

Mandatory Evaluation Components

Report No. 2021-01, Improved Management of Mobile Devices and Services Could Save the State At Least \$1–2 Million Annually

N.C. Gen. § 120-36.14 requires the Program Evaluation Division to include certain components in each of its evaluation reports, unless exempted by the Joint Legislative Program Evaluation Oversight Committee. The table below fulfills this requirement and, when applicable, provides a reference to the page number(s) where the component is discussed in the report.

N.C. Gen. § 120-36.14 Specific Provision	Component	Program Evaluation Division Determination	Report Page
(b)(1)	Findings concerning the merits of the program or activity based on whether the program or activity		
(b)(1)(a)	Is efficient	<p>PED determined agencies and universities are not efficiently managing mobile device costs. PED identified the following examples of inefficiencies and waste during Fiscal Year 2019–20:</p> <ul style="list-style-type: none"> • 2,098 devices had no usage for 12 months or more, costing \$920,000 per year; 56% of these devices had not been used in at least two years. • Approximately 17 million voice minutes within pooled plans went unused, at an estimated cost of up to \$740,000. 	7–9
(b)(1)(b)	Is effective	<p>PED determined that oversight of mobile device usage is ineffective. Although the North Carolina Department of Information Technology (DIT) has broad authority to manage wireless devices and services, its failure to exercise this authority results in limited oversight of mobile device usage. DIT has continued to renew and extend cellular service contracts but has not established performance measures for these contracts and has not evaluated the effectiveness of the contracts or other options.</p>	17–20
(b)(1)(c)	Aligns with entity mission	<p>State agencies and universities use a variety of mobile devices in furtherance of their missions.</p>	3
(b)(1)(d)	Operates in accordance with law	<p>Most executive agencies are not fully compliant with applicable statutory mobile device requirements, including directives to conduct annual reviews of device justifications, audits, and annual reporting.</p>	15–16
(b)(1)(e)	Does not duplicate another program or activity	<p>PED did not find duplication in management or oversight of mobile device usage.</p>	N/A
(b)(1a)	Quantitative indicators used to determine whether the program or activity		
(b)(1a)(a)	Is efficient	<p>Executive branch agencies are required to report annually on their total number of devices issued and total cost of devices issued; at present, few agencies appear to be complying with this requirement. PED recommends the State begin tracking unused and little-used devices to provide information on how efficiently agencies are using devices.</p>	15

(b)(1a)(b)	Is effective	The State does not have quantitative indicators to determine if mobile devices are being used effectively.	N/A
(b)(1b)	Cost of the program or activity broken out by activities performed	North Carolina spent an estimated \$20.3 million on mobile devices and services in Fiscal Year 2019–20. DIT charges a 2% fee on mobile device equipment and service purchases to cover billing and procurement expenses. This fee generated \$523,876 of revenue to DIT in Fiscal Year 2019–20. DIT reported spending \$121,500 of this amount on staff salaries and indicated that the rest of this revenue goes to the DIT internal service fund; the agency did not clarify how this money is being used.	20
(b)(2)	Recommendations for making the program or activity more efficient or effective	<p>To improve the efficiency and effectiveness of the State’s use of mobile devices and services, The General Assembly should direct DIT to:</p> <ul style="list-style-type: none"> • conduct a review of existing wireless device and services contracts using a consultant specializing in mobility management; • develop a business case for improved management and optimization of the State’s mobile services and report to the General Assembly on potential costs and savings; • create a standardized “bring your own device” policy across state entities; and • submit an annual consolidated report on mobile device usage, thereby providing information in a more systematic and holistic manner and eliminating the need for agency-specific reports, which generally are not being submitted. <p>In addition, the General Assembly should modify state law to:</p> <ul style="list-style-type: none"> • require all state agencies to have processes to ensure devices assigned to employees are deactivated at separation; • require all state agencies to designate an individual responsible for each active mobile device; and • expand the applicability of these requirements to all state agencies subject to the State Budget Act. 	23–26
(b)(2a)	Recommendations for eliminating any duplication	PED did not identify any duplicative programs or activities.	N/A
(b)(4)	Estimated costs or savings from implementing recommendations	Rectifying certain categories of inefficiency and waste identified in this report could result in savings of \$1–2 million per year, depending upon the extent of implementation and optimization costs. To further estimate potential savings, DIT should develop a business case for optimization by examining potential savings and costs of having a third-party vendor provide optimization or having DIT provide these services internally.	11