

## 101 KAR 2:120. Incentive programs.

RELATES TO: KRS 18A.202, 199.555(1)

STATUTORY AUTHORITY: KRS 18A.030(2), 18A.110(1)(d), 18A.202(1), EO 2019-787

NECESSITY, FUNCTION, AND CONFORMITY: KRS 18A.110(1)(d) requires the Secretary of Personnel to promulgate administrative regulations to implement work-related incentive programs for state employees. KRS 18A.202(1) authorizes the secretary to establish work-related incentive programs for state employees. Executive Order 2019-787 authorizes the secretary to promulgate administrative regulations for state employee adoption benefits. This administrative regulation establishes the requirements for an employee suggestion system incentive program and a state employee adoption benefit program.

### Section 1. Employee Suggestion System. (1) Eligibility.

(a) An employee with status in the classified service or an employee governed by KRS Chapter 16 may be recognized and rewarded for submitting a suggestion that results in the improvement of state service or in the realization of financial savings by the state.

(b) A suggestion shall be a positive idea which:

1. Explains how to improve methods, equipment, or procedures;
2. Reduces time or cost of a work operation;
3. Creates a safer work environment;
4. Increases revenue; or
5. Improves relationships with or services for the public.

(2) Administration.

(a) Before January 1 of each calendar year, each cabinet or independent agency head shall appoint, in writing, an employee suggestion coordinator.

(b)1. An employee shall use the Employee Suggestion Form to submit a suggestion.

2. Once an employee submits a suggestion to his or her cabinet or agency, the coordinator shall review the request to ensure it meets the eligibility requirements in subsection (1) of this section.

(c) If the suggestion meets eligibility requirements, the request shall be forwarded for review and approval as follows:

1. To the coordinator of the affected agency, which is the agency implementing the suggestion, if applicable;
2. To a designated evaluator in the affected agency, who shall be a person with expertise in the area under consideration. The evaluator shall review the suggestion to determine whether the suggestion shall be implemented;
3. To a budget representative in the affected agency, who shall determine if sufficient funds are available to fund the award; and
4. To the appointing authority or his or her designee of the affected agency.

(d) The decision of the appointing authority or his or her designee shall be final, except as provided by subsection (4) of this section.

(e) Upon approval and implementation of the employee's suggestion, the agency that implemented the suggestion shall provide notice of the approval and implementation to the suggester's agency coordinator, to include total cash savings. If cash savings is unknown at the time of implementation, the affected agency shall provide documentation of cash savings within one (1) year and one (1) month of the implementation date to the suggester's agency coordinator.

(3) General provisions.

(a) A suggestion shall be eligible for an award only after legislative action or administrative

regulation changes, if required, have been completed which shall be the responsibility of the agency that desires to implement the suggestion.

(b) The following suggestions shall not be eligible for a cash award:

1. A suggestion that falls within the scope of the duties of the suggester, which shall include a specific set of tasks assigned to the suggester or set forth in the position description or job specification of the suggester upon submission of the suggestion;

2. A suggestion which includes a proposal to perform routine maintenance operations or follow manufacturer's recommendations;

3. A suggestion to make a change which has been documented in writing as already under consideration by those administratively responsible;

4. A suggestion which corrects an error or condition that exists because established procedures were not followed; or

5. A suggestion made by a coordinator.

(c) If more than one (1) suggester makes significant contributions to the idea, the suggestion may be submitted jointly, and an award granted shall be divided equally between or among the suggesters.

(d) 1. The first suggestion received shall take precedence over all future suggestions having the same purpose.

2. If two (2) or more similar suggestions are received on the same day, an award granted shall be divided equally between or among the suggesters.

(e) The suggester shall be notified in writing of the status of the suggestion within ninety (90) calendar days of receipt by the suggester's agency coordinator and every sixty (60) days thereafter.

(f) A suggestion shall be considered to be active and eligible for an award until the suggester is notified in writing that the suggestion has been approved, denied, or closed.

(g) If the suggestion is denied or closed, the suggester's agency coordinator shall notify the suggester in writing stating the reason it was denied or closed.

(4) Reconsideration.

(a) A suggester may request reconsideration of a suggestion that was denied or closed by the cabinet or agency.

(b) 1. The suggester shall request reconsideration in writing and shall set forth the basis for the request.

2. a. The request shall be filed with the suggester's agency coordinator within thirty (30) calendar days of the date that written notice of denial or closing is provided to the suggester.

b. If the thirtieth day falls on a day that the cabinet or agency office is closed during regular work hours, the request may be filed on the next work day.

(c) Within thirty (30) calendar days, the cabinet or agency shall act on the request for reconsideration and notify the suggester in writing of the reason for the decision.

(d) If an eligible suggestion is denied or closed and conditions under which it was originally considered have changed, the suggester may resubmit the suggestion.

(5) Payment.

(a) An award of cash payment shall be in accordance with KRS 18A.202.

1. The cash payment shall be calculated based upon the amount saved over the period of one (1) year minus implementation costs.

2. a. The payment for the award shall be issued by the Personnel Cabinet.

b. Funds for payment shall come from the agency or agencies implementing the suggestion, if sufficient funds are available to fund the award.

c. If applicable, the funding agency may interaccount other agencies implementing the suggestion for a proportionate share of the total award amount.

(b) 1. If a suggestion has been approved by the appointing authority or his or her designee and has resulted in a financial savings to the state, the suggester shall be compensated in an amount of ten (10) percent of the amount saved over the twelve (12) month period following implementation of the suggestion, with a minimum of \$100 and a maximum of \$2,500.

2. If a suggestion approved by the appointing authority or his or her designee results in an intangible improvement in state service, the suggester shall be compensated in the amount of \$100.

3. Upon the suggester's receipt of compensation, the suggestion shall become the property of the state.

Section 2. Adoption Benefit Program. (1)(a) A state employee who finalizes a legal adoption procedure for the adoption of a child, other than the child of a spouse, between November 1, 1998 and October 21, 2019, shall be eligible to receive reimbursement for direct costs associated with the adoption of a special needs child, as defined by KRS 199.555(1), or any other child.

(b) The eligible employee shall receive:

1. Up to \$5,000 in unreimbursed direct costs related to the adoption of a special needs child; or

2. Up to \$3,000 in unreimbursed direct costs related to the adoption of any other child.

(2) (a) A state employee who finalized a legal adoption procedure for the adoption of a child, other than the child of a spouse, on or after October 22, 2019, shall be eligible to receive reimbursement of direct costs associated with the adoption of a child.

(b) In addition to or instead of reimbursement of direct costs, a state employee may request and receive a stipend.

(c) The combined total of stipend and reimbursement of direct costs per adoption of a special needs child shall not exceed \$7,000.

(d) The combined total of stipend and reimbursement of direct costs per adoption of every other child shall not exceed \$5,000.

(3) Unreimbursed direct costs related to the adoption of a special needs child or other child shall include:

(a) Licensed adoption agency fees;

(b) Legal fees;

(c) Medical costs not paid by insurance, Medicaid, or other available resources;

(d) Court costs; and

(e) Other fees or costs associated with child adoption in accordance with state and federal law.

(4) Application for financial assistance shall be made to the Secretary of Personnel along with documentary evidence of:

(a) Finalization of the adoption;

(b) Certification by the Secretary of the Cabinet for Health and Family Services that the adopted child is a special needs child, if assistance for special needs adoption is sought; and

(c) A copy of an affidavit of expenses with supporting documentation related to the adoption.

(5) If both adoptive parents are state employees, the application for financial assistance shall be made jointly and the amount of reimbursement of costs and stipend shall be limited to that specified in subsections (1) and (2) of this section.

(6) Upon approval of the application for financial assistance, if sufficient funds are available, the employee's agency shall dispense funds in the amount authorized by the Secretary of Personnel.

Section 3. Incorporation by Reference. (1) "Employee Suggestion Form", February 2020, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Personnel Cabinet, 501 High Street, 3rd Floor, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. (13 Ky.R. 430; eff. 9-4-1986; Am. 15 Ky.R. 830; eff. 10-12-1988; 26 Ky.R. 101; 573; eff. 8-25-1999; 34 Ky.R. 614; 964; eff. 12-7-2007; 36 Ky.R. 1516; 2038-M; eff. 4-2-2010; 42 Ky.R. 88; eff. 10-2-2015; 46 Ky.R. 1915, 2686; eff. 6-2-2020.)