

HOUSE BILL REPORT

SSB 5839

As Reported By House Committee On:
State Government

Title: An act relating to mail functions of state government.

Brief Description: Providing consolidated mail service for state agencies.

Sponsors: Senate Committee on Government Operations
(originally sponsored by Senators Cantu, Drew, Haugen and Winsley).

Brief History:

Reported by House Committee on:
State Government, April 1, 1993, DPA.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: Do pass as amended. Signed by 8 members: Representatives Anderson, Chair; Veloria, Vice Chair; Reams, Ranking Minority Member; Vance, Assistant Ranking Minority Member; Campbell; Conway; Dyer; and Pruitt.

Staff: Bonnie Austin (786-7135).

Background: In 1990, the Efficiency Commission conducted a study of state mail operations. The study found redundancy in agency mail operations and under-utilization of agency mail processing equipment. The Efficiency Commission recommended consolidating state agency mail operations.

The 1991 supplemental operating budget contained funds to implement a Consolidated Mail Service (CMS) program in the Department of General Administration (GA). Facilities in GA were remodeled and in February 1992, the Consolidated Mail Service began operations.

According to GA, CMS saved \$1.6 million in fiscal year 1992 on interagency mail costs. Agencies converting from private presort contracts to CMS's presort services saved nearly \$400,000, and agencies subscribing to CMS for sorting and metering outgoing mail saved approximately \$62,300 in staff and equipment costs.

Summary of Amended Bill: The Consolidated Mail Service is established in statute. The director of the Department of

General Administration (GA) is directed to establish a Consolidated Mail Service to handle all incoming, outgoing, and internal mail in the 98504 zip code area or successor zip code areas for state agencies in the Olympia, Tumwater, and Lacey area. Upon request, CMS will provide mail services to legislative and judicial agencies in the Olympia, Tumwater, and Lacey area. Other geographical areas may be included. The director of the Department of General Administration is authorized to periodically bill state agencies and others for mail services rendered.

State agency employees whose principal function is to perform mail services may be transferred to GA. The Office of Financial Management (OFM) will determine the number of employees to be transferred. Transferred employees will retain their status and continue to be covered by the state civil service law.

GA and OFM will review the current and prospective needs of state agencies for mail processing equipment. GA is authorized to transfer or otherwise dispose of such equipment under certain circumstances. OFM will resolve disputes arising from this process.

Amended Bill Compared to Substitute Bill: Language was deleted requiring that the transfer of mail processing equipment could only occur when the transfer would improve, at less cost, the economy, efficiency, and effectiveness of the mail service and the affected state agency.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect on July 1, 1993.

Testimony For: This proposal has been in the works for 10 years. CMS saves the state money in presorting costs and on interagency mail costs. CMS is also taking advantage of postal discounts. It eliminates duplication between agencies, cutting staffing and equipment costs. CMS provides an increased level and quality of service.

Testimony Against: None.

Witnesses: Senator Cantu, prime sponsor (pro); Alan Kurimura, Department of General Administration (pro); and Kathy McComb, Department of General Administration (pro).