



## **Chapter II**

# **A Case Study of IT Chargeback in a Government Agency**

Dana Edberg  
University of Nevada, Reno, USA

William L. Kuechler, Jr.  
University of Nevada, Reno, USA

## **EXECUTIVE SUMMARY**

*In 1997 the Nevada Legislature mandated the formation of an IT division for the Nevada Department of Public Safety (NDPS). Prior to this time the 14 separate divisions within the department had carried out their own IT functions. The legislature also mandated that the full, actual costs for the IT Department would be allocated to the divisions on the basis of use, a form of IT funding known as “hard money chargeback”. Complicating the issue considerably is the legal prohibition in Nevada of commingling funds from multiple sources for any project, including interdivisional IT projects. Five years after its creation, there is a widespread perception among users that the IT Division is ineffective. Both the IT manager and the department chiefs believe the cumbersome chargeback system contributes to the ineffectiveness. This case introduces the concept of chargeback, and then details an investigation into the “true costs of chargeback” by the chief of the NDPS’s IT Division.*

## **ORGANIZATION BACKGROUND**

The Nevada Department of Public Safety (NDPS) is a state-level government agency responsible for coordinating all state responsibilities to protect the citizens of

the state of Nevada in the United States. Many public safety tasks, such as police, fire, and emergency services, are left to city and county governmental agencies, but other safety-related tasks are the responsibility of the state. Figure 1 depicts the divisions within the department. The short descriptions that follow, of the functions and cultures of some of the individual divisions, will provide context for understanding the effect of the chargeback scheme on the department as a whole.

*Figure 1. Description of the divisions within the Department of Public Safety*

<b>Criminal History Repository</b> Provide NV law enforcement and other agencies with centralized, complete information. 32% of IT budget	<b>Parole &amp; Probation</b> Monitor and enforce offender compliance with the conditions of their community supervision. 20% of IT budget	<b>Highway Patrol</b> Ensure safe, economical and enjoyable use of the highways by enforcing laws, educating the public and alleviating suffering. 19% of IT budget
<b>Investigation</b> Provide criminal investigations, coordinate select law enforcement activities statewide, collect and disseminate information. 9% of IT budget	<b>Traffic Safety</b> Plan and administer highway safety programs. Gather, analyze and disseminate state crash data. 7% of IT budget	<b>Fire Marshal</b> Reduce the loss of life and property from fire and hazardous materials. 5% of IT budget
<b>Emergency Response</b> Protect citizens from effects of hazardous materials while supporting state goal of encouraging industry growth. 2% of IT budget	<b>Emergency Mgmt.</b> Anticipate impact of potential disasters and immediately mobilize a response. 2% of IT budget	<b>Parole Board</b> Render fair and just decisions in parole matters. 1% of IT budget
<b>Criminal Justice Asst.</b> Obtain and administer grant funds from the U.S. Dept. of Justice for programs involving drug trafficking and violent crimes. 1% of IT budget	<b>Training</b> Develop and implement programs to enhance career development within the department. <1% of IT budget	<b>Capitol Police</b> Provide for the safety of state employees, constitutional officers, and the general public when on state grounds. <1% of IT budget
<b>Director's Office</b> Establish policy for the department, direct and control operations of the divisions. <1% of IT budget	<b>Professional Resp.</b> Conduct investigations into allegations of misconduct by commissioned officers. Provide training to peace officers. <1% of IT budget	

16 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: [www.igi-global.com/chapter/case-study-chargeback-government-agency/6299](http://www.igi-global.com/chapter/case-study-chargeback-government-agency/6299)

## Related Content

---

### The Impact of Information Sharing on Order Fulfillment in Divergent Differentiation Supply Chains

Troy J. Strader, Fu-Ren Lin and Michael J. Shaw (1999). *Journal of Global Information Management* (pp. 16-25).

[www.irma-international.org/article/impact-information-sharing-order-fulfillment/51323](http://www.irma-international.org/article/impact-information-sharing-order-fulfillment/51323)

### Investigating Factors Affecting Artificial Intelligence (AI) Adoption by Libraries at Top-Rated Universities Worldwide

Daniel Tomiuk, Cataldo Zuccaro, Michel Plaisent, Asl Gül Öncel, Younes Benslimane and Prosper Bernard (2024). *Handbook of Research on Innovative Approaches to Information Technology in Library and Information Science* (pp. 103-125).

[www.irma-international.org/chapter/investigating-factors-affecting-artificial-intelligence-ai-adoption-by-libraries-at-top-rated-universities-worldwide/337306](http://www.irma-international.org/chapter/investigating-factors-affecting-artificial-intelligence-ai-adoption-by-libraries-at-top-rated-universities-worldwide/337306)

### THE EXPERT'S OPINION: Equitable Access to the Global Networked Environment Through U.S. Public Libraries: Too Little Too Late?

Charles R. McClure (1999). *Journal of Global Information Management* (pp. 34-36).

[www.irma-international.org/article/expert-opinion-equitable-access-global/51341](http://www.irma-international.org/article/expert-opinion-equitable-access-global/51341)

### Economic Development: Government's Cutting Edge in IT

Gerald A. Merwin Jr., J. Scott McDonald and Levy C. Odera (2008). *Handbook of Research on Global Information Technology Management in the Digital Economy* (pp. 1-37).

[www.irma-international.org/chapter/economic-development-government-cutting-edge/20478](http://www.irma-international.org/chapter/economic-development-government-cutting-edge/20478)

### The Client and Service Provider Relationship in IT Outsourcing Project Success: The Moderating Effects of Organizational Attitudes on Knowledge Sharing and Partnership Quality

Md. Samim Al-Azad, Muhammad Mohiuddin and Zhan Su (2022). *Journal of Global Information Management* (pp. 1-27).

[www.irma-international.org/article/the-client-and-service-provider-relationship-in-it-outsourcing-project-success/299325](http://www.irma-international.org/article/the-client-and-service-provider-relationship-in-it-outsourcing-project-success/299325)