

KRS Chapter 18A Classification & Compensation Plan



KENTUCKY
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Overview

- Introductions
- Overview of Kentucky State Government workforce
- Background and Methodology of the KRS Chapter 18A Classification and Compensation System
 - Understanding Disparities in Merit System Compensation
 - Compression
- Total Compensation
- Recommendations
- Conclusion

Recommendations

- A standard 40-hour work week for all employees, which would raise pay for workers on 37.5-hour work week schedule;
- Regular annual cost-of-living increases for state workers to maintain employees' standard of living;
- Adjustments to the overall salary schedule;
- Comprehensive job classification review with resources to expedite the review currently underway;

Recommendations

- Flexible compensation options for specific compensation issues, including:
 - changes to locality premium adjustment
 - signing bonus
 - agency internal pay equity adjustments
 - adjustments due to new appointments
 - removal of ACE/ERA cap
 - pay grade changes

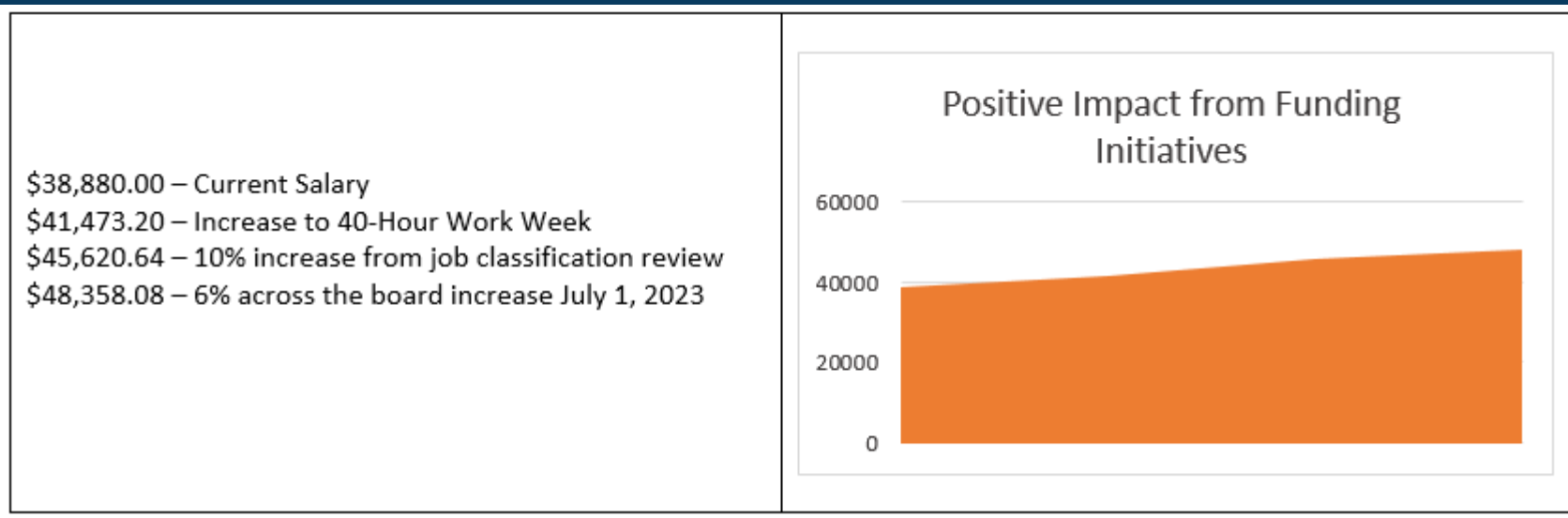
Recommendations

- Creation of a student loan forgiveness retention program as a key retention benefit;
- Pension reform for hazardous and State Police retirement systems;
- Adjustments to the “pension spiking” provisions to accommodate high inflation and to generally make pension plans more attractive for Tier 3 employees, and
- Increase staffing within the Department of Human Resources Administration.

Approximate Cost of Major Recommendations

Fiscal Year 2024		
Initiative	General Fund	All Funds
Salary Increase (6%)	\$81.5 million	\$169 million
Job Review/Grade Changes	\$37 million	\$63 million
40-Hour Work Week Conversion	\$61 million	\$111 million
Student Loan Forgiveness Retention Program	\$20 million	\$20 million
Job Classification Review assistance by Korn Ferry	\$500,000	\$500,000
Totals:	\$200 million	\$363.5 million

Example of Potential Result of FY 2024 Compensation Recommendations



If all of the fiscal year 2024 compensation recommendations were implemented, and after the July 1, 2022 8% across-the-board salary increases, a state employee could receive an additional 24.4% base pay increase in fiscal year 2024.

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