

# PUBLIC TESTIMONY SUMMARY

## I-900 STATE AUDITOR'S PERFORMANCE AUDIT:

### Opportunities to Reduce State Mail Volume and Costs (November 1, 2011)

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As Heard by the Joint Legislative Audit & Review Sub-Committee on I-900 Performance Audits  
on November 30, 2011

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#### **Title: Opportunities to Reduce State Mail Volume and Costs**

##### **Audit Scope and Objectives:**

SAO notes that as postage costs have risen and technology has become more readily available, some agencies have taken steps to reduce outgoing mailings. SAO says it conducted this audit to identify ways state agencies could further reduce outgoing mail volumes to achieve cost savings.

SAO reports that it conducted the audit by focusing on information from the state's Consolidated Mail Services (CMS) system, which processes outgoing state agency mail before it goes to the Postal Service. Using data from CMS for fiscal year 2010, SAO indicates it identified the four state agencies with the largest mail volumes (Employment Security, Labor & Industries, Licensing, and Social and Health Services) and analyzed in detail 55 of the mailings they sent that included more than 100,000 pieces per year. SAO says it asked the four agencies to describe these mailings, their requirements to send them, strategies for reducing mail amounts and costs, and barriers they have faced in reducing outgoing mail volumes.

SAO reports that it also received examples of mail and cost reduction efforts from the CMS mail managers group and from agency deputy directors who submitted ideas through the Governor's Office.

##### **SAO Findings:**

State agencies selected for this audit are using the mail more often than required under state law.

- Agency administrators said state and federal laws and regulations required them to send 80 percent of their high-volume mailings through the mail. However, SAO found that in more than half of the high-volume mailings, the laws required them only to "provide" the information, not necessarily mail it.
- Twenty percent of the high-volume mailings analyzed provided information the agencies were not required to deliver in any form.

**SAO Findings (cont.):**

- In some cases, laws require agencies to provide information by “mail,” which limits their ability to reduce mail volumes, but most of those requirements can be changed.
- Some agencies have already cut mail volumes and costs significantly.
- Agencies should not eliminate or reduce all mailings.

**SAO Recommendations:**

SAO recommends the Department of Enterprise Services:

1. Develop general guidelines to help all state agencies evaluate opportunities to reduce outgoing mail volumes and costs.

SAO recommends Employment Security, Labor & Industries, Licensing, and DSHS:

2. Continue their efforts to reduce outgoing mail volumes and costs by reviewing those mailings they are not required to “mail” and pursue appropriate alternatives.
3. Review relevant mailing requirements in state law or state regulation and pursue changes when those requirements to “mail” hinder their ability to communicate through other means.
4. Report the results of their outgoing mail reduction efforts including implementation costs, projected or actual savings, and expected return on investment to the Department of Enterprise Services.

SAO recommends the Legislature:

5. Remove from state law all requirements to “mail” documents.

<b>Agency Responses in Audit Report?</b>	Yes, beginning on page 19.
<b>Legislative Action Requested?</b>	Yes; see #5 above.

**Agencies Testifying:**

The Office of Financial Management (Stan Marshburn, Deputy Director)

**Summary of Testimony from Audited Agencies:**

On behalf of the Governor’s executive branch agencies, we appreciated this audit, and we accept and take its recommendations seriously. The audit notes agencies are doing good work in this area. While agencies have been making progress, there is more progress to be made. The audit gets to the gray area quickly; for example, when an email is sent, who is responsible to make sure that someone has received it and that the important communication has taken place? Will legislators feel that their expectations have been met if an agency sends an email and is not held responsible if the addressee doesn’t open it? Or do you want to know that a piece of paper has been delivered to the person? State agencies are examining their business practices to address the audit. Some applications may require policy changes and permission to use new technologies.

**Other Parties Testifying:**

(No other parties signed in to testify.)

**Summary of Testimony from Other Parties:**

(No other parties signed in to testify.)