

BUDGET LETTER

SUBJECT: CELLULAR PHONE REDUCTIONS	NUMBER: 11-02
REFERENCES: EXECUTIVE ORDER B-1-11	DATE ISSUED: January 28, 2011
	SUPERSEDES:

TO: Agency Secretaries
Agency Information Officers
Department Directors
Departmental Budget Officers
Departmental Accounting Officers
Departmental Chief Information Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

This Budget Letter (BL) provides instructions and guidance to agency secretaries and department directors for implementing the requirements of Executive Order (EO) B-1-11, which directs entities under the Governor's direct executive authority to reduce no fewer than 50 percent of state-provided cellular phones (including smart phones) by June 1, 2011, to achieve at least \$20 million in savings.

A. Instructions

In preparation for meeting the reduction target, agencies and departments shall immediately identify and document all cellular devices¹ (including those assigned and unassigned) and related data, internet, and other usage plans. Further, for each assigned device, document the employee and/or function and the business justification.

From this accounting, and using the guidelines for determining reductions in Section B below, agencies and departments shall review each of the identified devices and determine those to be eliminated and those to be maintained. The inventory of devices by type and vendor, estimated costs, as well as the number to be reduced and the resulting savings shall be documented using the attached worksheet (see Attachment 1, Cellular Device Inventory Reduction Instructions and Attachment 2, Cellular Device Inventory Reduction Worksheet). The plan must include a reduction of no fewer than 50 percent of the existing devices.

Each entity shall submit its completed Cellular Device Inventory Reduction Worksheet to the Department of Finance (Finance) by March 18, 2011, via e-mail to its assigned Finance budget analyst. It is the responsibility of each entity to ensure its plans have received all requisite approvals before being submitted and will be deemed approved by the agency secretary or department director.

After the plans are received, reviewed, and aggregated into statewide totals, additional reductions may be necessary. Subsequent instructions will be issued regarding any

¹ In this context, the term "device" means a cellular phone (including smart phones) or air cards used to provide cellular data connectivity to a computer.

additional reductions needed and the process to certify that reductions have been made pursuant to the EO and this BL.

Ongoing device refresh is permissible. Any refresh activities currently underway, prior to reductions, shall not result in an increase in active devices above the number currently in use as of the date of this BL. Refresh activities occurring after reductions have been identified shall not result in an increase over the reduced number of devices remaining in use. Entities shall not artificially inflate their current device count by including active devices and planned refresh devices, either previously ordered or received, in the count of total devices.

Agencies and departments are prohibited from establishing new lines of service or issuing additional devices above the number in use after the reductions are made pursuant to EO B-1-11. If an entity determines that a new device assignment is necessary, it shall meet that need by reassigning an existing device.

Entities may retain an appropriate number of spare devices necessary to support the reduced number remaining in operation. Such an inventory shall not exceed 5 percent of the total active devices remaining in use and spare devices shall remain inactivated such that no monthly or annual charges are incurred by the state until they are activated to replace a non-functioning or lost device. The count of spare devices retained shall be identified in the reporting worksheet.

If an entity has recently received devices that can be returned to the vendor for a refund, it should do so immediately, unless the devices are necessary to refresh existing devices that are no longer serviceable. Older devices shall be disposed of consistent with the surplus property policies of the Department of General Services.

B. Guidelines for Determining Reductions

The following guidelines should be considered in determining devices to be eliminated:

- Devices that historically have little actual data and/or airtime use.
- Multiple devices that could be eliminated by implementing a shared resource model where devices are rotated among staff as necessary. Departments may consider establishing generic e-mail addresses to facilitate shared resources (e.g., "HelpDesk" or "Facilities").
- Any devices that do not directly support public health and safety functions or other critical state operations.

The following guidelines should be considered in determining devices to be maintained:

- Devices that directly support health and safety functions, including emergency or disaster response where the application of shared resource pooling is not feasible.
- Devices that directly support other critical state operations where the application of shared resource pooling is not feasible.
- Devices assigned to staff working primarily in the field where it is the only or primary communication device and necessary for job performance.

C. Exemptions

At this time, no blanket exemptions have been established. If a department believes that meeting the 50 percent reduction target will significantly compromise its ability to perform public health, safety, emergency response, or other critical state operations, it may submit a detailed justification explaining the rationale and the number of devices specific to the functions cited using Attachment 3, Request for Cellular Device Exemption. Additionally, this justification shall clearly explain why other alternatives, such as shared resource pooling, are not practical. Any such request shall be submitted along with the reduction plan. Reduction plans must still identify all devices in use, devices maintained as spares, devices to be reduced, and the estimated costs and savings consistent with the exemption request. Exemptions will be limited to only the most critical needs and considered on a case-by-case basis. This process should not be viewed as an invitation for all departments to submit exemption requests.

This BL applies to all agencies, departments, offices, boards, bureaus, and commissions under the Governor's direct executive authority. If you have any questions, please contact your Finance budget analyst.

/s/ Fred Klass

FRED KLASS
Chief Operating Officer

Attachment