MEMORANDUM

TO: DeeAnn Wenk, Committee Staff Administrator
    Interim Joint Committee on Health and Welfare and
    Family Services

FROM: Jay D. Hartz, Director

RE: Executive Order 2019-466

DATE: June 21, 2019

Please find enclosed, Executive Order 2019-466 relating to Reorganization of the Cabinet for Health and Family Services. This order is hereby referred to the Interim Joint Committee on Health and Welfare and Family Services. KRS 12.028(4) requires that the appropriate committee complete its review and report its findings to the Legislative Research Commission within sixty days of LRC’s receipt of the plan.

JDH/es
Enclosure
MATTHEW G. BEVIN  
GOVERNOR  

EXECUTIVE ORDER  

Secretary of State  
Frankfort  
Kentucky  

2019-466  
June 19, 2019  

RELATING TO THE REORGANIZATION OF THE CABINET FOR HEALTH AND FAMILY SERVICES  

WHEREAS, this Administration desires and will implement more effective and efficient management of state government operations; and  

WHEREAS, greater efficiency, economy and improved administration will result from the alteration of current organizational units as set out in this Executive Order; and  

WHEREAS, the provisions of this Executive Order will streamline governmental operations, result in greater efficiency, economy and improved administration, and enhance the provision of services to the citizens of the Commonwealth of Kentucky:  

NOW, THEREFORE, I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, by virtue of the authority vested in me by the Constitution, Sections 69 and 81, and KRS 12.028, do hereby Order and Direct the following organizational changes within the Cabinet for Health and Family Services, Office of the Secretary:  

I. The Office of Administrative Services, created by SB167, shall have the following organizational structure:  

A. The Division of General Accounting is hereby created within the Office of Administrative Services and shall be headed by a director appointed by the Secretary of the Cabinet for Health and Family Services pursuant to KRS 12.050 who shall report to the executive director of the Office of Administrative Services.  

B. The Division of Facilities Management is hereby created within the Office of Administrative Services and shall be headed by a director appointed by the Secretary of the Cabinet for Health and Family Services pursuant to KRS 12.050 who shall report to the executive director of the Office of Administrative Services.  

C. The Division of Procurement Services and Grant Oversight is hereby created within the Office of Administrative Services and shall be headed by a director appointed by the Secretary of the Cabinet for Health and Family Services pursuant to KRS 12.050 who shall report to the executive director of the Office of Administrative Services.
SECRETARY OF STATE
Frankfort
Kentucky

2019-466
June 19, 2019

EXECUTIVE ORDER

II. The Office of Application Technology Services, created by SB167 shall have the following organizational structure

A. The Division of Strategic Services is hereby created within the Office of Application Technology Services and shall be headed by a director appointed by the Secretary of the Cabinet for Health and Family Services pursuant to KRS 12.050 who shall report to the executive director of the Office of Application Technology Services.

B. The Division of Social Support Systems is hereby created within the Office of Application Technology Services and shall be headed by a director appointed by the Secretary of the Cabinet for Health and Family Services pursuant to KRS 12.050 who shall report to the executive director of the Office of Application Technology Services.

C. The Division of Eligibility Systems is hereby created within the Office of Application Technology Services and shall be headed by a director appointed by the Secretary of the Cabinet for Health and Family Services pursuant to KRS 12.050 who shall report to the executive director of the Office of Application Technology Services.

D. The Division of Medicaid Systems is hereby created within the Office of Application Technology Services and shall be headed by a director appointed by the Secretary of the Cabinet for Health and Family Services pursuant to KRS 12.050 who shall report to the executive director of the Office of Application Technology Services.

III. The Cabinet for Health and Family Services, the Finance and Administration Cabinet, Office of State Budget Director and the Personnel Cabinet are directed to initiate all actions that are necessary to effectuate the provisions of this Order.

This Order shall be effective June 27, 2019.

MATTHEW G. BEVIN, Governor
Commonwealth of Kentucky

ALISON LUNDEGAN GRIMES
Secretary of State
INTRODUCTION

The Cabinet for Health and Family Services (Cabinet) seeks to reorganize the Office of Administrative and Technology Services. The following narrative describes the new structure and organizational mission, goals, and objectives. These changes will better align services within the Cabinet’s structure and improve efficiencies in staff management.

SUMMARY OF THE PLAN

Senate Bill 167, enacted by the General Assembly of the Commonwealth of Kentucky and signed by Governor Matthew G. Bevin on March 25, 2019, requires the reorganization of the Office of Administrative and Technology Services (OATS). OATS will be abolished and two (2) new offices will be created; the Office of Administrative Services and the Office of Application Technology Services.

Office of Administrative Services

The Office of Administrative Services shall provide central review and oversight of procurement, general accounting to include grant monitoring and facility management for all Cabinet leased and owned properties. The office shall provide coordination, assistance, and support to program departments and independent review and analysis on behalf of the secretary. The Office will include the following Divisions: Division of General Accounting, Division of Procurement Services and Grant Oversight and the Division of Facilities Management. The branches and sections currently under the OATS structure within said divisions will move in their entirety to the new Office of Administrative Services. This change will streamline all fiscal activities into one designated structure and provide efficiency in operations.

Office of Application Technology Services

The Office of Application Technology Services shall provide application technology services including central review and oversight. The office shall provide coordination, assistance, and support to program departments and independent review and analysis on behalf of the secretary. The Office will include the following Divisions: Division of Medicaid Systems, Division of Eligibility Systems, Division of Social Support Systems and Division of Strategic Services. The branches and sections currently under the OATS structure within said divisions will move in their entirety to the new Office of Application Technology Services. This change will align all Cabinet technology resources into one designated structure and provide efficiency in operations.
Personnel and Fiscal Impacts

Two hundred twenty-six (226) positions will be impacted by the change. The classified employees will be placed in positions in the same divisions, branches and sections throughout the two (2) newly created Offices. The reorganization will result in the addition of one (1) new Executive Director position.

Funding for the Office of Administrative Services and the Office of Application Technology Services will be transitioned, as appropriate, between the two new Offices.

NET EFFECT

The organizational enhancements being made by separating the fiscal and information technology functions into two (2) dedicated Offices will improve efficiency and will enhance service to programs housed within the Cabinet. These changes will have no impact on the Enacted Budget.