

BUDGET LETTER

		NUMBER:	11-08
SUBJECT:	CELLULAR DEVICE REDUCTION AND RELATED SAVINGS	DATE ISSUED:	May 26, 2011
REFERENCES:	BL 11-02; EXECUTIVE ORDER B-1-11	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 cellular device reductions and reporting the savings associated with the requirements of Executive Order (EO) B-1-11. The EO directed entities under the Governor's direct executive authority to reduce at least 50 percent of the cellular phones and smart phones for which the state is currently responsible by June 1, 2011, and achieve at least \$20 million in savings. The EO also requested that other state government entities not under the direct authority of the Governor implement similar reductions.

BL 11-02, *Cellular Phone Reductions*, required agencies and departments to submit to the Department of Finance (Finance) a plan for reducing their inventory of cellular devices¹ to achieve the required savings. State agencies are now required to implement the identified reductions and report the achieved savings identified in their reduction plan, *with the exception of pending exemption requests*. In other words, at this time, only implement reductions and report savings associated with those devices for which the agency is **not** requesting an exemption. Cellular device exemption requests will be considered on a case-by-case basis. Agencies will be contacted separately with respect to resolution of exemption requests.

A. Instructions for Cellular Device Reduction and Disposal

Effective June 1, 2011, agencies are required to discontinue monthly service for the cellular devices identified in their reduction plan.

BL 11-02 stipulated that entities may retain an appropriate number of spare devices (not to exceed 5 percent of total active devices remaining in use) necessary to support the reduced number remaining in operation. If any of the cellular devices to be reduced can be returned to the vendor for a refund or credit toward future service charges, the agency should do so immediately, unless the devices are to be retained as spare devices. Older devices should be disposed of consistent with the surplus property policies of the Department of General Services (DGS), Office of Fleet and Asset Management, State and Federal Property Reuse Program Office. Please refer to State Administrative Manual section 3520 and the following DGS website for detailed information on procedures: <http://www.dgs.ca.gov/ofam/programs/stsurplus/reutilization.aspx>. Agencies should complete physical reduction of cellular devices no later than June 30, 2011.

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.

Note that agencies shall ensure that all confidential, sensitive, or personal data is removed from the devices prior to leaving the agency's control.

B. Instructions for Reporting Savings

Attachment 1 (Cellular Device Reduction Savings Scheduling Worksheet) is a worksheet to be used to schedule the ongoing annual savings (beginning in fiscal year 2011-12) associated with the agency's cellular device reduction. **Include savings associated with only those devices for which the entity is not requesting exemption.** Scheduling worksheets should be submitted electronically to your Finance budget analyst no later than June 17, 2011.

This BL applies to all agencies, departments, offices, boards, bureaus, and commissions under the Governor's direct executive authority. If you have questions related to the scheduling worksheet, please contact your Finance budget analyst. For general questions about the overall reduction process, contact Susan Davis-James, Information Technology Consulting Unit, at (916) 445-1777, extension 3238.

/s/ Todd Jerue

TODD JERUE
Chief Operating Officer

Attachment