Program Name: Mail Service Center

Measurability Assessment Conducted by Program Evaluation Division

Overall Indicator Ratings and Table of Contents

	Overall Indicator Rating			Page Number
	Meets	Partially Meets	Does Not Meet	
1. Program does not duplicate other related programs.			✓	74
2. Program has a problem definition.			✓	75
3. Program has a logic model.		✓		76
4. Program is evidence-based.			✓	77
5. Program has conducted a scalability analysis.		✓		78
6. Program has a strategic plan.		✓		79
7. Program has performance measures.		✓		80
8. Program has a quality improvement system.		✓		81
9. Program has a risk assessment.		✓		82
10. Program has a financial forecast.		✓		83
11. Program has cost sharing documents.	✓			84
12. Program has conducted a staffing analysis.			✓	85
13. Program has an accounting system.	✓			86
14. Program is audited.		✓		87

Mail Service Center

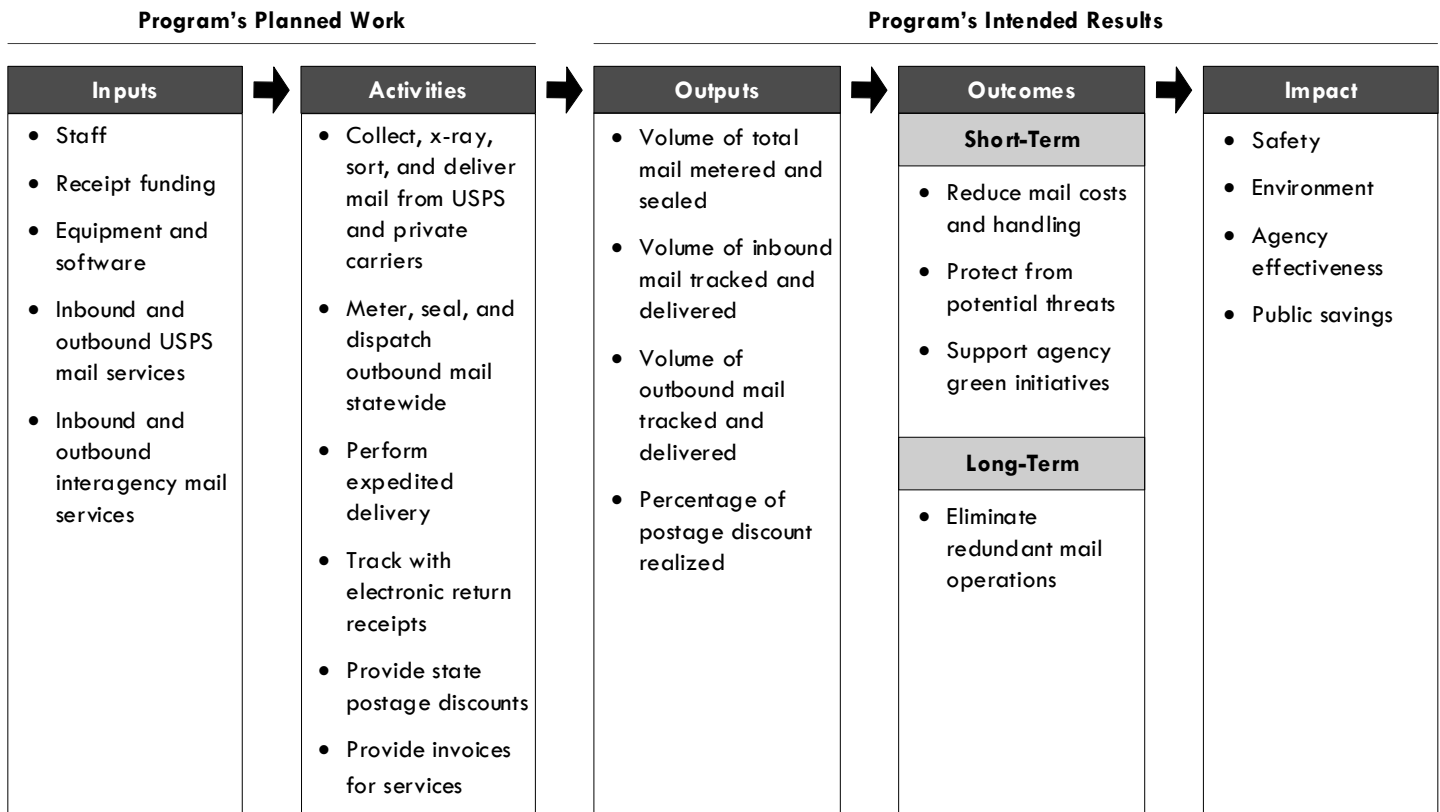The Mail Service Center is a division within the Department of Administration.

- **Mission:** To provide a full range of postal services to and from all state agencies, with the highest quality, in the most cost-efficient manner, and with the highest degree of customer satisfaction

- **Statutory Authority:** N.C. Gen. Stat. § 143-341(8)(g)

- **Covered Entities:** All state agencies

Fiscal Snapshot

	FY 2016–17	FY 2017–18	FY 2018–19
Total Requirements	$5,077,567	$4,234,376	$4,234,376
Total Receipts	($5,079,869)	($4,236,678)	($4,236,678)
Change in Fund Balance	$2,302	$2,302	$2,302
Total Positions	82	60	60

Note: For Fiscal Year 2016–17, BEACON shows the Center having 60 positions as of June 30, 2017, instead of 82.

Source: Program Evaluation Division based on OSBM's 2015–17 and 2017–19 Certified Budgets.

Logic Model Created by PED

Program's Planned Work

Inputs
- Staff
- Receipt funding
- Equipment and software
- Inbound and outbound USPS mail services
- Inbound and outbound interagency mail services

Activities
- Collect, x-ray, sort, and deliver mail from USPS and private carriers
- Meter, seal, and dispatch outbound mail statewide
- Perform expedited delivery
- Track with electronic return receipts
- Provide state postage discounts
- Provide invoices for services

Program's Intended Results

Outputs
- Volume of total mail metered and sealed
- Volume of inbound mail tracked and delivered
- Volume of outbound mail tracked and delivered
- Percentage of postage discount realized

Outcomes

Short-Term
- Reduce mail costs and handling
- Protect from potential threats
- Support agency green initiatives

Long-Term
- Eliminate redundant mail operations

Impact
- Safety
- Environment
- Agency effectiveness
- Public savings

Source: Program Evaluation Division based on information from the Mail Service Center.

Program Name: Mail Service Center

Indicators of a Clear and Unique Mission

Key Elements of Indicator 1: Avoids Duplication	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
1.1 Program has an inventory that identifies other current programs active in the policy area that address the same goal.			✓
1.2 Inventory demonstrates how the examined program is unique from the other related programs.			✓
1.3 Inventory identifies the purpose of each program.			✓
1.4 Inventory identifies the services, products, or functions each program is providing.			✓
1.5 Inventory identifies the target population served by each program.			✓
1.6 Inventory identifies how the program coordinates with other related programs to avoid wasteful competition and duplication.			✓
1.7 Inventory is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
1. Program does not duplicate other related programs.			✓

Description: Although the Mail Service Center has an inventory of mailing addresses, it does not have a program inventory that identifies other current programs active in the policy area that address the same goal. Therefore, the Center cannot demonstrate how it is unique from other related programs. The Center attempts to avoid wasteful competition and duplication by having agencies sign a Statement of Compliance for Mailing Services or Mailing Equipment, which requires them to certify the services or equipment they need are not provided by the Center or practical for the Center to provide, but it does not coordinate with other programs. Without an inventory, the Center cannot be sure it avoids wasteful competition and duplication.

Suggestions: The Center stated, "Today, there are multiple redundant mailing operations circumventing the general statute and overspending in mailing services." The Center should conduct a scan of the public sector (both internal and external to its agency) and the nonprofit and private sector to identify any programs that are active in its policy area. For example, this scan could identify programs that provide mailing, packaging, and shipping services that agencies can use (e.g., agency mail centers, US Postal Service, UPS, FedEx). Then, the Center should create an inventory that identifies other current programs active in the policy area that address the same goal as the Center. The inventory should identify the purpose of each program; the services, products, or functions each program is providing; and the target population served by each program. The Center should include itself in the inventory so that it is clear which services the Office provides that no other programs provide. The inventory should demonstrate how the Center is unique from related programs and how it coordinates with those programs to avoid wasteful competition and duplication. The Center should update the program inventory periodically.

Program Name: Mail Service Center

Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 2: Problem Definition	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
2.1 Problem definition is based on supportive evidence that clearly describes the nature and extent of the problem facing the individuals the program serves.			✓
2.2 Problem definition identifies the major factors contributing to the problem.			✓
2.3 Problem definition identifies current gaps in services or programs.			✓
2.4 If program is based on a "promising approach" or "best practice," problem definition provides a rationale for the transferability of the approach to the population the program serves. *If program is not based on a "promising approach" or "best practice," enter N/A.*	N/A		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
2. Program has a problem definition.			✓

Description: Although the Mail Service Center identifies a problem of improper and minimal use of its official mailing addresses, which has caused inconsistent and redundant handling of state government mail, it does not have a problem definition based on supportive evidence that clearly describes the nature and extent of the problem the Center is intended to address.

Suggestions: The Center should create a problem definition, in one document, that describes the statewide problem it is intended to address. For example, duplication and inefficiencies result from decentralized management of state agency mailing needs. The problem definition should be based on supportive evidence that clearly describes the nature and extent of the problem facing the agencies the Center serves. The problem definition should identify the major factors contributing to the problem and identify current gaps in services.

Program Name: Mail Service Center

Indicators of a Clear and Unique Mission (continued)

Key Elements of Indicator 3: Logic Model	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
3.1 Logic model includes specified inputs.	✓		
3.2 Logic model includes specified activities.	✓		
3.3 Logic model includes specified outputs.			✓
3.4 Logic model includes specified short-term and long-term outcomes.	✓		
3.5 Logic model includes specified impacts.	✓		
3.6 The logic model has been shared with program staff and key stakeholders.			✓
3.7 The logic model is updated periodically.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
3. Program has a logic model.		✓	

Description: The Mail Service Center has a logic model with specified inputs, such as staff, receipt funding, and inbound and outbound mail services. The logic model includes specified activities, such as collecting mail from US Postal Service and private carriers, dispatching outbound mail, and providing state postage discounts. Although the logic model identifies the types of participants in the Center's activities, it does not include specified outputs. The logic model includes specified short-term outcomes (e.g., reducing mail costs and handling) and long-term outcomes (e.g., eliminating redundant mail operations). The logic model includes specified impacts such as safety. The Center did not provide documentation demonstrating it shares its logic model with staff and key stakeholders. The Center did not provide documentation demonstrating it updates its logic model periodically.

Suggestions: The Center should include specified outputs in its logic model such as volume of total mail metered and sealed, volume of inbound mail tracked and delivered, and volume of outbound mail tracked and delivered. The Center should share its logic model with staff and key stakeholders. The Center should update its logic model periodically and indicate on the document when it was last updated. In addition, the Center's logic model could be strengthened in the following ways:

- phrase outcomes in terms of the direction of change expected (e.g., increased, decreased) and
- differentiate long-term outcomes from impacts.

Program Name: Mail Service Center

Indicators of a Focus on Results

Key Elements of Indicator 4: Evidence-Based	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
4.1 Program can demonstrate that its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
4. Program is evidence-based.			✓

Description: Although the Mail Service Center provided studies by the University of North Carolina Kenan-Flagler Business School (2014) and the Office of State Budget and Management (2015) that examined the Center's financial status and sustainability, these studies are not impact evaluations. Therefore, the Center did not provide documentation demonstrating its outcomes in North Carolina have been tested by a rigorous impact evaluation or that it uses a design that has been tested and found to be successful through multiple rigorous impact evaluations in other jurisdictions.

Suggestions: The Center should identify the primary services it offers, and each service should be subject to an impact evaluation. Impact evaluations determine the extent to which a program produces desired outcomes and intended improvements in the conditions it was intended to ameliorate. Impact evaluations produce an estimate of the net effects of a program—the changes brought about by the intervention above and beyond those resulting from other processes and events affecting the targeted conditions.

Program Name: Mail Service Center

Indicators of a Focus on Results (continued)

Key Elements of Indicator 5: Scalability Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
5.1 Scalability documents determine whether the program has robust evidence of its effectiveness.		✓	
5.2 Scalability documents determine whether the program has the potential for substantially expanded reach and system adoption.	✓		
5.3 Scalability documents determine whether an expanded program is acceptable to target groups and settings.		✓	
5.4 Scalability documents determine whether an expanded program can be delivered at an acceptable cost.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
5. Program has conducted a scalability analysis.		✓	

Description: The Mail Service Center has scalability documents that determine whether the program has potential for substantially expanded reach and system adoption (e.g., the ability for increased mail volume) and whether an expanded program can be delivered at an acceptable cost (e.g., transparent presorting mail charges). Although the scalability documents include a workhour/workload model, this model alone does not demonstrate robust evidence of the Center's effectiveness. Although the scalability documents describe new and forthcoming initiatives, the Center did not provide documentation demonstrating an expanded program is acceptable to target groups and settings.

Suggestions: In addition to the workhour/workload model, the Center's scalability documents should demonstrate robust evidence of the Center's effectiveness (e.g., reduced delivery errors). The scalability analysis also should determine whether new and forthcoming initiatives would be acceptable to target groups and settings.

Program Name: Mail Service Center

Indicators of a Focus on Results (continued)

Key Elements of Indicator 6: Strategic Plan	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
6.1 Strategic plan includes a mission statement.	✓		
6.2 Strategic plan includes a vision statement.		✓	
6.3 Strategic plan includes a values statement.	✓		
6.4 Strategic plan includes identified goals.		✓	
6.5 Strategic plan includes identified objectives.		✓	
6.6 Strategic plan includes performance measures.		✓	
6.7 Strategic plan is updated periodically.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
6. Program has a strategic plan.		✓	

Description: The Mail Service Center has a mission statement: "to provide a full range of postal services to and from all state agencies, with the highest quality, in the most cost-efficient manner, and with the highest degree of customer satisfaction." The Center has a values statement: "quality, safety and health, accountability, continuous improvement and development, innovation and creativity, customer service, diversity and inclusion, excellence, and integrity."

The Center updates its strategic plan every two years in accordance with biennium budgets. The Center is in the process of updating its strategic plan to include a vision statement, goals, objectives, and performance measures.

Suggestions: The Center should update its strategic plan to identify a program-specific vision statement and program-specific goals, objectives, and performance measures.

Program Name: Mail Service Center

Indicators of a Focus on Results (continued)

Key Elements of Indicator 7: Performance Measurement	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
7.1 Performance measures assess key inputs.		✓	
7.2 Performance measures assess key outputs.	✓		
7.3 Performance measures assess efficiency/process.	✓		
7.4 Performance measures assess quality.	✓		
7.5 Performance measures assess key outcomes.	✓		
7.6 Program has a defined method for collecting performance data.			✓
7.7 Program has a standard format for reporting performance data.	✓		
7.8 Program validates performance measures periodically.	✓		
7.9 Performance measures are regularly reported to managers, staff, and key stakeholders.			✓
7.10 Performance measures provide the level and type of data needed to conduct a rigorous evaluation of program impacts.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
7. Program has performance measures.		✓	

Description: The Mail Service Center has performance measures that assess key outputs (e.g., number of deliveries) and key outcomes (e.g., reduction in overall mailing costs when Center services are applied properly). In addition, the Center has performance measures that assess efficiency/process (e.g., efficiency savings by changing Center processes) and quality (e.g., customer satisfaction). Therefore, the Center has performance measures that provide the level and type of data needed to conduct a rigorous evaluation of program impacts.

In addition, the Center has a standard format for reporting performance data and validates performance measures periodically by examining performance measures used by the US mail industry.

Although the Center has performance measures that assess certain key inputs, such as staff, the Center did not provide documentation demonstrating it has performance measures for other key inputs, such as equipment. In addition, the Center did not provide documentation demonstrating it has a defined method for collecting performance data. The Center also did not provide documentation demonstrating it regularly reports measures to managers, staff, and key stakeholders.

Suggestions: The Center should have performance measures that assess all of its key inputs, such as equipment, and it should report input data in the same document that it reports output and outcome data. The Center should develop a defined method for collecting performance data that explains what it is going to collect and how (e.g., who will be surveyed and how often). In addition, the Center should ensure that performance data are regularly reported to managers, staff, and key stakeholders in formats that are user-friendly and meet their information needs.

Program Name: Mail Service Center

Indicators of a Focus on Results (continued)

Key Elements of Indicator 8: Quality Improvement System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
8.1 Quality improvement system sets objectives, which have indicators, targets, and dates.	✓		
8.2 Objectives are consistent with those set by the program's strategic plan and are updated annually.		✓	
8.3 Quality improvement system monitors progress towards objectives through an action plan and milestones.		✓	
8.4 Program takes remedial action if there is a performance shortfall.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
8. Program has a quality improvement system.		✓	

Description: The Mail Service Center has a quality improvement system that has objectives with indicators, targets, and dates, such as

- achieve less than 3% on monthly error report,
- accurately sorting 97 out of 100 pieces of mail, and
- provide superior customer service by helping other staff complete tasks.

Because the Center is in the process of updating its strategic plan, the Center also is in the process of making its quality improvement system's objectives consistent with its strategic plan's objectives. Although the Center monitors progress towards objectives through milestones (e.g., operation is suspended if an operator fails to identify a test hazard), the Center did not provide documentation demonstrating progress towards objectives is monitored through an action plan. The Center takes remedial action if there is a performance shortfall by investigating performance failures for improvements.

Suggestions: When the Center's strategic plan is updated, the Center should ensure its quality improvement system's objectives are consistent with its strategic plan's objectives, and it should update the quality improvement system's objectives annually. In addition, the Center should monitor progress towards objectives through an action plan.

Program Name: Mail Service Center

Indicators of Sound Financial Management

Key Elements of Indicator 9: Risk Assessment	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
9.1 Risk profile identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks.		✓	
9.2 Mitigation strategy identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
9. Program has a risk assessment.		✓	

Description: In accordance with N.C. Gen. Stat. §143D-7, the Department of Administration certifies to the State Controller that it performs an annual review of its system of internal control. The Department has designed internal controls to provide reasonable assurance regarding the reliability of financial reporting; compliance with certain provisions of law, regulations, contracts, and grant agreements; and the efficiency and effectiveness of its operations. However, the Mail Service Center did not provide documentation demonstrating it has a program-specific risk profile. The Department's monitoring plan for grantees is not a monitoring plan for the Department or for the Center.

Suggestions: The Center should conduct a risk assessment to identify potential financial, fraudulent, and legal hazards. Then, the Center should create a risk profile that identifies inherent risks, assesses the likelihood and impact of inherent risks, determines risk tolerance, and examines the suitability of existing controls and prioritizes residual risks. In addition, the Center should create a mitigation strategy that identifies who is responsible for risk management activities, determines what control activities the program is using, establishes when the program is implementing activities, and determines where the program is focusing its activities.

Program Name: Mail Service Center

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 10: Financial Forecast	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
10.1 Financial forecast is conducted at least annually.	✓		
10.2 Financial forecast projects revenues and expenditures for at least 5 years.		✓	
10.3 Financial forecast breaks down projections into revenue and expenditure categories.	✓		
10.4 Financial forecast is based on a basic model of forecasting.	✓		
10.5 Financial forecast attempts to explain trends by discussing why revenue and expenditures are expected to increase or decrease.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
10. Program has a financial forecast.		✓	

Description: The Mail Service Center follows the biennial budget preparation instructions from the Office of State Budget and Management to develop its financial forecast, and therefore the forecast is reviewed annually and breaks down projections into revenue and expenditure categories. Although the Office of State Budget and Management's budget development process requires the Center to conduct two years of financial forecasting, the Center did not provide documentation demonstrating it projects revenues and expenditures for at least five years. The financial forecast is based on a basic model of forecasting; it uses extrapolation by reviewing historical revenue and expenditure data to predict the future by projecting the trend forward subject to the restrictions required by the Office of State Budget and Management. The Center did not provide documentation demonstrating its financial forecast attempts to explain trends by discussing why revenues and expenditures are expected to increase or decrease.

Suggestions: During the budget development process, the Center should build in a long-term focus by including revenue and expenditure projections for at least five years in its annual plan. The forecasts should attempt to explain the trends they reveal by discussing why revenue and expenditures are expected to increase or decrease.

Program Name: Mail Service Center

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 11: Cost Sharing	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
11.1 If program does not require cost sharing, documents include a description of why program does not require cost sharing. *If program does require cost sharing, enter N/A.*	N/A		
11.2 If program does require cost sharing, documents include a description of cost sharing requirements. *If program does not require cost sharing, enter N/A.*	✓		
11.3 If program does require cost sharing, documents describe the method used to set charges. *If program does not require cost sharing, enter N/A.*	✓		
11.4 If program does require cost sharing, documents review cost sharing levels and recommend modifications as appropriate. *If program does not require cost sharing, enter N/A.*	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
11. Program has cost sharing documents.	✓		

Description: The Mail Service Center requires cost sharing. As an internal service fund, the Center is supported on a cost-reimbursement basis by the state entities that utilize its services. The Center provided documentation that includes a description of cost sharing requirements and the methods used to set charges. The documents also review cost sharing levels and recommend modifications as appropriate.

Suggestions: None.

Program Name: Mail Service Center

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 12: Staffing Analysis	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
12.1 Staffing analysis measures caseload and workload.			✓
12.2 Staffing analysis identifies trends and establishes internal benchmarks for efficient operations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
12. Program has conducted a staffing analysis.			✓

Description: The Department of Administration is participating in the Office of State Human Resources's Statewide Compensation System Project, which reviewed job descriptions to streamline job classifications, but this project is not a staffing analysis with measures of caseload and workload. Therefore, the Mail Service Center did not provide documentation demonstrating it has conducted a staffing analysis that measures caseload and workload or that identifies trends and establishes internal benchmarks for efficient operations.

Suggestions: The Center should conduct a staffing analysis to determine if its staffing levels are appropriate based on the volume of work it is required to perform. The staffing analysis should measure caseload (i.e., the number of cases that staff are assigned in a given time period) and workload (i.e., the amount of work required to manage assigned cases or perform certain tasks). The staffing analysis should identify trends and establish internal benchmarks for efficient operations by using historical data analysis, benchmarking, or business process mapping.

Program Name: Mail Service Center

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 13: Accounting System	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
13.1 Accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures.	✓		
13.2 Accounting system tracks financial information on a cash and accrual basis.	✓		
13.3 Accounting system is capable of producing financial statements required by the Governmental Accounting Standards Board.	✓		
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
13. Program has an accounting system.	✓		

Description: The Mail Service Center uses the North Carolina Accounting System. Therefore, its accounting system includes assets, liabilities, fund equity and other credits, revenues, and expenditures; tracks financial information on a cash and accrual basis; and is capable of producing financial statements required by the Governmental Accounting Standards Board.

Suggestions: None.

Program Name: Mail Service Center

Indicators of Sound Financial Management (continued)

Key Elements of Indicator 14: Audit	Key Element Ratings		
	Meets	Partially Meets	Does Not Meet
14.1 Audit documents include a description of audit requirements.	✓		
14.2 Audit documents demonstrate accessibility of persons involved with the program; books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of the program; and property, equipment, and facilities of the program.	✓		
14.3 Program maintains a record of prior audits, examinations, and evaluations.			✓
14.4 Program maintains a record of corrective actions taken in response to audit findings and recommendations.			✓
	Overall Indicator Rating		
	Meets	Partially Meets	Does Not Meet
14. Program is audited.		✓	

Description: The Mail Service Center has audit documents that include a description of audit requirements and that demonstrate accessibility of persons, documents, and property. In accordance with N.C. Gen. Stat. §143-746, the Department of Administration has an internal auditing program that audits the agency's major systems and controls periodically. The Department's internal auditor works in conjunction with the Secretary and senior staff to determine the audit schedule and reports findings to the Secretary and responsible managers for action. In addition, the Department complies with the Office of the State Auditor as required. However, the Center did not provide documentation demonstrating it maintains a record of prior audits, examinations, and evaluations. Also, the Center did not provide documentation demonstrating it maintains a record of corrective actions taken in response to audit findings and recommendations.

Suggestions: The Center should maintain a record of prior audits, examinations, and evaluations by listing key aspects of them (e.g., subject of audit, date completed, major findings) in a separate document from the audits themselves. The Center should maintain a record of corrective actions taken in response to audit findings and recommendations. The corrective actions could be listed in the separate document mentioned above.