

Special Report

State-Issued Pager Service

**The State of West Virginia Could Realize Cost Savings
By Eliminating Underutilized Pager Service**



**January 2006
PE 05-26-369**

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John Sylvia
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January 9, 2006

The Honorable Edwin J. Bowman
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The Honorable J.D. Beane
House of Delegates
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1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0470

Dear Chairs:

We are transmitting a Special Report on *State-Issued Pager Service*, which will be presented to the Joint Committee on Government Operations on Monday, January 9, 2006. The issue covered herein is "The State of West Virginia Could Realize Cost Savings By Eliminating Underutilized Pager Service."

Let me know if you have any questions.

Sincerely,

Handwritten signature of John Sylvia in cursive script.
John Sylvia

JS/wsc

Joint Committee on Government and Finance

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Executive Summary

Issue 1: The State of West Virginia Could Realize Cost Savings By Eliminating Underutilized Pager Service

The Legislative Auditor initiated a study of state-issued pagers as a result of a previous audit that examined state-issued wireless telephones. In the wireless telephone report, the Legislative Auditor estimated that the state of West Virginia is wasting over \$500,000 annually on unnecessary wireless telephones. The intention of the pager study was to determine if the state is wasting money on unnecessary state-issued pagers.

To create a study of pager use among state employees, the Legislative Auditor developed a list of local communication companies that offer pager service to various state agencies. The list included Capitol Paging; Unity Communications; Page 1; Black Bear Paging Service; Cellular Tel; and Global Paging. The Legislative Auditor then made a request to the State Auditor's Office for the June 2005 invoices of state agencies that were using any of the vendors on the list. The State Auditor's Office provided the Legislative Auditor with invoices for the following state agencies: Alcohol Beverage Control Commission (ABCC); State Auditor's Office; Department of Environmental Protection (DEP); Department of Health and Human Resources (DHHR); Division of Natural Resources (DNR); Educational Broadcasting Authority; Human Rights Commission; Office of Miner's Health and Safety Training; Public Employee Insurance Agency (PEIA); Division of Rehabilitation Services; Supreme Court; and the State Treasurer's Office.

The Legislative Auditor then sent a letter to each of these agencies with an attached list of pager numbers provided from the invoices. The letter requested that the agencies provide the Legislative Auditor with the corresponding name and email for each pager number provided on the invoice. Moreover, the letter asked the agencies to provide any additional names, pager numbers, and email addresses for any personnel that had pagers, but were not included on the list provided to them. A survey was created and sent to the respective email addresses of each state employee who was on the agencies' lists. Some employees did not have email access, thus hard copy surveys were sent by interdepartmental or U.S. mail. In total, 800 surveys were sent to state employees with state-issued pager service.

The Legislative Auditor had a 76% response rate for this survey. In analyzing the results of the pager survey, the Legislative Auditor took notice to the three questions aforementioned (#6, #10, #12). Question #6 showed that only 38% of survey participants were being paged on a "daily" or "weekly" basis. Therefore, according to the survey, the state is paying for 45% of pagers that are used "monthly," "infrequently," or "never."

Question #10 showed that only 30% of survey participants are contacted by pager after work hours or when out of the office. Therefore, according to the survey, the majority of participants (70%) were contacted by “state-issued wireless telephone,” “personal wireless telephone,” “land-line home telephone,” or by other means of communication, such as email.

If state agencies included in the survey eliminated unnecessary pager service, the estimated cost of pager service could drop from \$133,884 per year to \$80,330. That is a savings of up to \$53,554 annually to the state of West Virginia.

Question #12 showed that nearly half (40%) of the survey participants answered that the lack of a pager would not interfere with their ability to do their job. It is the opinion of the Legislative Auditor that this demonstrates the need for a scrutinized look at pager use throughout state government.

The Legislative Auditor took the monthly pager service invoices (June 2005) from the agencies that were included in this study, and then multiplied each of the agencies’ monthly invoice totals by twelve to come up with an estimated annual cost. The total annual pager service cost for the twelve agencies was \$133,884. If state agencies included in the survey eliminated unnecessary pager service, the estimated cost of pager service could drop from \$133,884 per year to \$80,330. That is a savings of up to \$53,554 annually to the state of West Virginia.

Recommendations

1. *The Legislative Auditor recommends that state agencies eliminate pagers that are being minimally used or that are determined to not be necessary for a state employee to conduct their work.*
2. *The Legislative Auditor recommends that state agencies report to the Legislative Auditor what, if any, actions were taken concerning this matter by March 31, 2006.*

Review Objective, Scope and Methodology

This Special Report on State-Issued Pagers is authorized by the West Virginia Code §4-2-5 as amended. The report was initiated by the Legislative Auditor as a result of a statewide study of wireless telephones that estimated that the State of West Virginia was possibly wasting \$500,000 in unnecessary wireless telephone service.

Objective

The objective of this audit was to determine if the State of West Virginia was expending wasteful funds on pager service.

Scope

The scope of this report included the examination of pager related transactions that occurred in June 2005 from various state agencies.

Methodology

To create a study of pager use among state employees, the Legislative Auditor developed a list of local communication companies that offer pager service to various state agencies. The list included Capitol Paging; Unity Communications; Page 1; Black Bear Paging Service; Cellular Tel; and Global Paging. The Legislative Auditor then made a request to the State Auditor's Office for the June 2005 invoices of state agencies that were using any of the vendors on the list. The State Auditor's Office provided the Legislative Auditor with invoices for the following state agencies: Alcohol Beverage Control Commission (ABCC); Attorney General's Office; State Auditor's Office; Department of Environmental Protection (DEP); Department of Health and Human Resources (DHHR); Division of Natural Resources (DNR); Educational Broadcasting Authority; Human Rights Commission; Office of Miner's Health and Safety Training; Public Employee Insurance Agency (PEIA); Division of Rehabilitation Services; Supreme Court; and the State Treasurer's Office.

The Legislative Auditor then sent a letter to each of these agencies with an attached list of pager numbers provided from the invoices. The letter requested that the agencies provide the Legislative Auditor with the corresponding name and email for each pager number provided on the invoice. Moreover, the letter asked the agencies to provide any additional names, pager numbers, and email addresses for any personnel that had pagers, but were not included on the list provided to them.

Upon receipt of this information, a survey was created and sent to the respective email addresses of each state employee who was on the agencies' lists. Some employees did not have e-mail access, thus hard copy surveys were sent by interdepartmental or U.S. mail. In total, 800 surveys were sent to state employees with state-issued pager service.

Issue 1

The State of West Virginia Could Realize Cost Savings By Eliminating Underutilized Pager Service

Issue Summary

The Legislative Auditor estimated that the state of West Virginia was possibly wasting approximately \$500,000 annually on wireless telephones that were being used minimally.

Exclusively for the agencies included in this study, the state of West Virginia could save up to \$53,554 annually by eliminating wasteful pager expenditures.

In May and June of 2005, the Legislative Auditor's Office issued two reports that revealed excessive personal use of state-issued wireless telephones by employees of the Prosecuting Attorneys Institute. As a result of these reports, the Legislative Auditor had concern that wasteful expenditures of wireless telephones may be occurring throughout state government. That led the Legislative Auditor to conduct a statewide study of state-issued wireless telephone usage by state employees. Contrary to the findings of excessive usage found in the first two reports, the statewide study revealed that the state was expending funds for wireless telephones that were being used minimally. From the study, the Legislative Auditor estimated that the state of West Virginia was possibly wasting approximately \$500,000 annually on wireless telephones that were being used minimally. This brought up the concern that the state could possibly be wasting money on pager service too. Thus, the Legislative Auditor initiated a study of state-issued pagers to determine if wasteful spending was occurring.

The Legislative Auditor concludes that the State of West Virginia can realize cost savings for pager service. Exclusively for the agencies included in this study, the state of West Virginia could save up to \$53,554 annually by eliminating wasteful pager expenditures. However, since not all state agencies that utilize pager service were included in the random sample, this amount is an understatement as to what the state could save as a whole.

The Legislative Auditor Conducted A Survey of 800 State Employees With State-Issued Pagers

To create a study of pager use among state employees, the Legislative Auditor developed a list of local communication companies that offer pager service to various state agencies. The list included Capitol Paging; Unity Communications; Page 1; Black Bear Paging Service; Cellular Tel; and Global Paging. The Legislative Auditor then made a request to the State Auditor's Office for the June 2005 invoices of state agencies that were using any of the vendors on the list. The State Auditor's Office provided the Legislative

In total, 800 surveys were sent to state employees with state-issued pager service.

The Legislative Auditor estimates that \$133,884 is spent annually on pager service by these agencies.

The Legislative Auditor had a 76% response rate for this survey.

Auditor with invoices for the following state agencies: Alcohol Beverage Control Commission (ABCC); State Auditor's Office; Department of Environmental Protection (DEP); Department of Health and Human Resources (DHHR); Division of Natural Resources (DNR); Educational Broadcasting Authority; Human Rights Commission; Office of Miner's Health and Safety Training; Public Employee Insurance Agency (PEIA); Division of Rehabilitation Services; Supreme Court; and the State Treasurer's Office.

The Legislative Auditor then sent a letter to each of these agencies with an attached list of pager numbers provided from the invoices. The letter requested that the agencies provide the Legislative Auditor with the corresponding name and email for each pager number provided on the invoice. Moreover, the letter asked the agencies to provide any additional names, pager numbers, and email addresses for any personnel that had pagers, but were not included on the list provided to them.

Upon receipt of this information, a survey was created and sent to the respective email addresses of each state employee who was on the agencies' lists. Some employees did not have email access, thus hard copy surveys were sent by interdepartmental or U.S. mail. In total, 800 surveys were sent to state employees with state-issued pager service.

Furthermore, the Legislative Auditor used the June 2005 invoices in deriving an estimated annual cost for pager service by the agencies included in the sample. The Legislative Auditor estimates that \$133,884 is spent annually on pager service by these agencies.

Survey Results

Out of 800 surveys sent to employees who are provided a state-issued pager, 605 responses were received. Thus, the Legislative Auditor had a 76% response rate for this survey. A full copy of the survey and the results are shown below.

Issue 1

1. What agency do you work for?
 - ABC Commission
 - Auditor
 - DEP
 - DHHR
 - DNR
 - Educational Broadcasting Authority
 - Human Rights Commission
 - Miner's Health and Safety Training
 - PEIA
 - Rehab Services
 - Supreme Court
 - Treasurer

2. What is your pager number?

3. Do you carry your pager during work hours?
 1. No- 12%
 2. Yes- 88%

4. Do you carry your pager after work hours (including weekends)?
 1. No- 29%
 2. Yes- 71%

5. Do you receive work related pages after work hours?
 1. No- 31%
 2. Yes- 69%

6. How often are you paged?
 1. Daily- 18%
 2. Weekly- 20%
 3. Monthly- 10%
 4. Infrequently- 27%
 5. Never- 8%
 6. Other- 17%

7. When was the last time you were paged?

8. Do you regularly work outside the office? (i.e. field work)
 1. No- 24%
 2. Yes- 76%

9. Do you have a state-issued wireless telephone?

1. No- 69%
2. Yes- 31%

10. How are you generally contacted after work hours and/or when out of the office? Select only one.

1. Pager- 30%
2. State-issued wireless telephone- 15%
3. Personal wireless telephone- 17%
4. Land-line home telephone- 30%
5. Other- 9%

11. Has the frequency of being paged decreased in the past year?

1. No- 65%
2. Yes- 35%

If yes, is this because you are contacted more often by wireless telephone?

1. Does not apply- 69%
2. No- 10%
3. Yes- 21%

Over one-third (35%) of participants answered that they are paged “infrequently” or “never.”

12. Would the lack of a pager interfere with the ability to do your job?

1. No- 40%
2. Yes- 60%

When analyzing the results of the survey, the response to three of the questions caught the attention of the Legislative Auditor.

- Question #6 asked survey participants, “*How often are you paged?*” Over one-third (35%) of participants answered that they are paged “*infrequently*” or “*never*.” Additionally, 10% of participants answered that they are paged “*monthly*,” and 17% answered “*other*.” For those that answered “*other*,” most participants seemed to indicate that although they were paged infrequently, the value of being able to be contacted outweighed the cost of the pager. For example, some employees are only contacted in case of emergency, while others claimed they are only paged during peak times, such as the regular legislative session. In essence, only 38% of participants are being paged on a “*daily*” or “*weekly*” basis.

Question #12 asked participants, “Would the lack of a pager interfere with the ability to do your job?” To this question, 40% of participants answered “No.”

- Question #10 asked survey participants, “How are you generally contacted after work hours and/or when out of the office? Only 30% of the participants responded that they are contacted by pager. The rest of the participants (70%) answered that they are contacted by either “state-issued wireless telephone,” “personal wireless telephone,” “land-line home telephone,” or by other means of communication, such as email.
- Question #12 asked participants, “Would the lack of a pager interfere with the ability to do your job?” To this question, 40% of participants answered “No.”

Analysis of the Survey Results Shows Unnecessary Pager Service Expenditures

The state is paying for 45% of pagers that are used “monthly,” “infrequently,” or “never.”

In analyzing the results of the pager survey, the Legislative Auditor took notice to the three questions aforementioned (#6, #10, #12). **It is the opinion of the Legislative Auditor that the responses to these questions suggest that there are unnecessary expenditures occurring regarding the use of state-issued pagers.** Question #6 showed that only 38% of survey participants were being paged on a “daily” or “weekly” basis. Therefore, according to the survey, the state is paying for 45% of pagers that are used “monthly,” “infrequently,” or “never.” The Legislative Auditor questions the necessity of the state paying for pagers that are used minimally.

It is the opinion of the Legislative Auditor that this demonstrates the need for a scrutinized look at pager use throughout state government.

Question #10 showed that only 30% of survey participants are contacted by pager after work hours or when out of the office. Therefore, according to the survey, the majority of participants (70%) were contacted by “state-issued wireless telephone,” “personal wireless telephone,” “land-line home telephone,” or by other means of communication, such as email. The responses to this question suggest that rather than paging employees, people are simply calling them, either on a wireless telephone (personal or state-issued) or a land-line home telephone.

Question #12 showed that nearly half (40%) of the survey participants answered that the lack of a pager would not interfere with their ability to do their job. It is the opinion of the Legislative Auditor that this demonstrates the need for a scrutinized look at pager use throughout state government. **The Legislative Auditor questions why some employees are issued pagers if having a pager is not necessary in fulfilling the employee’s duties.**

The Legislative Auditor does question the continuing subscription to a pager service when the service is rarely being utilized.

In analyzing the written portions of the survey, the Legislative Auditor did find that pagers are beneficial to employees that work in rural areas of the state, because of the difficulty or lack of wireless telephone service. Several survey participants noted that pagers were the only way to contact them when working in the field. For example, DNR park service employees work in the remote mountains or low valleys where wireless telephone signals do not reach, and thus a pager is necessary. In addition, the Legislative Auditor does not question the necessity of pagers, because it can be a valuable tool which is beneficial to the daily operations of state government. But, the Legislative Auditor does question the continuing subscription to a pager service when the service is rarely being utilized, other means are being used to contact employees, or the pager is not necessary to conduct daily work.

State Agencies Could Realize Possible Cost Savings by Eliminating Pager Service for Some State Employees

Specifically, questions #6 and #10 indicate that, as was found with state-issued wireless telephones, there is minimal to no use of pagers that are being paid for monthly. Moreover, question #12 revealed that 40% of survey participants indicated that a pager is not necessary for them to perform their job.

It is the opinion of the Legislative Auditor that the State of West Virginia can realize cost savings on pager service. In Table 1, the Legislative Auditor took the monthly pager service invoices (June 2005) from the agencies that were included in this study, and then multiplied each of the agencies' monthly invoice totals by twelve to come up with an estimated annual cost. The total annual pager service cost for the twelve agencies was \$133,884.

According to the survey conducted by the Legislative Auditor, there is a need for some pager elimination in state government. Specifically, questions #6 and #10 indicate that, as was found with state-issued wireless telephones, there is minimal to no use of pagers that are being paid for monthly. Moreover, question #12 revealed that 40% of survey participants indicated that a pager is not necessary for them to perform their job. The responses to these questions alone demonstrate the need for the heads of state government agencies to closely scrutinize pager use within their agencies, and to make a determination for each employee on the necessity of being issued a pager. Should it be determined that the employee does not need a pager to perform the day-to-day duties of his or her job, then that pager service should be cancelled.

In addition, the Legislative Auditor discovered that some of the pagers were not assigned to an employee, yet were still being paid for in the monthly invoice. This is yet another example of why pagers need to be closely scrutinized. Agencies are paying for pager service that is not being used.

This study did not include all agencies of state government that use pagers. While this amount of possible savings is far less than what was found in

the state-issued wireless telephone audit, **the Legislative Auditor finds that it is important for state agencies to eliminate unnecessary waste, no matter the amount.**

Table 1 June 2005 Monthly and Estimated 2005 Annual Pager Costs		
Agency	June 2005 Invoice	Estimated Annual Cost
ABC Commission	\$448	\$5,376
Auditor	\$600	\$7,200
DEP*	\$408	\$4,896
DHHR*	\$7,395	\$88,740
DNR	\$784	\$9,408
Educational Broadcasting Authority	\$234	\$2,808
Human Rights Commission	\$32	\$384
Miner's Health and Safety Training	\$40	\$480
PEIA	\$52	\$624
Rehabilitation Services [^]	\$564	\$6,768
Supreme Court	\$120	\$1,440
Treasurer	\$480	\$5,760
Totals	\$11,157	\$133,884
*The total number of invoices for the DEP and DHHR were not obtained from the State Auditor's Office. The Legislative Auditor calculated these averages by taking the average cost of each individual pager from the invoices provided and multiplying it by the total number of pagers in each agency. The total number of pagers was provided to the Legislative Auditor by the respective agencies.		
[^] The June 2005 invoice for Rehabilitation Services was not available from the Auditor's Office at the time of request. Therefore, the May 2005 invoice was used instead.		
Source: Legislative Auditor's Analysis of state agency pager survey and State Auditor's Office records.		

If state agencies included in the survey eliminated unnecessary pager service, the estimated cost of pager service could drop from \$133,884 per year to \$80,330.

If state agencies included in the survey eliminated unnecessary pager service, the estimated cost of pager service could drop from \$133,884 per year to \$80,330. This is taking into account the response to Question #12 of the Legislative Auditor's survey, which according to the responses, 40% of the pager users state that a pager is not necessary to conduct their job. **Thus, the state of West Virginia could save up to \$53,554 annually by eliminating wasteful pager expenditures.** Since not all state agencies that utilize pager

service were included in the random sample, this amount is an understatement as to what the state could save as a whole. The Legislative Auditor recommends that the state agency department heads represented in this survey should review their pager service assignments to employees and determine their necessity.

The Legislative Auditor recommends that the state agency department heads represented in this survey should review their pager service assignments to employees and determine their necessity.

State Agencies Should Report Their Actions Taken on Pager Use to the Legislative Auditor By March 31, 2006

It is the opinion of the Legislative Auditor that the 12 state agencies included in this analysis closely scrutinize their pager use, and take action to eliminate minimally used pagers, or pagers that are not used at all. The agencies should report to the Legislative Auditor actions that were taken concerning this matter by March 31, 2006. Included should be the number of pagers eliminated, and the monthly cost savings that were realized as a result of the pagers being eliminated. If no pagers were eliminated or a minimal number were eliminated that do not reflect the results of this survey, the state agency should state the reasons in the report. The Legislative Auditor will provide each agency head with the results of the survey to aid them in choosing what pagers could possibly be eliminated.

The agencies should report to the Legislative Auditor actions that were taken concerning this matter by March 31, 2006.

Conclusion

The Legislative Auditor concludes that the State of West Virginia can realize cost savings for pager service. In order to accomplish this, state agency heads will have to closely scrutinize pager use among agency employees, and determine for which employees having a pager is necessary for them to fulfill their duties and responsibilities. Once the determination is made, the Legislative Auditor recommends that state agencies eliminate pagers that are being used minimally or not used at all, and report to the Legislative Auditor by March 31, 2006, the results of their actions.

The Legislative Auditor concludes that the State of West Virginia can realize cost savings for pager service.

Recommendations

1. *The Legislative Auditor recommends that state agencies eliminate pagers that are being minimally used or that are determined to not be necessary for a state employee to conduct their work.*
2. *The Legislative Auditor recommends that state agencies report to the Legislative Auditor what, if any, actions were taken concerning this matter by March 31, 2006.*