

**Kentucky Labor Cabinet
Strategic Plan
2021-2025**

EXECUTIVE SUMMARY AND STATEMENT OF ALIGNMENT

The Kentucky Labor Cabinet performs Kentucky's administrative functions concerned with employer-employee relations, including workplace standards, workers' compensation, unemployment insurance benefits, and career development. We accomplish our legislative mandate through education, mediation, adjudication, and enforcement. Fulfilling the agency's mission by accomplishing the goals will promote economic development, help protect and sustain Kentucky working families, and help them get back to work after being unemployed or injured on the job.

The Department of Workplace Standards, in alignment with the United States Department of Labor, has placed an emphasis on enforcement of employment and safety standards and has continued to grow its program of voluntary consultation and training programs, which allow employers to take positive, pro-active approaches to complying with workplace standards. All of these efforts help make the Commonwealth a more attractive place to expand or locate a business.

The Department of Workers' Claims focuses on the effective administration of the Kentucky Workers' Compensation Program. This program is designed to deliver benefits efficiently, effectively, and fairly to workers injured on the job. The Department of Workers' Claims strives to deliver benefits in a manner that is fiscally responsible and responsive to the worker and employer. The operation of the program must always ensure the rights of both the employer and employee are considered and protected.

The Kentucky Office of Unemployment Insurance works with the U.S. Department of Labor in order to provide temporary financial assistance for eligible people who have become unemployed through no fault of their own, ensuring they are able to afford the needs of daily life. They work in partnership with the Career Development Office, which provides services to unemployed individuals and others searching for new employment opportunities to help them seek out suitable employment.

The regulatory duties performed by the Labor Cabinet help sustain families by ensuring workers are safe, healthy, and fairly compensated. The Cabinet is committed to enhancing the impact of those regulatory programs, which enforce safety and health standards, and Kentucky's wage and hour laws. The Cabinet is targeting the most hazardous workplaces and those never before inspected to reinforce all workplace standards. Workers' compensation laws, designed to compensate employees for workplace injuries, provide a safety net when wage earners cannot provide for their families due to temporary or permanent working disabilities.

In an effort to improve the services it provides, the Labor Cabinet is constantly striving to strengthen the efficiency and operation of the Agency by emphasizing technology, communication, and human resources. We are investing in our workforce and in new technologies and processes in order to better serve our stakeholders.

The Agency recognizes that diversity invigorates the workplace, infusing it with new ideas that enhance the efficiency and operation of government.

MISSION STATEMENT

The Kentucky Labor Cabinet commits to advance the employee/employer relationship by protecting the worker through the enforcement of workplace standards, fostering employer success through education and training, compensating the injured through workers' compensation, and assisting the unemployed with unemployment benefits and career development.

VISION

The Kentucky Labor Cabinet will ensure that Kentucky is the place for all to work, thrive, and succeed. We will accomplish this by:

- building the safest, healthiest, and most robust workforce;
- educating every employer in safety and skills;
- forging strong, lasting partnerships between government, employers, and employees;
- ensuring a fair and level playing field for all; and
- protecting Kentucky workers who form the backbone of the state's economy.

CORE VALUES

- **Integrity:** performing our duties ethically, impartially, professionally, and consistently.
- **Service:** utilizing our resources efficiently and competently in order to meet the needs of those we serve in a respectful and courteous manner.
- **Commitment:** being dedicated to performing our duties to the best of our abilities while striving for continuous improvement to fulfill the Cabinet's mission.
- **Transparency:** promoting public confidence and trust.
- **Accountability:** being ethically, fiscally, and professionally responsible in accordance with statutory and regulatory parameters.
- **Innovation:** to be adaptable and creative in our pursuit of continuous improvement in the delivery of services.

GOALS AND OBJECTIVES

Goal 1: Aggressively pursue available technology to continuously improve Labor Cabinet services.

Objective 1.1: Identify technologies to develop, expand, and improve all services.

Objective 1.2: Utilize social media to expand communication with stakeholders.

Goal 2: Effectively communicate information from each Division to the staff and general public to improve teamwork and coordination among the Divisions and promote transparency with our stakeholders.

Objective 2.1: Provide Cabinet information to our stakeholders on a regular basis via official statements and social media.

Objective 2.2: Identify opportunities to improve dialogue with stakeholders.

Objective 2.3: Strengthen internal communications by scheduling weekly meetings with management and staff and improving inter-division communication.

Goal 3: Maintain efficient practices while preserving security and privacy of data received or published and other personal information.

Objective 3.1: Develop a privacy plan for implementing applicable privacy controls.

Objective 3.2: Update and review privacy and security plans, policies, and procedures.

Goal 4: Devise strategies to better utilize Cabinet resources.

Objective 4.1: Identify alternative means of providing Cabinet services.

Objective 4.2: Evaluate overall operating budget.

Objective 4.3: Increase efficiency of Cabinet resources to improve fiscal independence.

Goal 5: Commit to continuous improvement through ongoing assessment.

Objective 5.1: Monitor progress of the strategic plan's goals and objectives and make appropriate adjustments.

DEPARTMENT OF WORKPLACE STANDARDS

The Kentucky Labor Cabinet's Department of Workplace Standards ("DWS") operates under the authority of KRS Chapters 336, 337, 338, 339 and 345. These chapters specifically relate to the authority of the Kentucky Labor Cabinet with respect to: wages and hour; occupational safety and health; child labor; and education and training.

The Department is comprised of the Division of Occupational Safety and Health Compliance ("OSH"), the Division of Wages and Hours, and the Division of Occupational Safety and Health Education and Training.

Through the Divisions of Occupational Safety and Health Compliance and the Division of Wages and Hours, personnel of the Department conduct onsite investigations with regard to: issues involving jobsite safety and health, minimum wage, overtime, unpaid wages, illegal deductions, and remittance of gratuities that remain unresolved. The Department levies citations and penalties against businesses who engage in practices that are found to be in violation of the statutes.

The Department is also actively involved in education and training through the programs of the Division of Occupational Safety and Health Education and Training. Since 1973, the Department has offered a full range of voluntary compliance services, including cost-free on-site consultation, technical assistance, training programs, and publications. Several programs are

in place to recognize employers who aspire to providing the safest workplaces possible, and formal partnership programs are administered in both general industry and construction.

The Department of Workplace Standards is funded with restricted agency receipts garnered through the following sources: Workers' Compensation Funding Commission under the authority of KRS Chapter 342; federal funding received from the U.S. Department of Labor, Occupational Safety and Health Administration; and state General Fund dollars that support only the Division of Wages and Hours, as this division does not receive restricted funds or federal funds.

DIVISION OF WAGES AND HOURS

Pursuant to KRS Chapters 336, 337, and 339, the Division of Wages and Hours is responsible for enforcing Kentucky's labor laws, including, but not limited to, minimum wage, recordkeeping, overtime, child labor, and wage discrimination based on sex.

In addition to conducting investigations, the Division of Wages and Hours has the responsibility of preparing unresolved cases for litigation. Investigations involving minimum wage, overtime, unpaid wages, illegal deductions, and remittance of gratuities that are not resolved are subject to administrative review under KRS Chapter 13B. Case files are prepared for administrative hearings and the investigative staff, in concert with the Office of General Counsel, issues legal documents such as tentative findings of fact. Investigators routinely work with attorneys, accountants, consultants, and other professionals during these investigations to ensure the workers of the Commonwealth are protected as provided by statutes.

DIVISION OF OCCUPATIONAL SAFETY AND HEALTH COMPLIANCE

The Kentucky OSH Program was initially approved in 1973 and received final state plan approval on June 13, 1985. The primary purpose of the Program is to promote the safety, health, and general welfare of workers by ensuring that employers are preventing hazards to the safety and health of all employees arising from exposure to harmful conditions and practices in the work environment. The Program was further expanded on July 1, 1994, to improve safety and health practices in the workplace; to assure compliance with industrial health and safety regulations; and to expedite the processing of contested citations and appeals.

Through the Safety Inspection Branch and the Health Inspection Branch, the Division maintains safety compliance officers and industrial hygienists. These officers and hygienists conduct inspections of workplaces in which hazardous conditions are identified, violations of safety and health standards are cited, and abatement dates are assigned. In some cases, penalties are assessed for violations. Hearing officers hear contested cases under the auspices of the Kentucky Occupational Safety and Health Review Commission.

The Division also has discrimination investigators who are attached to the Safety Branch and are assigned the responsibility for conducting investigations. The investigations they conduct include: allegations of retaliation for participating in an OSH compliance inspection; informing the employer of safety and health concerns; filing an OSH complaint; and

whether an employee, or is the employee, about to testify in any hearing or other formal proceeding, or engaging in some other protected activity.

DIVISION OF OCCUPATIONAL SAFETY AND HEALTH EDUCATION AND TRAINING

The mission of the Division of Occupational Safety and Health Education and Training is “[t]o promote and provide timely expert safety and health assistance to employers and employees to assure, as far as possible, every worker in the Commonwealth safe and healthful working conditions.” The Division will continue to provide high quality services to employers and employees in the Commonwealth upon request.

The Division’s objectives are accomplished through in-person and virtual training, on-site consultation, technical assistance, partnership programs, statistical services, and a variety of technical and informational publications. These components work together through various branch services under the supervision of the Division Director’s Office. The Division provides voluntary compliance services to both employers and employees throughout the Commonwealth. Compliance with Kentucky OSH standards aids in the reduction of injuries and illnesses by providing safer and healthier places of employment.

The Division partnership and recognition programs include: the Kentucky Voluntary Protection Partnership (“VPP”), which is similar to the Federal Voluntary Protection Program; the Safety Partnership Program (“SPP”), which offers long term assistance to smaller employers who have a history of high injury/illness rates and high workers’ compensation costs; and the Construction Partnership Program (“CPP”), which focuses specifically on partnering with contractors and builders to address the unique issues of the construction industry. The Division also offers OSH Strategic Partnerships (“OSP”). This program is designed to broaden the impact of cooperative programs on worker safety and health by reaching out to groups of employers and employees.

OSH FEDERAL-STATE COORDINATOR

The OSH Federal-State Coordinator acts as an advisor to program policymakers and is involved in coordinating policy planning, program review and evaluation, financial management, and personnel utilization.

The Coordinator prepares and submits all State Plan changes. This involves tracking federal program changes and recommending the appropriate changes for the state program. It also includes informing the U.S. Department of Labor of any state-initiated program changes.

The OSH Federal-State Coordinator also assures the timely submission of reports which must be forwarded to the U.S. Department of Labor including compliance activity, OSH discrimination, and general information about the program operation. The standards adopted and variances granted or denied must also be made available to the U.S. Department of Labor. Likewise, grant applications to obtain federal funds must be prepared and submitted annually. The OSH Federal-State Coordinator is also responsible for the preparation and submission of responses to federal evaluations of the state program. Therefore, continuous contact with each

section and division in the program is necessary.

The Coordinator also oversees the activities of the OSH program as they relate to other state and federal agencies, which is especially important due to the jurisdictional boundaries that must be maintained in the enforcement of the occupational safety and health laws in Kentucky. Every effort is made to determine exact jurisdictional boundaries.

The Coordinator's Office also monitors the Agency's investigations and litigation of cases involving allegations of discrimination violation of KRS 338.121. Citations for violations of KRS 338.121 as well as penalty calculations originate from the OSH Federal/State Coordinator's Office. The Coordinator supervises the Office of Standards Interpretation and Development, and communicates with and logistically supports Kentucky's OSH Standards Board.

STANDARDS INTERPRETATION AND DEVELOPMENT

The OSH Standards Specialists, via written correspondence and telephone conversation, respond to inquiries from employers and employees, as well as the general public, concerning occupational safety and health. In addition, specialists perform the following duties:

- Conducts OSH-related safety and health research and issue official standards interpretations of Kentucky OSH standards;
- Assists in the preparation of responses to OSHA directives;
- Provides direct support to the OSH Standards Board by coordinating meetings and processing regulations through the regulation review system;
- Conducts occupational health standards training for the OSH program staff;
- Analyzes federal and state OSH standards, regulations, and other professional literature pertinent to the field; and provides that analysis to the Kentucky OSH Standards Board and to Cabinet management;
- Processes all safety and health standards adopted by the OSH Standards Board through the LRC Administrative Regulation review process. Drafts and recommends new or amended standards and regulations to the Kentucky Occupational Standards Board;
- Ensures Kentucky regulations are at least as effective as OSHA standards;
- Testifies on technical issues before the OSH Standards Board in public hearings concerning proposed standards. Testifies before appropriate legislative committees with reference to standards approved for adoption by the OSH Standards Board;

- Interprets and provides information on OSH regulations and standards to Labor Cabinet staff, employers, and employees in both public and private sectors; and,
- Analyzes and make recommendations on requests for variances in standards made to the Labor Cabinet by employers throughout the Commonwealth. Conducts job safety and health research and issues Standards Interpretation Directives for OSH Standards Board.

THE DEPARTMENT OF WORKER'S CLAIMS

COMMISSIONER'S OFFICE

The Commissioner's Office is responsible for overseeing and managing the daily operations of the agency. Under KRS 342.213, the Governor appoints the Commissioner and the Senate confirms the appointment.

OPEN RECORDS SECTION

The Open Records Section is charged with the interpretation and application of KRS 61.884 and KRS 61.878 when determining release of public records. The inquiries are received from attorneys, insurance carriers, employers, the Social Security Administration, and the general public. Additionally, Section personnel verify workers' compensation awards for the Kentucky Department of Fish and Wildlife, prepare billing invoices for copy charges, and provide oral and written certifications as records custodians.

WORKERS' COMPENSATION NOMINATING COMMITTEE

Under KRS 11.160, 342.215, 342.228 and 342.230, the Workers' Compensation Nominating Committee presents names to the Governor for all appointments to the Workers' Compensation Board and all administrative law judge appointments, subject to the consent of the Senate. The Workers' Compensation Nominating Commission consists of five (5) members that the Governor appoints.

WORKERS' COMPENSATION BOARD

Since 1987, under KRS 342.213 and KRS 342.285 the Kentucky Workers' Compensation Board ("WCB") is the first step in the appellate process in a workers' compensation claim. The Governor appoints the three (3) members of the WCB, who serve four (4) year terms, subject to Senate confirmation. WCB members must possess qualifications of Court of Appeals Judges.

APPEALS SECTION

The Appeals Section processes and readies appeals from the Administrative Law Judges' decisions to the WCB, the Court of Appeals, and the Supreme Court. Appeals

Section personnel monitor and track all filings and pleadings, assign cases to Board members and prepare files for the WCB motion docket on a weekly basis. They also maintain databases regarding appeals, and compile, index and transfer files to the Kentucky Court of Appeals in the form and timeframe required by law. Section personnel process and enter all subsequent orders and opinions that the WCB, the Kentucky Court of Appeals and the Supreme Court hands down into the appropriate databases.

DIVISION OF CLAIMS PROCESSING

The Division of Claims Processing serves as a clerk's office for the processing of all work-related injury claims filed in the Kentucky workers' compensation system and managing claims from the initial filing process through resolution.

The Claims Processing Division operates under the statutory framework requiring it to handle and process injury claims, occupational disease claims, coal workers' pneumoconiosis, and hearing loss claims. Acknowledgement letters are generated for each claim filing and sent to each named party. The Division also handles assignment of those claims to the Administrative Law Judges and the regions in which the benefit review conferences will be held. Medical disputes, motions to reopen, resolution of the claims-including the final audit and purging of each claim all begin and end in this area. Staff responsibilities also include scheduling court reporters and translation services, and x-ray exhibit and other pertinent records custodian responsibilities.

OFFICE OF ADMINISTRATIVE LAW JUDGES

The Administrative Law Judges ("ALJs") are appointed to four-year terms by the Governor, subject to confirmation by the Senate. The ALJs must be licensed attorneys who have five years of experience in the Commonwealth in the practice of workers' compensation law or a related field. KRS 342.230 authorizes the appointment of up to 19 ALJs, one of whom is designated to serve as the Chief Administrative Law Judge. There are currently 15 ALJs with two additional judges approved to begin a term on January 1, 2022. Their offices are located in Louisville, Lexington, Bowling Green, Frankfort, Hazard, Ashland, and Pikeville. The Office of the Chief Administrative Law Judge is located at the Department of Workers' Claims in Frankfort. In the performance of their regular duties, the ALJs travel to hearing sites located in Pikeville, Hazard, London, Frankfort, Florence, Louisville, Bowling Green, Owensboro, and Paducah.

The ALJs are responsible for the adjudication of the workers' compensation cases filed at the Department of Workers' Claims. While adjudicating claims, the ALJs are required to rule on motions, objections, and requests for interlocutory relief in the claims assigned to them. The ALJ to whom the claim is assigned presides at a benefit review conference and a formal hearing in each case unless the claim is settled. The ALJ is required to issue a decision within 60 days after the formal hearing.

Additionally, a motion docket and settlement docket are held weekly at the Department of Workers' Claims in Frankfort. Ordinarily, the Chief Administrative Law Judge presides at

the motion docket and settlement docket. Motions in claims that are not currently assigned to an ALJ are heard during motion docket. These motions include, but are not limited to, post-award medical fee disputes, motions to reopen based on an alleged change of the compensable condition, and motions to substitute beneficiaries after the death of the injured worker.

Beginning in January of 2013, two ALJs were assigned to mediate and adjudicate all stand-alone medical disputes. This occurred as an attempt to address the unique issues involved in medical disputes and increase the efficiency and effectiveness of the process. This approach continues and the DWC keeps statistics on the effectiveness of the program to determine whether it has long term viability.

The Chief Administrative Law Judge also works with the Enforcement and Compliance Branch by presiding at enforcement hearings when an appeal from a civil penalty is filed.

AGREEMENTS SECTION

The Agreements Section receives and processes Settlement Agreements and Motions to Substitute Party for Widows' Benefits. Section staff gives immediate attention to pre-litigation agreements between injured employees and employers, and/or their insurance carriers and widow's benefit calculations.

DIVISION OF SECURITY AND COMPLIANCE

The Division of Security and Compliance, through the efforts of the Coverage, Self-Insurance and Compliance Branches, protects injured workers by ensuring that non-exempt Kentucky employers have workers' compensation insurance coverage or maintain sufficient assets to pay claims if the company is authorized to self-insure.

SELF-INSURANCE BRANCH

The Self-Insurance Branch evaluates individual self-insured employers for financial soundness and the ability to pay its workers' compensation obligations. Branch Auditors review the application of prospective employers who seek to self-insure; audits, calculates the appropriate financial security and the annual simulated premium for current self-insured's, and provides oversight to the administration of former self-insured employers who have defaulted on their workers' compensation obligations. Self-insured companies pay an assessment on the simulated premium for the special fund, similar to that imposed upon the voluntary market premium, to fund the entire workers' compensation program in Kentucky.

COMPLIANCE BRANCH

The Compliance Branch consists two sections: Administrative Processing and Enforcement. This branch investigates the status of Kentucky employer's insurance coverage through on-site visits to encourage compliance with the Workers' Compensation Act.

ENFORCEMENT SECTION

The Enforcement Section monitors Kentucky businesses to verify compliance with the Workers' Compensation Act. Compliance officers strategically located throughout the Commonwealth conduct on-site investigations of more than 10,000 employers each year in a proactive effort to encourage timely and voluntary compliance with the workers' compensation laws prior to the occurrence of an injury. The penalties these efforts raise are used to help cover the benefits awarded to employees of companies who have defaulted on their obligations. In addition to the investigative effort, the Enforcement Section participates in public seminars and disseminates information explaining the workers' compensation laws and the responsibilities of the employer.

ADMINISTRATIVE PROCESSING SECTION

The Administrative Processing Section provides general support services to the branch with the specific duties of: (1) Issuing certifications of coverage; (2) Registering Professional Employer Organizations ("PEOs"); (3) Processing mining and mine-related coverage; and (4) Processing "Split Coverage/Wrap-up's" filings for employers with Owner or Contractor controlled Insurance Programs ("OCIPs" or "CCIPs"). The language of KRS 342.375 requires that every policy cover the entire liability of the employer. The statute permits the Commissioner to authorize a separate policy for specific locations – these are commonly called Spilt Coverage/Wrap-ups/OCIPs or CCIPs, depending on how they are structured.

DIVISION OF SPECIALISTS AND MEDICAL SERVICES

The Division of Specialists and Medical Services is the constituent services arm of the Department of Workers' Claims. It is comprised of the Specialists Branch, Medical Services Branch, and Vocational Rehabilitation Section. This Division also reviews drug free workplace applications and annual renewals for certification in accordance with the regulations.

SPECIALISTS BRANCH

Presently, Specialists Branch is located at the Department of Workers' Claims office in Frankfort. The Branch also has an office located in Pikeville. The specialists provide information to the public through toll-free phone lines and, upon request, speaking engagements. The work of the Branch is supervised by one (1) Department attorney, who acts as the chief specialist. The specialists assist unrepresented workers in the completion of claims forms and gather information for claims filing. They also perform mediation services in attempt to resolve conflicts or disputes related to claims,

report suspected unfair claims settlement practices to the Department's Office of General Counsel, and assist with the preparation of reports to the governor, legislature, and elected officials on constituent issues involving workers' compensation. The specialists receive and report complaints to the Enforcement Division concerning fraud, lack of coverage, and failure of employers to comply with workers' compensation laws and regulations.

MEDICAL SERVICES BRANCH

The Medical Services Branch is responsible for administering all medical cost containment programs designed to reduce the medical costs associated with the state's workers' compensation program. Personnel review managed care, utilization review, and medical bill audit plans, and recommend certification and/or compliance in accordance with the regulations and statutes. The Branch prepares the annual hospital cost-to-charge ratio based on Medicare information provided by the Cabinet for Health and Family Services and helps compile the biennial physician's fee schedule which regulates medical charges. Branch personnel also schedule and coordinates medical appointments with university evaluations ordered by the Administrative Law Judges. In addition, they compile data for the Department, industry, and oversight committees of the State Legislature.

VOCATIONAL REHABILITATION SECTION

The Vocational Rehabilitation Section assists injured workers in the obtainment of vocational assessments and retraining with a goal of returning them to the workforce. The section provides information to injured workers, insurance carriers, government agencies, education, and testing facilities and the public. It oversees the provision of vocational rehabilitation services that have been either awarded by an Administrative Law Judge or agreed upon by settlement. The section assists in the development of approved vocational rehabilitation curriculum via educational institutions and programs.

DIVISION OF WORKERS' COMPENSATION FUNDS

The primary goal of the Division of Workers' Compensation Funds ("DWCF") is the responsible administration of the Special Fund and audit compliant maintenance of records regarding payment of claims by the Fund. The Division seeks the timely and accurate payment of benefits to fund beneficiaries.

Special Fund beneficiaries include workers with pre-existing disability, conditions or diseases, who received a subsequent compensable injury (or for occupational disease, a last injurious exposure) prior to December 12, 1996.

The DWCF exists under KRS 342.120 to provide administration and records maintenance for the Special Fund. The DWCF is headed by an Assistant Director, who oversees a professional

administrative staff of four employees. Statistical data included in this document shows the level of benefit payments for the relevant time period.

Major reform legislation enacted in 1996, House Bill 1 (R.S. 1996), abolished Special Fund liability for injuries (and for diseases, last injurious exposures) occurring after December 12, 1996. However, the reform legislation did not affect the incurred liability of the Fund (actuarially valued at \$530.4 million as of June 30, 2021-undiscounted), and the ongoing obligation to pay income benefits to beneficiaries who have awards against the Special Fund. DWCF records reflect that, as of November 1st, 2021, the fund has liability in 4,061 open claims, nearly all of which are payable for the life of the injured worker. Thus, even though fund liability as described above has been abolished, the DWCF will pay Special Fund income benefits for incurred liability for many years. Currently, the Special Fund pays approximately \$48 million annually in benefits.

The DWCF strives to make timely and accurate benefit payments to all beneficiaries, and to maintain accurate and complete records of claims and payments.

KENTUCKY OFFICE OF UNEMPLOYMENT INSURANCE

Pursuant to KRS Chapter 341, the Kentucky Unemployment Insurance (“UI”) is temporary financial assistance for people who have become unemployed through no fault of their own. Unemployment Insurance, also called unemployment compensation, is a joint program between Kentucky and the U.S. Department of Labor. Each state has its own set of eligibility requirements based on federal law. Created by the Social Security Act of 1935, the Federal-State Unemployment Compensation (“UC”) program, also referred to as the UI program, offers the first economic line of defense against the effects of unemployment. Through payments made directly to eligible unemployed workers, it ensures that the need for at least a significant proportion of the necessities of life—most notably food, shelter, and clothing—can be met on a week-to-week basis while the person searches for work. As temporary, partial wage replacement to the unemployed, the UC is of vital importance in maintaining purchasing power and in stabilizing the economy in times of economic downturn. The Office of Unemployment Insurance has eight (8) branches: Benefits; Tax Audit; Tax Enforcement; Quality Control; Adjudication; Integrity; Appeals; and Call Center.

CAREER DEVELOPMENT OFFICE

The Career Development Office, in cooperation with its partners, provides qualified people for jobs, quality jobs for people, temporary financial support for the unemployed, and comprehensive labor market information. The Office also preserves and preserve the integrity and viability of the Unemployment Insurance Trust Fund, thus promoting the economic well-being of the Commonwealth.

The Office encompasses five programs that include: Wagner-Peyser (“WP”) services; Reemployment Services and Eligibility Assessments (“RESEA”); Jobs for Veterans State Grant

(“JVSG”); Trade Act programs (“TAA”); and the Temporary Agricultural Employment of Foreign Workers (“H2A”).

WAGNER-PEYSER ACT OF 1933

The Wagner-Peyser Act of 1933 established a nationwide system of public employment offices known as the Employment Service. The Employment Service seeks to improve the functioning of the nation's labor markets by bringing together individuals seeking employment with employers seeking workers. The Service focuses on providing a variety of services including job search assistance, help getting a job referral, and placement assistance for job seekers.

REEMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENTS

Beginning in 2005, the U.S. Department of Labor, Employment and Training Administration funded the voluntary UI Reemployment and Eligibility Assessment (“REA”) program to address individual reemployment needs of UI claimants, and to prevent and detect improper benefit payments. In 2015, the Reemployment Services and Eligibility Assessment (“RESEA”) program replaced the REA program, providing greater access to reemployment services, in addition to services previously provided under the REA program.

JOBS FOR VETERANS STATE GRANT

The Jobs for Veterans State Grants (“JVSG”) program provides federal funding, through a formula grant, to 54 State Workforce Agencies (“SWAs”) to hire dedicated staff to provide individualized career and training-related services to veterans and eligible persons with significant barriers to employment and to assist employers fill their workforce needs with job-seeking veterans.

The JVSG program supports the Disabled Veterans’ Outreach Program (“DVOP”) specialist position, Local Veterans’ Employment Representative (“LVER”) staff, and Consolidated Position staff. DVOP specialists provide individualized career services to veterans with significant barriers to employment, with the maximum emphasis directed toward serving veterans who are economically or educationally disadvantaged. Veterans with barriers include homeless veterans and vocational rehabilitation clients. Local Veterans’ Employment Representatives conduct outreach to employers and business associations and engage in advocacy efforts with hiring executives to increase employment opportunities for veterans and encourage the hiring of disabled veterans. Consolidated Position staff serve in a dual role as DVOP and LVER.

TRADE ACT PROGRAMS

The Trade Adjustment Assistance (“TAA”) Program is a federal program established under the Trade Adjustment Assistance Reauthorization Act of 2015 that

provides aid to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports.

The TAA program offers a variety of benefits and reemployment services to help unemployed workers prepare for and obtain suitable employment. Workers may be eligible for training, job search and relocation allowances, income support, and other reemployment services.

A petition for TAA may be filed by a group of three or more workers, their union, or other duly authorized representative. Petition forms may be obtained from the local State Employment Security Agency or from any agency designated by the governor to provide reemployment services under the TAA program.

TEMPORARY AGRICULTURAL EMPLOYMENT OF FOREIGN WORKERS

Section 218 of the Immigration and Nationality Act authorizes the lawful admission into the United States of temporary, nonimmigrant workers (“H-2A workers”) to perform agricultural labor or services of a temporary or seasonal nature. Before the U.S. Citizenship and Immigration Services (“USCIS”) can approve an employer’s petition for such workers, the employer must file an application with the Department’s Employment and Training Administration (“ETA”). Among other things, the application must state that there are not sufficient workers who are able, willing, qualified, and available, and that the employment of aliens will not adversely affect the wages and working conditions of workers similarly employed in the U.S. Any employer using H-2A workers must have initially attempted to find U.S. workers to fill these jobs. H-2A workers and domestic workers in corresponding employment must be paid special rates of pay that vary by locality, must be provided housing and transportation from that housing to the job site if their employment requires them to be away from their residence overnight, and must be guaranteed an offer of employment for a total number of hours equal to at least 75% of the work period specified in the contract.

OFFICE OF GENERAL COUNSEL

The Office of General Counsel (“OGC”) provides the Cabinet and its employees with legal representation and assistance for enforcement of KRS 67C.400, *et seq.*, and KRS Chapters 207, 336, 337, 338, 339, 341, 342, and 345.

The Office of Unemployment Insurance/Career Development Office Legal Division (“OUI/CDOLD”) provides competent legal advice, representation, and needed assistance to OUI/CDO and its constituent agencies, which have statutory authority over Kentucky’s unemployment insurance and career development laws. The majority of the work the OUI/CDOLD performs involves defending Kentucky Unemployment Insurance Commission decisions before Kentucky state courts. The OUI/CDOLD also drafts administrative regulations and drafts specialized legal documents to carry out OUI/CDO’s mission.

The Workplace Standards Legal Division (“WSLD”) provides competent legal advice, representation, and needed assistance to the DWS and its constituent agencies, which have statutory authority over Kentucky’s wage-and-hour laws, occupational safety and health laws, and child labor laws. The majority of the work performed by the WSLD is the prosecution of wage and hour and occupational safety and health violations. The WSLD also drafts administrative regulations and drafts specialized legal documents to carry out DWS’s mission. Staff regularly field questions from DWS personnel and the general public.

The Workers’ Claims Legal Division (“WCLD”) provides competent legal advice, representation, and needed assistance to the DWC and its constituent agencies, which have the statutory authority and oversight responsibility for the operation of Kentucky’s workers’ compensation program under KRS Chapter 342. The WCLD’s largest function is litigation, which involves representing the DWC in the imposition and collection of fines and filing of liens against non-compliant employers. The WCLD also defends the DWC and its Divisions in civil litigation and actions in state and federal courts. Additionally, the WCLD drafts administrative regulations, reviews all memoranda of agreement and memoranda of understanding where DWC agencies are parties, and drafts specialized legal documents to carry out DWC’s mission.

Attorneys from the WCLD also represent the Division of Workers’ Compensation Funds in subrogation matters involving the Special Fund. The beneficiaries of the Special Fund include workers with pre-existing disabilities, conditions, or diseases who received a subsequent compensable injury (or for occupational disease, a last injurious exposure) prior to December 12, 1996.

OFFICE OF INSPECTOR GENERAL

The Office of Inspector General (“OIG”) is tasked to investigate alleged wrongful acts or omissions of employees of the Labor Cabinet, Public Protection Cabinet, and Energy and Environment Cabinet. The Office of Inspector General acknowledges that the responsibilities of this Office are critical in ensuring that state employees conduct themselves with the highest of standards.

Utilizing established investigator procedures, the OIG conducts investigations for the Cabinet involving violations of KRS Chapter 18A and Kentucky Administrative Regulations (KAR) Chapter 101. These rules and regulations are essential to the efficient and economical functioning of the Cabinet. Personnel-related investigations help identify wrongdoing by some employees and seek to clear others of unfounded allegations. Disciplinary actions the Cabinet takes against an employee may result in an appeal by the employee. If the appeal goes to hearing before the Personnel Board, an OIG investigator may testify as to his or her findings before and administrative law judge. Any party aggrieved by a final order of the Personnel Board may appeal that order by filing a petition in the Franklin Circuit Court. Grounds for discipline involve lack of good behavior, and may include violations of Cabinet policies relating to workplace violence, sexual harassment, and misuse of state property. Cases involving employees engaging in conduct which may violate the Executive Branch Code of Ethics contained in KRS Chapter 11A are

referred to the Executive Branch Ethics Commission, whereas others may serve as a basis for criminal prosecution. Investigations that uncover potential criminal activity are either referred to the Franklin County Commonwealth's Attorney, where there is dual jurisdiction with the local counties, or to prosecutors in the county in which the alleged crime occurred.

OFFICE OF ADMINISTRATIVE SERVICES

The Office of Administrative Services ("OAS") is responsible for administering the necessary, day-to-day functions of the Labor Cabinet. OAS is led by an Executive Director and consists of the Operations Branch and four divisions, Division of Fiscal Management, Division of Human Resources Management, Division of Information Technology and Support Services, and the Division of Operations and Support Services. The functions include, but are not limited to, processing personnel actions, human resource management, budget oversight, accounting, procurement, grants management, technology support, and facilities management.

The Division of Fiscal Management ("DFM") provides oversight, direction, and support to the Labor Cabinet for all accounting, budget, and procurement functions. The Division Director and designated staff act as the liaison with the Finance and Administration Cabinet, the Legislative Research Commission, the Office of State Budget Director, federal awarding agencies, and the Auditor of Public Accounts. Management staff also act as the fiscal officer, E-Mars security lead, and negotiate the indirect cost plan for the cabinet.

DFM provides executive direction and leadership for budgeting and financial resources for the Labor Cabinet which includes developing, implementing, and maintaining the cabinet's budget. Budget analysts advise the cabinet secretary, commissioners, executive officers, division directors, and agency staff regarding budget development implementation, maintenance, modification, and historical data. In addition, the DFM is responsible for preparing and updating the cabinet's biennial budget, operating budget, six-year capital budget, and capital projects. Other responsibilities of this Division include answering audit inquiries, issuing special reports, coordinating fiscal year-end closing, maintaining centralized fiscal documents, and all purchasing functions.

The Division of Human Resources Management ("DHRM") serves as the Labor Cabinet's primary point of contact for all register requests, position action requests, quality assurance reviews, insurance, payroll, benefits coordination, employee evaluations, employee training, and other personnel and payroll related functions coordinated with the Personnel Cabinet and Kentucky Public Pensions Authority. The Division provides guidance to cabinet leadership and staff in areas such as compliance with state and federal hiring, recruiting, and employment law.

The DHRM Director works closely with legal staff in resolving disciplinary issues, grievances, complaints, and workers' compensation issues for each of the various departments and offices within the cabinet. In addition, the Director serves as the EEO Coordinator and agency representative for Personnel Board hearings and testifies on behalf of the Cabinet when necessary.

The Division of Information Technology and Support Services ("DITSS") provides

system support, application design and development, and specialized electronic systems support for the Labor Cabinet and its various departments and offices. DITSS establishes cabinet information technology policies based on administrative priorities, the requirements under state and federal laws and regulations, legislative initiatives, and the concerns of citizens. As a customer focused division, DITSS provides users with a wide variety of technology-based services, such as technical assistance/solutions and guidance to resolve individual user and departmental issues related to technology.

DITSS provides a structured environment that ensures the reliability, accuracy, and integrity of data submitted to the cabinet through accurate data entry and an Electronic Data Interchange system, which includes First and Subsequent Reports of Injury as well as Workers' Compensation Proof of Coverage reporting. Since the Office of Unemployment Insurance was reorganized to Labor in August 2020, the Division spends a significant amount of time supporting the KEWES system and interfacing with COT about the mainframe as it is related to unemployment claims. DITSS is also responsible for scanning and maintaining required documents or images in an electronic or digital format that facilitates an efficient process of storing and retrieving documents for responding to claim requests, first report information, and open records requests. It is the obligation of DITSS to safeguard all agency records and comply with the statutory guidelines regarding storage and retrieval as well as ensuring data integrity.

The Division of Operations and Support Services is responsible for the facility management of all state-owned/state-operated facilities, equipment, and property assigned to the Career Development Office ("CDO"). Currently, the Division oversees 16 properties owned by the state and administered by the Cabinet. Division staff ensure property is properly maintained to facilitate a safe, functioning space for employees and the public who visit the Kentucky Career Centers for employment related assistance. The Division initiates all lease agreements for the CDO properties, and invoices lessors and collects rent payments. Additionally, the Division coordinates and leads the Cabinet's safety and emergency response plan for all locations in which Cabinet employees work.