

Special Report

State-Issued Pager Service Update

The State of West Virginia Will Realize an Additional Annual Cost Savings of \$59,985 by Eliminating Minimally Used or Unnecessary Pagers. To Date a Grand Total of \$85,840 Has Been Saved Annually Through Eliminating Unnecessary Pagers



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John Sylvia
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December 11, 2006

The Honorable Edwin J. Bowman
State Senate
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The Honorable J.D. Beane
House of Delegates
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Charleston, West Virginia 25305-0470

Dear Chairs:

Pursuant to the West Virginia Sunset Law, we are transmitting a Special Report on the State-Issued Pager Service Update, which will be presented to the Joint Committee on Government Operations on Monday, December 11, 2006. The issue covered herein is "The State of West Virginia Will Realize an Additional Annual Cost Savings of \$59,985 by Eliminating Minimally Used or Unnecessary Pagers. To Date a Grand Total of \$85,840 Has Been Saved Annually Through Eliminating Unnecessary Pagers."

Let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "John Sylvia".

John Sylvia

JS/tlc

Joint Committee on Government and Finance

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Executive Summary

Issue 1 The State of West Virginia Will Realize an Additional Annual Cost Savings of \$59,985 by Eliminating Minimally Used or Unnecessary Pagers. To Date a Grand Total of \$85,840 Has Been Saved Annually Through Eliminating Unnecessary Pagers.

In January 2006, the Legislative Auditor reported that 12 state agencies could possibly save up to \$53,554 annually by eliminating unnecessary pager expenditures. This would drop the cost of pager service for the agencies surveyed from \$133,884 per year to \$80,330.

On average, 37% of the pagers utilized by 16 agencies were eliminated, with a total cost savings of \$59,985.

In June 2006, the Legislative Auditor followed-up with the twelve agencies originally surveyed in order to obtain the actual annual cost savings realized by eliminating unnecessary pagers. **The June 2006 report stated that the twelve agencies actual annual cost savings was \$25,855 by eliminating 150 pagers.** This amounted to a 18% reduction in the total number of pagers by the agencies surveyed.

Following the June 2006 update, the Legislative Auditor forwarded the report to other state agencies that did not participate in the original survey. The Legislative Auditor distributed the previous reports and included a letter requesting a review of pager utilization and expenditures. Forty-six agencies responded detailing the number of pagers, number of pagers eliminated (if any), and annual cost savings. As a result, 348 pagers were eliminated by 16 agencies. **On average, 37% of the pagers utilized by 16 agencies were eliminated, with a total cost savings of \$59,985.** Twenty-five agencies surveyed did not have any pagers.

Five agencies determined that all pagers were necessary including the State Fire Marshal's Office, Division of Forestry, Office of Technology, Department of Agriculture, and the Department of Administration's Purchasing Division.

Review Objective, Scope and Methodology

This Special Report on State-Issued Pagers is authorized by West Virginia Code §4-2-5 as amended. This is an update of the January and June 2006 reports which found that the state of West Virginia could realize cost savings by eliminating pagers that were minimally used or determined to not be necessary for state employees to conduct their work.

Objective

The objective of this review was to report the annual cost savings that will be realized by each agency as a result of eliminating unnecessary pager service.

Scope

The scope of this report included the additional elimination of pagers by state agencies following the release of the January and June 2006 reports.

Methodology

The Legislative Auditor forwarded the June 2006 report to state agencies that did not participate in the original survey. The Legislative Auditor distributed the previous reports and requested a review of pager utilization and expenditures. Results of the report were compiled from agency responses. Every aspect of this review complied with the Generally Accepted Government Auditing Standards.

The State of West Virginia Will Realize an Additional Annual Cost Savings of \$59,985 by Eliminating Minimally Used or Unnecessary Pagers. To Date a Grand Total of \$85,840 Has Been Saved Annually Through Eliminating Unnecessary Pagers.

Background

In January 2006, the Legislative Auditor released a study of pager use within twelve state agencies. As part of the study, the Legislative Auditor surveyed each employee within each agency who was identified as being assigned a pager. The Legislative Auditor received 605 responses. After receiving the survey results, it was the opinion of the Legislative Auditor that the responses to these questions suggested that there were unnecessary expenditures occurring regarding the use of state-issued pagers. According to the survey, only 38% of survey participants were being paged on a “daily” or “weekly” basis and only 30% of survey participants were contacted by pager after work hours or when out of the office. Finally, the results 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.

The actual annual cost savings was \$25,855 by the elimination of 150 pagers by seven agencies.

In January 2006, the Legislative Auditor estimated that the agencies included in the survey could have saved up to \$53,554 annually, or 40%, by eliminating unnecessary pager expenditures. This would drop the cost of pager service for the agencies surveyed from \$133,884 per year to \$80,330.

In June 2006, the Legislative Auditor followed-up with the twelve agencies originally surveyed in order to obtain the actual annual cost savings realized by eliminating unnecessary pagers. **The June 2006 follow-up report indicated that the twelve agencies originally surveyed indicated the actual annual cost savings was \$25,855 by the elimination of 150 pagers by seven agencies.** This amounted to a 18% reduction in the total number of pagers by the agencies surveyed.

Sixteen State Agencies Eliminated Unnecessary Pagers for an Annual Savings of \$59,985

As a result of the June 2006 update, the Legislative Auditor decided to forward the report to other state agencies that did not participate in the first survey. The Legislative Auditor distributed the previous reports and included a letter requesting a review of pager utilization and expenditures.

An additional 348 pagers have been eliminated by 16 agencies.

Forty-six (46) agencies responded detailing the number of original pagers, number of pagers eliminated, and annual cost savings. Table 1 indicates this information by agency name. Agencies that indicated that they do not utilize pagers are listed in Appendix A. Twenty-five (25) agencies surveyed do not have any pagers.

An additional 348 pagers have been eliminated by 16 agencies. **On average, 37% of the pagers utilized by 16 agencies were eliminated with a total cost savings of \$59,985.** The Division of Corrections accounted for nearly half (\$22,344 of \$59,985) of the total annual cost savings. The Division of Corrections eliminated 142 pagers for a total annual cost savings of \$22,344. The Division of Highways had the next largest

**Table 1
Cost Saving Results of State Agency Pager Elimination**

Agency	Original # of Pagers	Pagers Eliminated	Percentage Eliminated	Annual Cost Savings
Division of Corrections	176	142	81%	\$22,344
Division of Culture and History	8	1	13%	\$120
Division of Highways	254	79	31%	\$11,925
Division of Juvenile Services	33	4	12%	\$540
Division of Motor Vehicles	7	5	71%	\$1,389
Division of Protective Services	10	6	60%	\$678
General Services Division	21	2	10%	\$334
Governor's Office	4	2	50%	\$385
Human Rights Commission	2	2	100%	\$385
Lottery Commission	9	6	67%	\$2,443
Parkways	10	3	30%	\$708
Public Service Commission	54	24	44%	\$5,410
State Police	330	53	16%	\$10,284
State Rail Authority	2	2	100%	\$600
Tax Department	27	14	50%	\$1,540
Work Force WV	6	3	50%	\$900
Total	953	348	37%	\$59,985

Source: Legislative Auditor's Survey

savings at \$11,925 annually by eliminating 79 pagers, followed by the State Police with a savings of \$10,284 annually. It must also be noted that the Human Rights Commission and the State Rail Authority eliminated all of their pagers. Nine of the 16 agencies that eliminated pagers reviewed and eliminated over 50% of all pagers.

Paying for equipment and services that are not being utilized is wasteful, and state agencies should periodically re-view these expenditures.

Five Agencies Determined All Pagers as Necessary for Regular Business

Five agencies indicated that they reviewed their pager usage and determined that all pagers were necessary including the State Fire Marshal's Office, Division of Forestry, Office of Technology, Department of Agriculture, and the Department of Administrations Purchasing Division. The State Fire Marshal determined that the 38 pagers utilized by the agency were necessary for good communication. The State Fire Marshal's Office stated;

The nature of our work dictates that we have communication with our people 24 hours a day. The Fire Marshals deal with 446 fire departments and over 11,000 firefighters around the State.

Thus, the State of West Virginia will realize a total annual cost savings of \$85,840 as a result of state agencies eliminating unnecessary pagers.

The Division of Forestry surveyed their field officers and determined that the pagers are used for 24-hour, round-the-clock contact with field personnel which is especially necessary during the official forest fire seasons, three months in the fall and three months in the spring.

The Purchasing Division utilizes only 1 pager which is assigned to the mail runner. The Department of Agriculture, prior to this survey, eliminated 4 pagers based on a needs assessment. The Office of Technology indicated that pagers were necessary for frequent visits at the Capitol complex and surrounding areas that do not have reliable phone coverage, in case of an emergency, and in order to receive automated pages to monitor equipment for System Support.

Conclusion

Paying for equipment and services that are not being utilized is wasteful, and state agencies should periodically review these expenditures. The 7 state agencies that eliminated pagers during the June

savings of \$59,985. **Thus, the State of West Virginia will realize a total annual cost savings of \$85,840 as a result of state agencies eliminating unnecessary pagers.** The Legislative Auditor commends the participating agencies for reviewing, and in some instances, eliminating their pagers.

Appendix A: Agencies Contacted That Do Not Use Pagers

1. Aeronautics Commission
2. BRIM
3. Bureau of Senior Services
4. CHIP Office
5. Development Office
6. Division of Banking
7. Division of Criminal Justice
8. Division of Labor
9. Division of Personnel
10. Division of Public Transit
11. Division of Tourism
12. Division of Veterans Affairs
13. Ethics Commission
14. Finance Division
15. Geological and Economic Survey
16. Grievance Board
17. Insurance Commission
18. Library Commission
19. Municipal Bond Commission
20. Office of Tax Appeals
21. Prosecuting Attorney's Institute
22. Public Defenders Service
23. Racing Commission
24. State Board of Education
25. State Budget Office

