Cabinet Agencies' Performance Audit Action Item(s) & Status

Opportunities to Reduce State Mail Volume and Costs

(See also Cabinet Agencies' Response for full context to Washington State Auditor's Office (SAO) report, November 2011)

Agencies included in the performance audit: Enterprise Services (DES), Licensing (DOL), Social & Health Services (DSHS), Employment Security (ESD) and Labor & Industries (L&I).

SAO Issues Summary:

State agencies have opportunities to reduce outgoing mail volumes.

1. DES should develop guidelines to help all state agencies evaluate opportunities to reduce outgoing mail volumes and costs.

    Recommend DES, ESD, L&I and DSHS:

2. Continue efforts to reduce outgoing mail volumes and costs by reviewing those mailings that are not required to "mail", and pursue appropriate alternatives.
3. Review relevant mail requirements in state law.
4. Report results of outgoing mail reduction efforts including implementation costs, projected or actual savings, and expected return on investment to the Department of Enterprise Services.

The table below shows the current status of action items the agency initiated to address issues identified in the performance audit report. Please see the coordinated *cabinet agencies' response* for additional context and any additional steps already taken.

For an explanation of the columns below, see the legend.

Issue	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
1	Completed	Develop general guidelines in collaboration with other agencies.	DES	5/12	Yes	No	No	
2	Completed	ESD will continue to actively promote direct deposit of UI payments. This method of payment is currently used by 59 percent of claimants, but not all claimants maintain bank or credit union accounts, and some who do may not consent to receiving payments in this manner.	ESD	N/A	Yes	No	No	Continue with on-going efforts. Increase in the use of direct deposit from 53%.

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2	Completed	ESD will consider using debit cards to pay claimants, but remains concerned about debit-card fees that could reduce the buying power of UI benefits. Developing the capacity to use debit cards requires additional information technology resources. These resources are currently devoted to major improvements in our information systems.	ESD	N/A	Yes	No	No	Continue with on-going efforts
2	Completed	ESD will continue efforts to encourage employers to obtain information electronically.	ESD	N/A	Yes	No	No	ESD sends quarterly business updates and other information electronically to 164,612 employers who have signed up. This has reduced our outgoing mail volume and will save the agency an estimated $134,000.
2	Completed	We are eliminating our "What's Next?" flyer currently mailed to all new claimants.	ESD	2/12	Yes	No	No	**6/20/13 Update:** In February 2013, the Employment Security Department discontinued mailing the "What's Next?" flyer to Unemployment Insurance claimants. ESD estimates it saved approximately $56,377 as of June 30, 2013, by not printing and mailing this flyer. Information contained in the document is available on the department's public website and in other mailings. ESD calculates annual savings will be about $169,000. In addition, as of October 2012 ESD

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								stopped mailing 42 continued claim messages to UI claimants. Assuming a constant claims load the savings to the department from Oct. 2012 through June 30, 2013 is estimated to be $1.8 million.
2	Completed	ESD will continue to develop and implement: 1) the Next Generation Tax System (NGTS),with a fall 2013 go-live date, and 2) a replacement of the 15year old GUIDE (UI) benefit payment system currently in the feasibility/planning stage.	ESD	N/A	Yes	No	No	These are the most significant projects for improving the agency's ability to transmit documents electronically.
2	Completed	Continue efforts to best utilize ESD's extensive public website and other electronic options as alternatives to mailing for both claimants and employers.	ESD	N/A	Yes	No	No	**6/19/14 update:** Effective March 26, 2014 the Employment Security Department stopped routinely mailing its "Handbook for Unemployed Workers" to new applicants for unemployment benefits. The handbook is a 45-page manual describing eligibility requirements and what individuals must do to continue receiving unemployment benefits. ESD sends an email or a low-cost flyer with information on how to download the handbook online. Hard copies will still be available at local WorkSource offices or by contacting the unemployment claims center. ESD estimates a savings of $300,000 a year by not routinely printing and mailing the

Issue	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
								handbook.
2	Completed	L&I is actively reviewing mailings for opportunities to improve efficiency and effectiveness. Numerous examples were provided in preparation of the Mail Services audit report.	L&I	N/A	Yes	No	No	Continue with on-going efforts
2	Completed	DOL continues to actively review RCWs and WACs for opportunities to provide information in alternative and accessible formats while reducing incoming and outgoing mail volumes. Numerous examples were provided in preparation of the mail services audit report and other mail volume reductions have occurred that are not included in the report, such as capturing electronic signatures in the License Service Offices.	DOL	N/A	Yes	No	No	Numerous examples were provided in preparation of the mail services audit report and other mail volume reductions have occurred that are not included in the report, such as capturing electronic signatures in the License Service Offices. DOL is continually reviewing its mail practices to move information and notices to electronic formats.
2	Completed	Convene a workgroup to determine the process for the review of outgoing mailings, using available guidelines.	DSHS	2/12	Yes	No	No	Completed 2/7/2012. The workgroup met and discussed the charter that was developed; reviewed the issue/scope of the project; discussed workgroup member responsibilities; and developed a plan/action items to keep the project moving forward.
2	Completed	Workgroup(s) inventories and conducts review of outgoing mailings.	DSHS	8/12	Yes	No	No	1.The DSHS workgroup met its 8/1 target for identifying mailings that are in scope: 2.All Dept mailings were reviewed. 3.Thirty six different mailings

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								from across the Dept are in scope and will be reviewed (those with an annual volume of 100,000 pieces or more a year). 4.The combined volume of these 36 different mailings is 16 million letters a year. 5. 13 are joint mailings with HCA 6. 2 are joint mailings with DEL
2	Completed	Workgroup(s) researches and documents the basis for mailing the inventoried mailings. This work will identify two sets of mailings: those for which there is no administrative (or other) requirement and those where there is an administrative (or other) requirement to mail.	DSHS	11/12	No	No	No	This work has identified two sets of mailings: those for which there is no administrative (or other) requirement and those where there is an administrative (or other) requirement to mail.
2	Completed	For those where there is no administrative (or other) requirement to mail, identify alternatives and complete analysis to determine whether feasible alternative exists.	DSHS	11/12	Yes	No	No	The DSHS workgroup identified: 1. 6 of the 36 mailings are not required. 2. 2 of those the 6 could likely be discontinued with training. 3. 4 of the 6 could have an opt-in automated process.
2	Completed	Where required by administrative and other rules, the workgroup(s) will identify alternative methods requiring the mailings as well as possible alternatives to mailing by November 1, 2012.	DSHS	11/12	Yes	No	No	The DSHS workgroup identified: 1. 30 of the 36 mailings are required. 2. 2 of those 30 have been modified to reduce mailing cost. 3. 4 of the 28 require "Mailing" in

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								the rule. These would require change in state and federal rules. 4. 24 of the 28 require "notification" in the rule. These don't require rule changes but could require federal waivers.
2	Not Started	Workgroup(s) presents findings (in report format) to management.	DSHS	~~1/13~~ 1/14	Yes	No	No	The individual responsible for coordinating this CAP among many other responsibilities required of the position left the Department. The Department is in the process of hiring a replacement for the position. This reason along with other resource limitations has resulted in limited action on this CAP.
2	Not Started	Where feasible, revise administrative rules requiring the mailing of these documents by July1, 2013.	DSHS	~~7/13~~ 1/14	Yes	No	No	
3	Completed	L&I will continue to dedicate priority to removal of barriers posed through agency rule and laws.	L&I	N/A	Yes	No	No	Continue with on-going efforts
3	Completed	DOL currently works with DES to analyze mail volumes and find the most effective and efficient method available to reduce costs. DOL looks forward to further direction needed to determine the format and frequency of these reports.	DOL	N/A	Yes	No	No	Will continue with on-going efforts to work with DES to analyze mail volumes and find the most effective and efficient method available to reduce costs. DOL looks forward to further direction needed to determine the format and frequency of these reports.
3	Not	Workgroup(s) will research	DSHS	~~7/13~~	Yes	No	No	

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	Started	implementation costs and projected savings associated with changes to those mailings detailed previously in the workgroup report.		1/14				
3	Not Started	The workgroup(s) will expand the report to detail the review of mailing requirements, subsequent changes to these requirements, and associated implementation costs and projected or actual savings.	DSHS	~~9/13~~ 3/14	Yes	No	No	
3	Not Started	Workgroup(s) presents findings (in expanded report format) to management.	DSHS	~~11/13~~ 5/14	Yes	No	No	The report will detail the review of mailing requirements, subsequent changes to these requirements, and associated implementation costs and projected or actual savings.
3	Not Started	Report to the Department of Enterprise Services by January 1, 2014.	DSHS	~~1/14~~ 7/14	Yes	No	No	
4	Completed	L&I will look forward to further direction on reporting requirements and will be available to assist in process/template development to facilitate useful and consistent data.	L&I	N/A	Yes	No	No	Continue with on-going efforts
4	Not Started	DOL looks forward to further direction (from DES) on reporting requirements and will be available to assist in process/template development to facilitate useful and consistent data.	DOL	1/2014	Yes	No	No	**07/10/2014 update**: DOL looks forward to the opportunity to report Agency efforts to reduce outgoing mail and is willing to provide DES with the results of these efforts to include, implementation costs, projected savings, and expected ROI. In the meantime DOL will continue our efforts in reducing mail service costs and work with DES when

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								applicable on how to best achieve these results.
4	Not Started	Develop and implement metrics and tracking mechanism(s) that include implementation costs, savings, and return on investment.	DSHS	~~1/14~~ 7/14	Yes	No	No	Report to the Department of Enterprise Services will be due in January 2014
4	Not Started	Report to the Department of Enterprise Services by January 1, 2014.	DSHS	~~1/14~~ 7/14	Yes	No	No	

Last updated: July 2014