

WEST VIRGINIA LEGISLATIVE AUDITOR'S OFFICE

Post Audit Division

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Denny Rhodes
Director

August 20, 2017

The Honorable Mitch Carmichael, President
West Virginia State Senate
Post Audits Subcommittee, Co-Chair
Room 229 M, Building 1
State Capitol Complex
Charleston, WV 25305

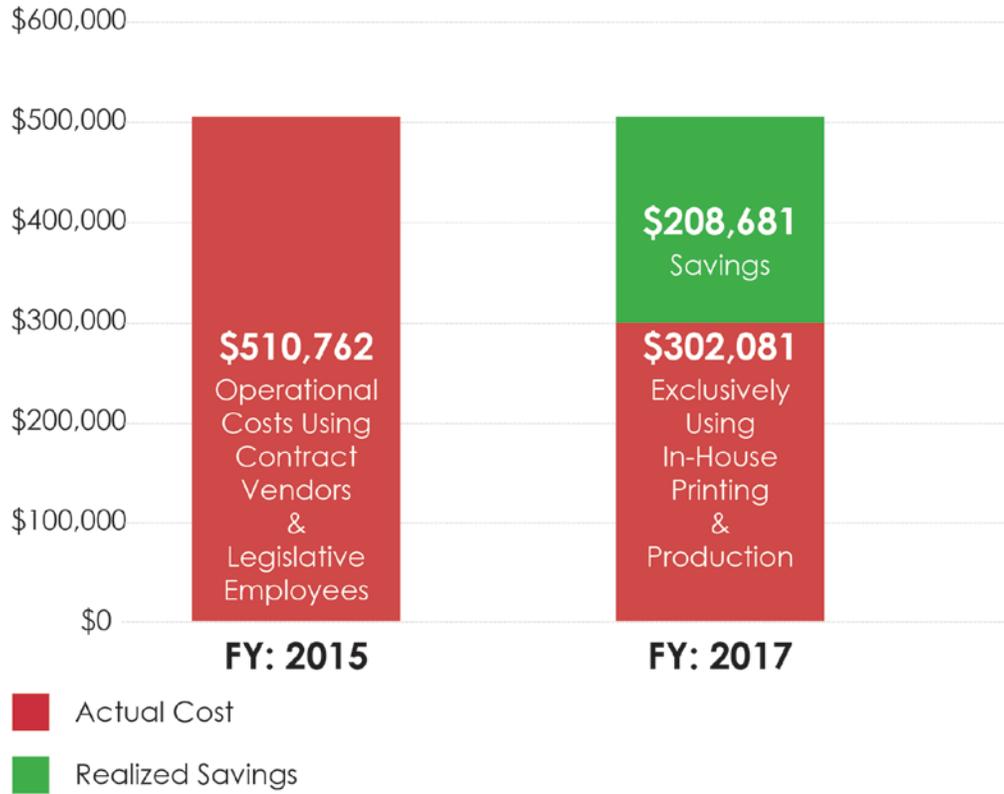
The Honorable Timothy Armstead, Speaker
West Virginia House of Delegates
Post Audits Subcommittee, Co-Chair
Room 228 M, Building 1
State Capitol Complex
Charleston, WV 25305

Dear Mr. President and Mr. Speaker:

A cost/benefit analysis was presented to this committee during the May 2016 interim meeting regarding cost savings and gains in efficiencies that were realized when the Legislature transitioned from using contractors for much of the Legislative printing functions to performing a majority of the printing in-house. For this analysis, and all previous analyses related to the transition, it was necessary to estimate most factors in calculating the costs incurred for in-house printing. However, with the passage of time, we have been able to update our analysis by using **actual costs incurred** for in-house printing.

Our costs analysis using actual expenditures for Fiscal Year 2017 confirms the conclusions reached in our early analyses that **moving the printing functions in-house has resulted in significant savings**. The chart that follows reflects the results of this analysis:

Legislative Printing Costs & Savings



The red bar on the graph depicts the actual costs incurred for printing and proof reading services for each respective year. Only those printing costs for services transitioned in-house are included in the graph as some limited printing services are still performed by outside vendors. The costs for Fiscal Year 2015 consists of amounts paid to printing vendors and journal room support staff, while Fiscal Year 2017 portrays the costs incurred in performing the entirety of these printing functions in-house. **The green bar depicts the 41% savings that resulted from the transition to in-house printing.** It is important to note **the cost analysis does not just reflect a one-time cost savings, but a continuous cost savings every year.**

Our previous cost/benefit analysis conducted March 2016 predicted savings of approximately 58%. The actual savings for our Fiscal Year 2017 analysis are 17% less than the March 2016 analysis projected primarily due to: (1) the actual employment of two fulltime printer operators for Fiscal Year 2017 while our early analyses only accounted for the employment of one printer operator; (2) the employment of 16 proofreaders during the Fiscal Year 2017 session while our early analyses only allowed for 13 proof readers for a 60-day regular session; and (3) the continued employment of some proofreaders during the Fiscal Year 2017 21-day special session.

The consensus of all involved in making the change from using outside vendors to in-house printing services is that it has been a great success both in terms of cost savings and improved efficiencies. **It is apparent the decision to transition to in-house printing has benefited the Legislature, the State, and the taxpaying public.**

Sincerely,

Denny Rhodes