



State of Delaware BYOD Program

Transitioning from State-owned Blackberries to a Personal Device Reimbursement Plan

July 16, 2012

William B. Hickox
Chief Operating Officer
Delaware Department of Technology & Information
William.Hickox@state.de.us

Executive Summary

In an effort to keep up with the pace of mobile technology, the State of Delaware initiated an effort to not only embrace the concept of BYOD but to realize significant savings by having state employees turn in their state owned device in favor of a personally owned device. In order to encourage the behavior, the State agreed to reimburse a flat amount for an employee using their personal device or cell phone for state business. It was expected that by taking this action the State could stand to save \$2.5 million or approximately half of the current wireless expenditure.

There were several challenges including questions about whether a reimbursement was taxable or not, whether the personal device could be secured by the State for Freedom of Information Act (FOIA) requests, and whether utilization of personal devices could/should be mandated. In the end the state decided to make the program voluntary at this time. The state recognizes that not all employees have a personal device or are willing to utilize it for work purposes.

The State of Delaware experience to date has been positive with specific savings and device reductions. The State anticipates continuing to grow the program by limiting the number of state owned devices while encouraging the use of personal devices into the future.

Challenge

The State's Blackberry infrastructure is reaching end of life and requires a lifecycle replacement. In addition, changes in technology are driving agencies to request devices that are not state standard or currently supported by the Department of Technology & Information (DTI). As such, the State is now at a decision point regarding the future direction of portable wireless devices and the ongoing support of the infrastructure.

Over the last 10 years the nature and use of portable wireless devices in the workplace has changed dramatically. Originally, only a handful of state owned devices (BlackBerrys) existed with the majority of staff relying on state owned cell phones. In addition, at that time very few state employees had personal cell phones and almost none had personal blackberry devices. Today, the proliferation of these state owned devices (approximately 2500 devices) results in significant costs associated with the infrastructure and support of the blackberry system. In addition, due to the changing needs of the agencies, more and different devices such as Droids and iPhones are being requested, which would expand the costs associated with infrastructure and support. The current Blackberry Enterprise Server (BES) which is managed by the state will reach its end of life within the next year and require replacement. However, replacing the BES will only address the state owned devices that are currently approved as standard (Blackberry). It does not address the request for additional portable devices such as iPhones.

Approach

DTI decided that funds should not be expended to lifecycle the BES. Instead, the State should start a two year transition plan to migrate all users off of the existing infrastructure by June 30, 2013 and move them to either a personal device through a proposed reimbursement program or to a device that runs directly through the state's wireless carrier. By doing so, the state stands to save up to \$2.5 million dollars annually through the reimbursement program but also would save \$75K in lifecycle costs and \$120K in ongoing support. This direction would also allow agencies to utilize enhanced devices such as Droids and iPhones to support their business needs.

The above referenced reimbursement program would be as follows:

Beginning February 1, 2011 the Department of Technology and Information (DTI) will initiate a program aimed at reducing the number of state owned wireless communication devices, i.e. cellular phones, PDAs, portable devices, etc. The intended benefits of this program are twofold. Many employees carry personal devices in addition to the state issued device. With the advances in technology, efficiencies can be gained through the combination of these devices. In addition to end user efficiency, by combining devices, there is significant savings for the State.

Employees whose job duties require the frequent need for a cell phone or portable device as determined by their supervisor may receive a monthly voice/data plan reimbursement to cover the costs of state related business. Only in extenuating circumstances will further reimbursement for voice/data plan costs be available to employees who participate. All other employees may submit infrequent business-related cell phone expenses for individual reimbursement.

Determining Employee Eligibility: Employees with job duties that require the frequent need to use a cell phone/PDA for business purpose are eligible, typically include;

- Employees on the road or in the field, but required to remain in touch with others, typically out of the office on business 50 or more annual days.
- Employees available for emergency contact (e.g., duties require them to be contacted anywhere/anytime).
- Employees with 24/7 response requirements.

Dollar Amount of Reimbursement: Eligible employees will receive a reimbursement as follows:

- Voice only - \$10 per month
- Data only - \$30 per month
- Voice/Data - \$40 per month

Results

For the employees that have participated, the State has reduced the expense associated with their devices by 45%. This has resulted in an overall reduction of departmental wireless costs of 15%. As the State continues to grow the program it expects its overall wireless cost savings to continue to grow. While it started out with only DTI participation, it now has Department of Corrections, Department of Transportation, Department of Health and Social Services, and the Governor's Office participation. Altogether the State of Delaware is currently reimbursing over 100 employees for utilizing their personal device and over 1,000 State of Delaware employees are using their personal devices in the BYOD program.

Lessons Learned

- When discussing reimbursement, the State had to ensure that it was not providing a stipend, but in fact a reimbursement after the fact. As such, employees are required to submit an already paid wireless bill that is then processed for reimbursement under the monetary guidelines set above. This avoids the issue associated with stipends being taxable under the IRS regulations.

- Freedom of Information Act requests were another sticking point. However, the State has been able to avoid the issue since all of the state's e-mail is centralized and a copy of every transaction is maintained on the central servers which results in a clean copy being available for discovery if necessary.
- A current challenge is the State's inability to grow the reimbursement program as fast as it would like. This is due to the fact that the wireless carriers are now placing limits on data which has resulted in employees unwilling to agree to use their personal device for work since they no longer have unlimited data and the State will not provide additional reimbursement if employees go over the data maximum.

Disclaimer

- References to the product and/or service names of the hardware and/or software applications used in this case study do not constitute an endorsement of such hardware and/or software products.