A Case Study of IT Chargeback in a Government Agency

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EXECUTIVE SUMMARY

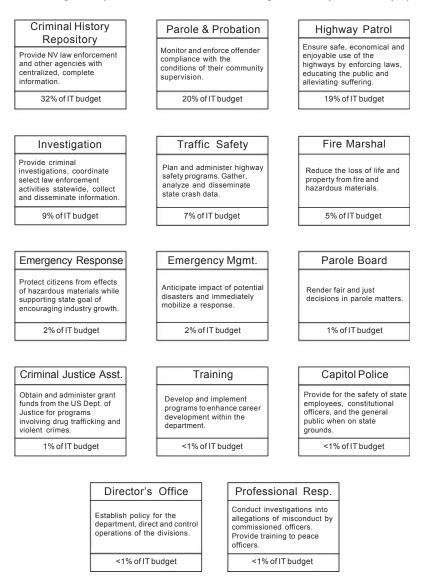
In 1997 the Nevada Legislature mandated the formation of an IT division for the Nevada Department of Public Safety (NDPS). Prior to this time the 14 separate divisions within the department had carried out their own IT functions. The legislature also mandated that the full, actual costs for the IT department 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, 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

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



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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