABINET

#### EMPLOYEE FACTS (AS OF JUNE 30, 1998)

Executive Branch* .....	41,137
Legislative Branch* .....	458
Judicial Branch* .....	2,984

\* (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:

48.7% are female

7.3% are minority

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

Earns \$30,587 per year salary

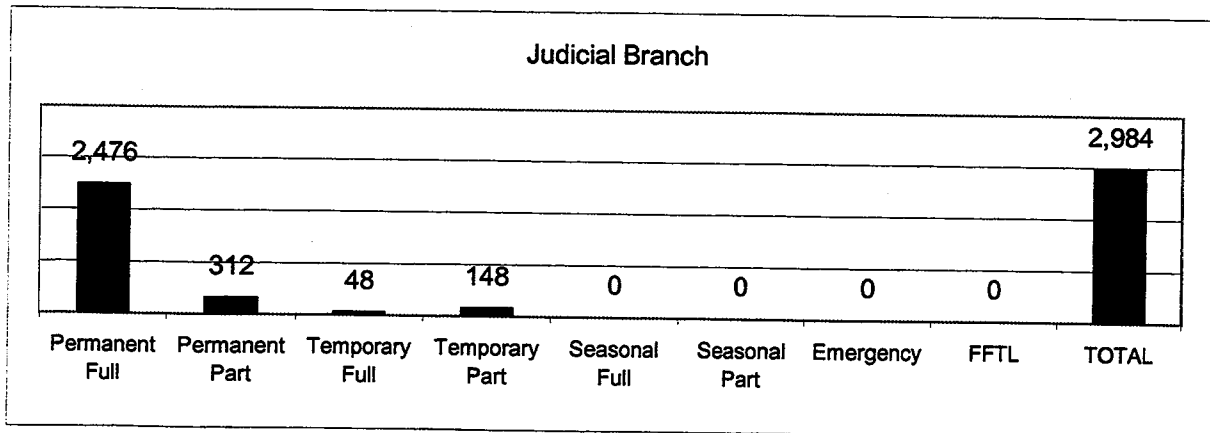
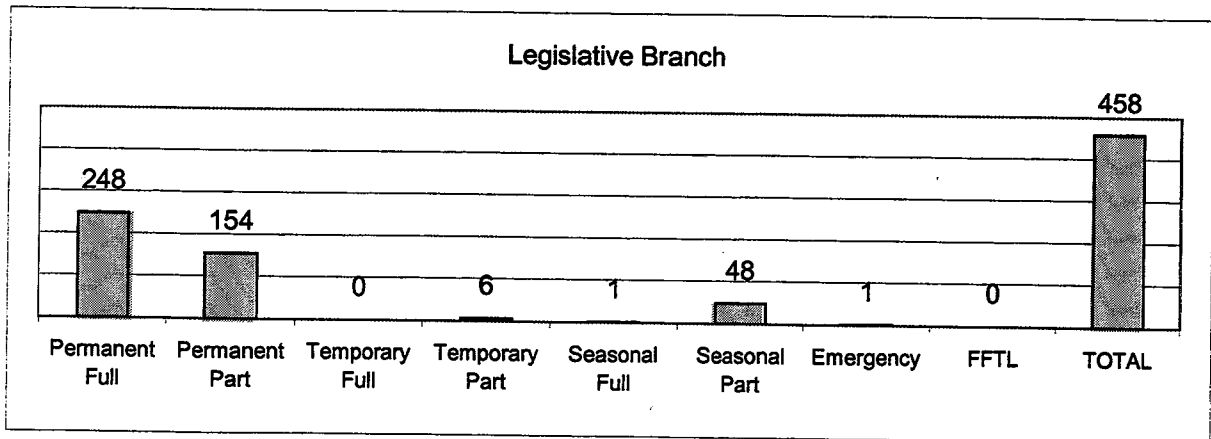
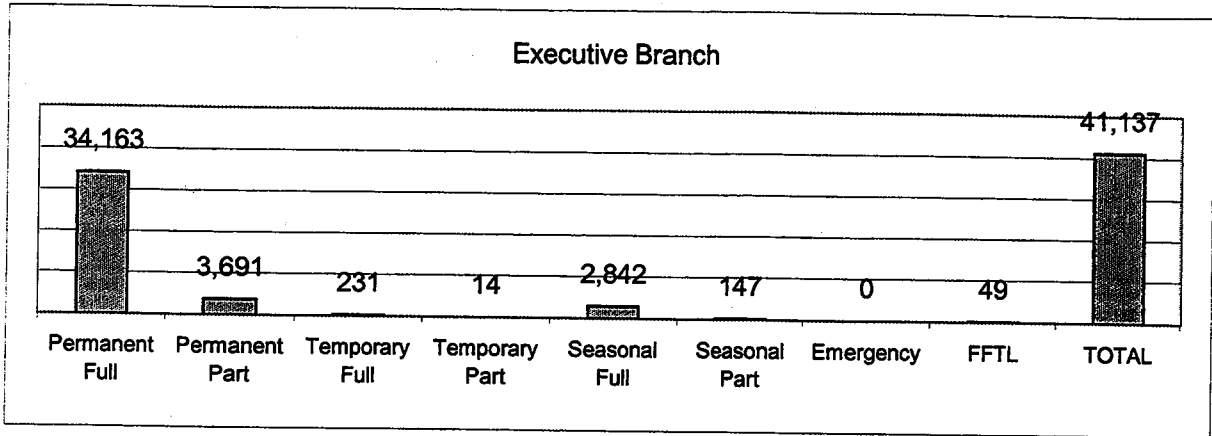
Receives \$7,427.89 in benefits

8.89% Employer-paid retirement	\$2,719.18
7.65% Employer-paid FICA	\$2,339.91
12 x \$194.50 Health Insurance	\$2,334.00
12 x \$2.90 Life Insurance	\$34.80

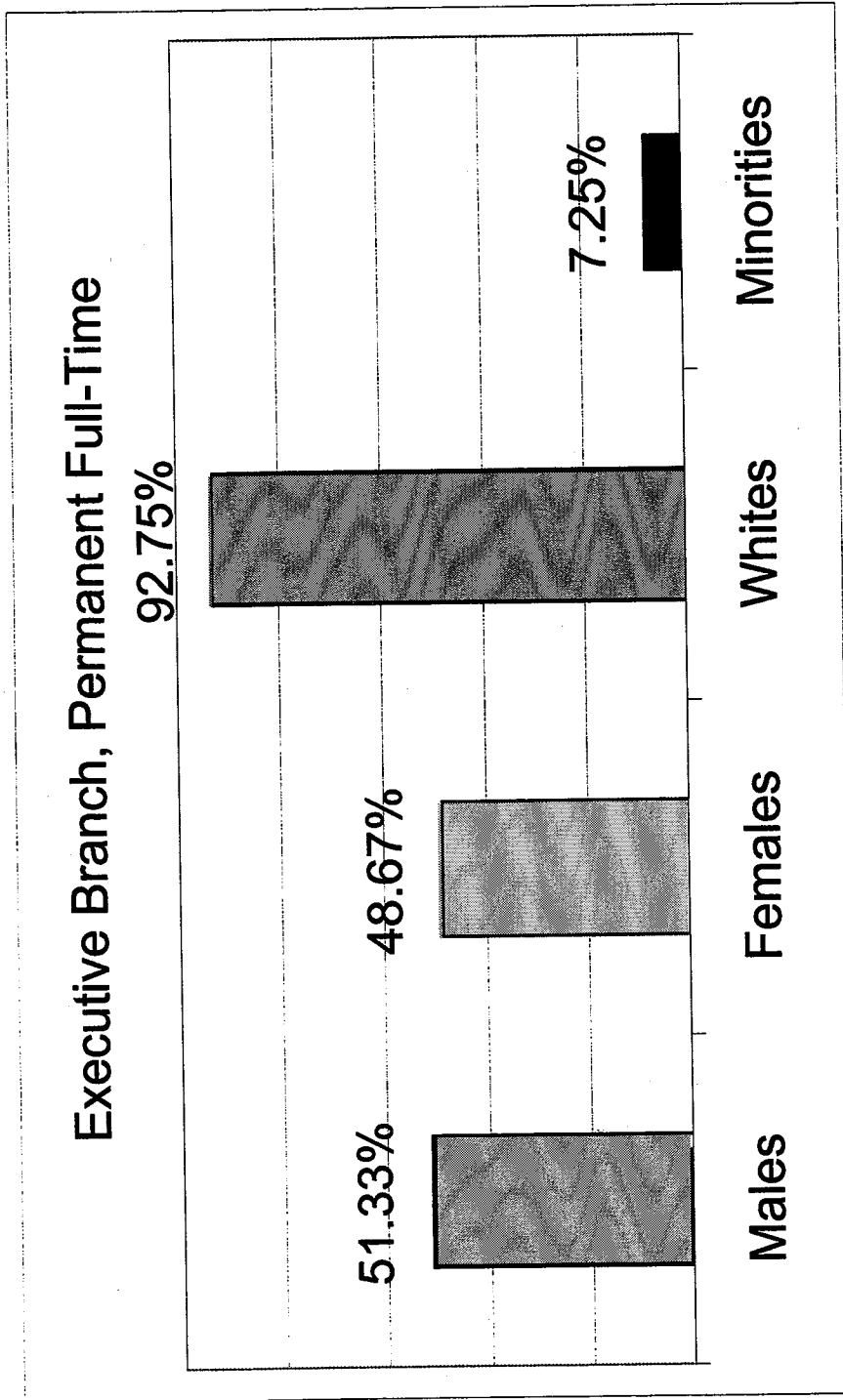


# Employee Facts

## Employee Status Summary as of June 30, 1998

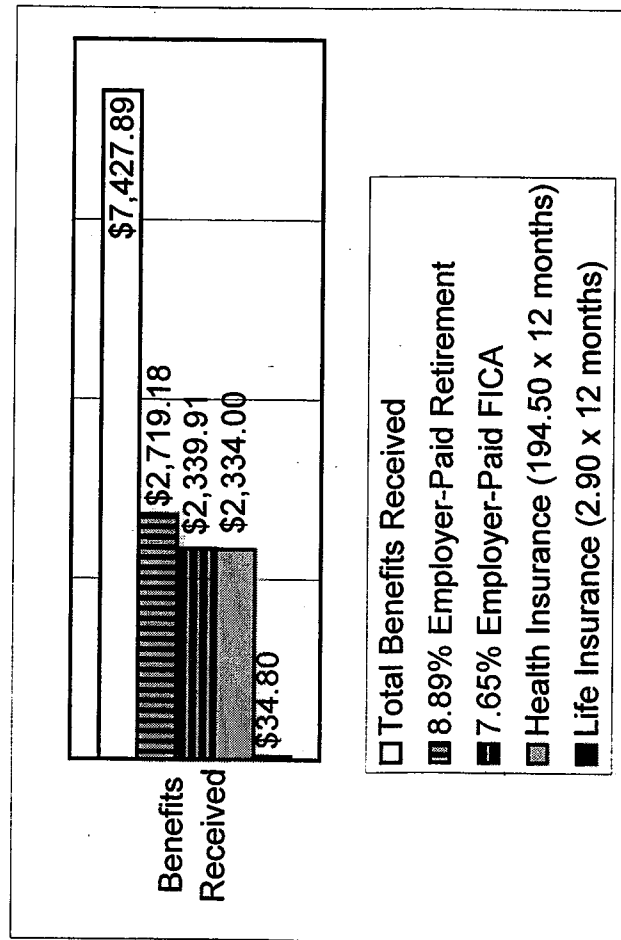


## % of Employment by Race and Sex As of June 30, 1998

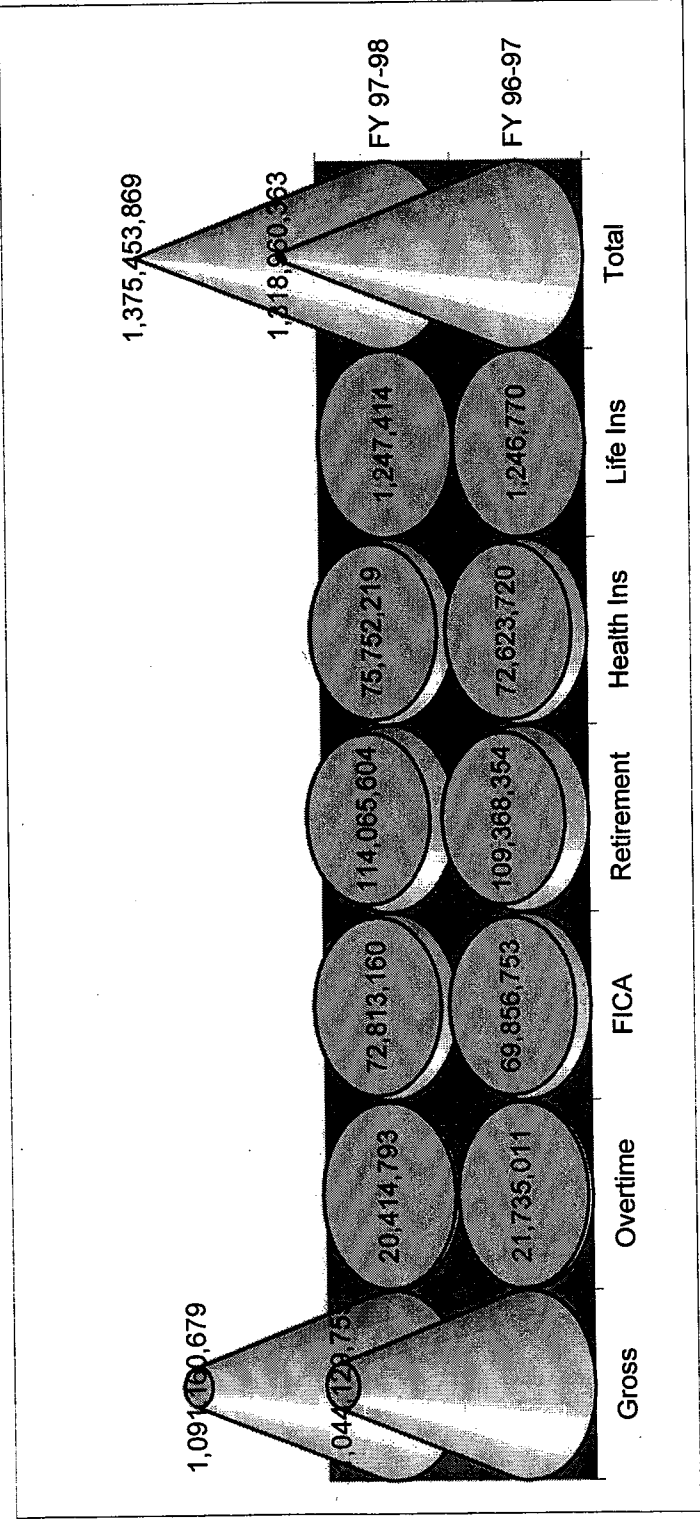


# Employee Facts

**Average Annual Salary \$30,587**  
 Executive Branch, Permanent Full-Time  
 As of June 30, 1998



**Total Payroll Dollar Disbursement  
Executive Branch\***



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