



A Case Study of IT Chargeback in a Government Agency

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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

Figure 1. Description of the Divisions within the Department of Public Safety

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

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.

Criminal History Repository

The Criminal History Repository (CHS) is the largest user of IT within the NDPS (32% of the total budget) by a wide margin. This division collects, categorizes, and stores

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