

# State of the States: IT Trends, Priorities and Issues

## OSC Financial Conference 2012

**Doug Robinson, Executive Director**  
National Association of State Chief Information Officers

- ✓ **Fiscal recovery:** budgets are better, slow revenue growth, decline of federal funds, fiscal cliff...?
- ✓ CIOs seeking IT operational **cost savings** and alternative IT sourcing strategies and **collaboration**
- ✓ **CIO Balancing Act:** living with the past while seeking innovation
- ✓ IT security and **risk!** Game has changed
- ✓ IT **workforce:** retirement wave, skills gap, recruiting challenges
- ✓ State CIO **transitions** continue

## State IT Landscape Today



23. What percentage of your IT staff is eligible for retirement in the next 5 years? (State Government only)

24% A. 10%

0% B. 20%

33% C. 30%

33% D. 40%

10% E. I don't know



**View from the  
State CIOs:  
Balancing Legacy and  
Innovation**

## State CIO Priorities for 2013

1. **Consolidation / Optimization:** centralizing, consolidating services, operations, resources, infrastructure, data centers, communications and marketing "enterprise" thinking, identifying and dealing with barriers
2. **Cloud Services:** scalable and elastic IT-enabled capabilities provided "as a service" using internet technologies, governance, service management, service catalogs, platform, infrastructure
3. **Security:** risk assessment, governance, budget and resource requirements, security frameworks, data protection, training and awareness, insider threats, third party security practices
4. **Mobile Services / Mobility:** devices, applications, workforce, security, policy issues, support, ownership, communications, wireless infrastructure, BYOD
5. **Budget and Cost Control:** managing budget reduction, strategies for savings, reducing or avoiding costs, dealing with inadequate funding and budget constraints
6. **Shared Services:** business models, sharing resources, services, infrastructure, independent of organizational structure, service portfolio management, service catalog, transparent charge back rates, utility based service on demand
7. **Health Care:** the Affordable Care Act, health information and insurance exchanges, health enterprise architecture, assessment, partnering, implementation, technology solutions, Medicaid Systems
8. **Legacy modernization:** enhancing, renovating, replacing, legacy platforms and applications, business process improvement
9. **Interoperable Nationwide Public Safety Broadband Network:** planning, governance, collaboration, defining roles, asset determination
10. **Disaster Recovery / Business Continuity:** improving disaster recovery, business continuity planning and readiness, pandemic flu / epidemic and IT impact, testing

Source: NASCIO State CIO Survey, November 2012

## IT and Solution Priorities 2013

1. **Cloud computing:** software as a service, infrastructure, platform, storage
2. **Mobile** workforce technologies
3. **Virtualization:** servers, desktop, storage, applications, data center
4. **Legacy** application modernization/renovation
5. **Identity** and access management
6. **Enterprise Resource Planning (ERP)**
7. **Security** enhancement tools
8. **Networking:** voice and data communications, unified
9. **Business Intelligence (BI)** and Business Analytics (BA), Big Data
10. **Document/Content/Records/E-mail** management: active, repository, archiving, digital preservation

Source: NASCIO State CIO Survey, November 2012



**NAS CIO**  
Representing Chief Information Officers of the States



**TechAmerica**  
WHERE THE FUTURE BEGINS  
THE ASSOCIATION OF COMPANIES DRIVING INNOVATION WORLDWIDE



**Grant Thornton**  
An instinct for growth

- Keeping up with the old
- Bringing in the new
- Consolidation gaining traction...slow and steady
- Broader adoption of cloud
- Mobile agenda a high priority
- Dissatisfied with IT procurement




The 2012 State CIO Survey  
OCTOBER 2012

**Advancing the C<sup>4</sup> Agenda**  
BALANCING LEGACY AND INNOVATION

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## 2012 Survey Topics

- Leadership, Governance and Funding
- Transparency and Accountability
- Consolidation
- Mobility
- Social Media
- Human Capital
- IT Procurement
- Cloud Computing
- HHS Modernization
- Big Data
- Public Safety Broadband
- Innovation and Transformation



The 2012 State CIO Survey  
OCTOBER 2012

**Advancing the C<sup>4</sup> Agenda**  
BALANCING LEGACY AND INNOVATION

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## Survey Highlights

- Management of mobile devices and apps is fragmented
- The Cloud is more accepted and CIOs are moving services
- Social media has a growing role in state government
- Proper staffing is a challenge due to budget concerns
- Driving innovation across state business operations is often a CIO function



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## IT Consolidation: A Key CIO Strategy for Years

*To address budget issues and control operational costs*

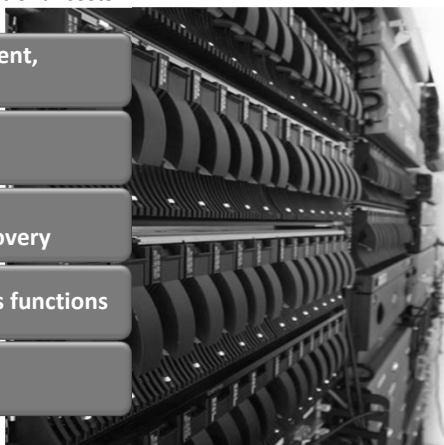
**Facilities:** reducing data centers, equipment, operational costs

**Enterprise services:** networks, email, telecommunications, imaging, wireless

**Server consolidation:** reducing footprint, operations, security impact, backup/recovery

**Applications:** enterprise, similar business functions

**IT personnel and staffing**



## What is the Status of IT Consolidations?

IT Consolidations	2012 Survey			
	Done	Ongoing	Planned	DK/DNA
Backup/disaster recovery	22%	53%	24%	2%
Business applications	8%	47%	24%	22%
Content management	16%	43%	29%	12%
Data centers	31%	46%	17%	6%
Desktop support	24%	41%	18%	18%
Email	52%	29%	15%	4%
Imaging	11%	35%	27%	27%
Security	43%	37%	12%	8%
Servers	33%	48%	10%	10%
Staff	28%	36%	12%	24%
Storage	27%	57%	8%	8%
Telecom	62%	28%	8%	2%
<b>Average</b>	<b>30%</b>	<b>42%</b>	<b>17%</b>	<b>12%</b>

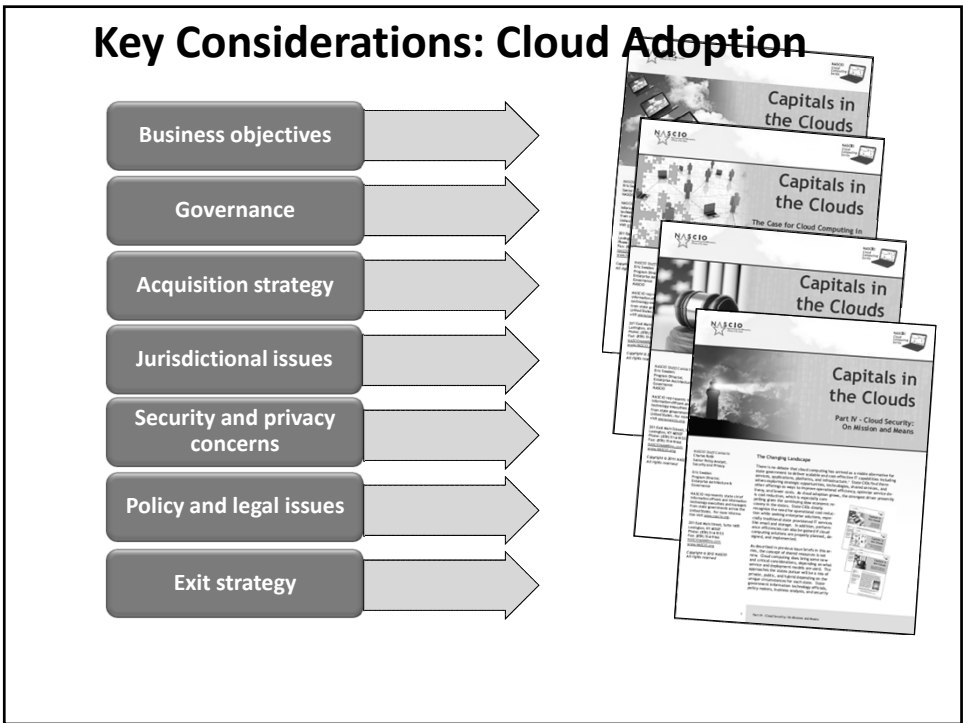
Source: NASCIO-TechAmerica –Grant Thornton LLP 2012 State CIO Survey

## What is your state's status regarding Cloud Computing?

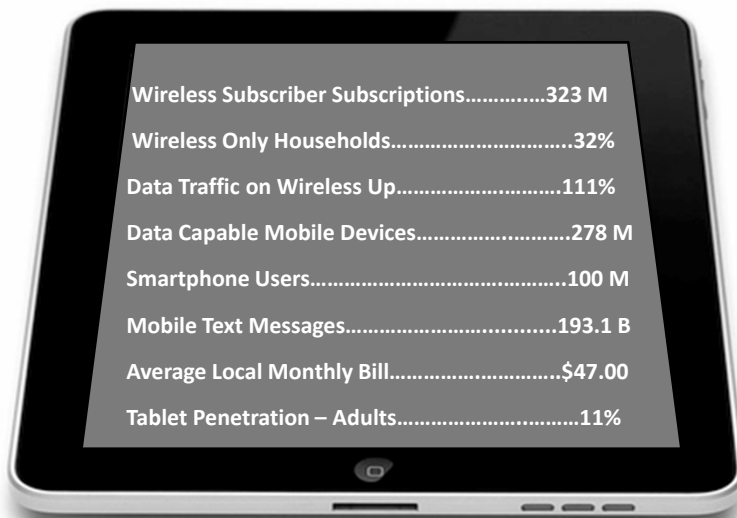
	2012	2011
The state is already highly invested in Cloud computing	15%	14%
The state has some applications in the Cloud and is still considering others	56%	35%
The state is still developing Cloud computing	19%	47%
The state has already considered Cloud computing and rejected it	0%	0%
Other	10%	4%

States moving towards greater cloud utilization

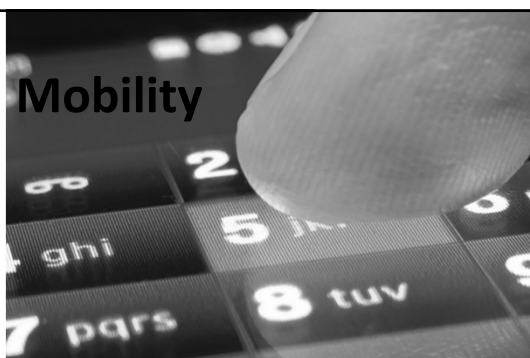
What categories of services have you migrated or do you plan to migrate to the Cloud? (select all that apply)	
E-mail and collaboration	64%
Storage	48%
Geographic Information Systems	48%
Disaster recovery	44%
Program/business applications (e.g., licensing, unemployment insurance, workers' comp, etc.)	42%
Office productivity software (e.g., word processing)	37%
Digital archives/electronic records	31%
Citizen relationship management	25%
Open data	25%
Enterprise Resource Planning	23%
Imaging	15%
Other	15%



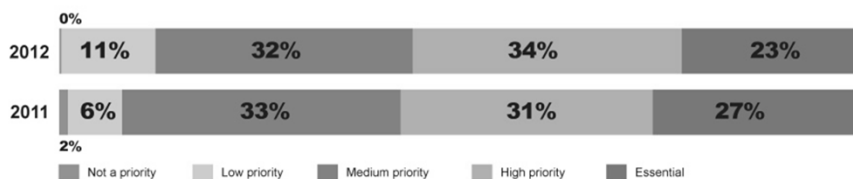
## By the Numbers: Mobile Explosion in the U.S.



Sources: Forrester, Gartner, IDC



Within the state CIO's strategic agenda and IT operational plans, how would you characterize mobile devices and applications?

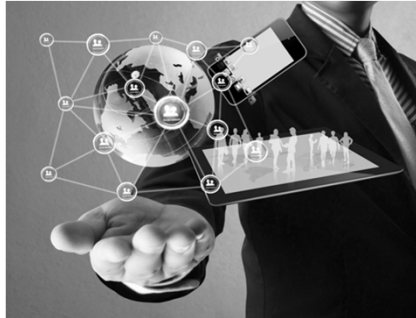




<b>How is your state managing mobility?</b>	
Totally fragmented and uncoordinated	12%
A few coordinated government-wide projects and initiatives, but mostly fragmented efforts	38%
About half of mobility projects coordinated, half uncoordinated	15%
Mostly coordinated government-wide projects and initiatives, a few fragmented efforts	25%
All mobility projects well-coordinated government-wide	6%
Don't know/does not apply	4%

State mobility management sees scattered results

<b>Based on your state government's experience so far, what is the general adoption level of mobile apps?</b>	
Citizens use hardly any of our mobile apps	0%
Citizen use of mobile apps is lower than anticipated	16%
Citizen use of mobile apps is about the same as anticipated	34%
Citizen use of mobile apps is higher than anticipated	10%
Citizen use of mobile apps is much higher than anticipated	8%
Don't know/does not apply	32%



**What is your state's general policy approach toward BYOD?**

	Percent responding
State policy prohibits BYOD	6%
No formal policy	20%
Enterprise policy permitting BYOD covering all agencies	54%
Individual agency policies permit BYOD	18%
Don't know/does not apply	2%



- Enterprise direction: strategic or ad hoc? Policy? Standards?
- Managing mobile devices? BYOD?
- Security and privacy
- Managing business and end-user expectation
- Lack of technical expertise: architecture and apps
- Architecture Native apps, web or both?
- Legal Issues? Terms of Service from apps stores?

**State Views: Common Themes on Mobile**

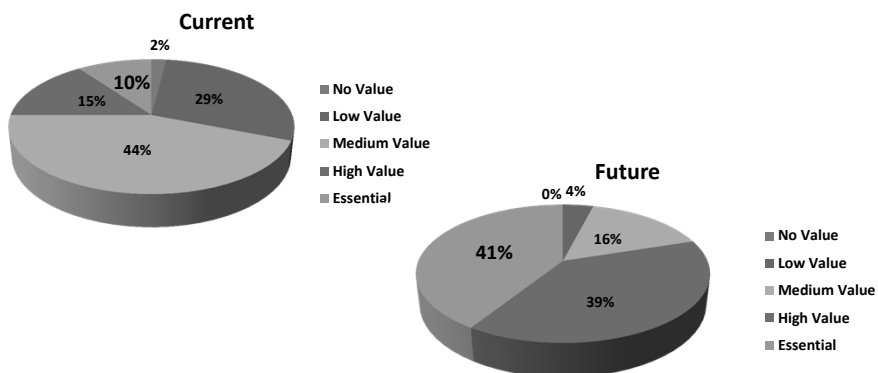
## Social Media Use

How would you characterize your state's use of social media? (check all that apply)	
Statewide policy prohibits the use of social media by state government entities	0%
We do not prohibit the use of social media, but have no statewide standards or policies about it	23%
We are preparing statewide policies and standards for social media	25%
We already have statewide policies and standards in place for social media	54%
The CIO organization uses social media	37%
Other state agencies are using social media	56%
Don't know/does not apply	2%

Social media use becoming the new normal

## Social media's value expected to rise in future

How would you rate the value of social media to your state government as it is used now, and how it could be used in the future?



## Big Data not so Big...Yet

Where is Big Data in your state IT strategic plan?

	Percent responding
Not in the plan at all, no plans to add it to the plan	23%
We are discussing adding Big Data to the plan	36%
In the plan indirectly	17%
Addressed directly in the plan	10%
A central part of the plan	8%
Don't know/does not apply	6%

State Spending

Plans & Performance

Ethics

Meetings & Campaign Finance

Community Colleges

Governor's Office Spending

Contracts

Leases

Open, Honest, and Accountable

**Has your state enacted laws, executive orders, or policies for providing online information?**

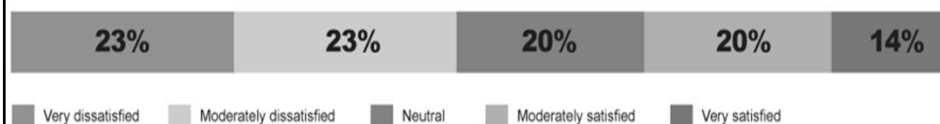
Subject	Provides		
	Yes	No	DK/DNA
State budget	94%	4%	2%
State spending	90%	6%	4%
Contract awards	98%	2%	0%
Employee salary data	72%	24%	4%
Travel reimbursements	41%	35%	24%
Investments	53%	20%	27%
Performance information on government services	47%	39%	14%
Open/raw data on government activities	39%	47%	14%

## IT Procurement

CIO satisfaction with IT procurement varies widely. Frustration in the process is the norm. CIOs suggest the general emphasis on a “level playing field” ignores the requirements for agility and innovation.



How satisfied are you with the current system of IT procurement in your state?

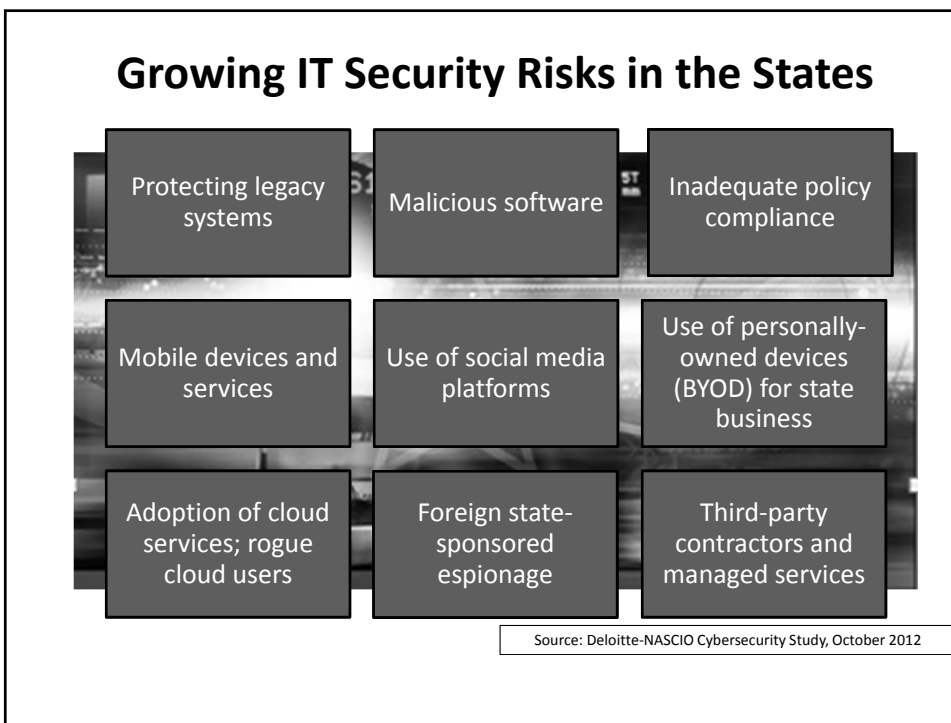
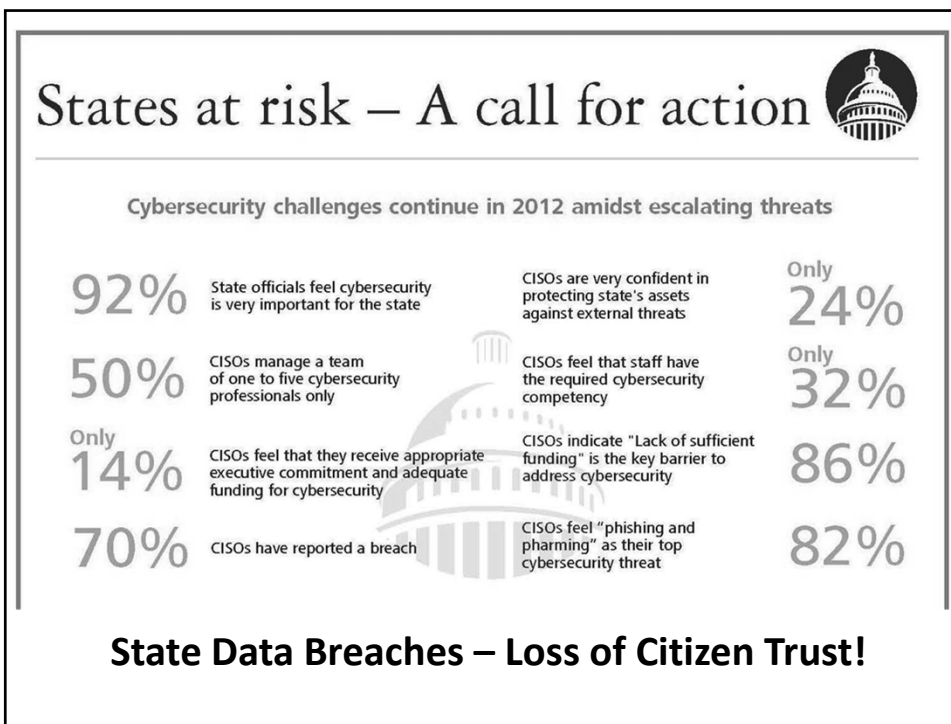


Very dissatisfied    Moderately dissatisfied    Neutral    Moderately satisfied    Very satisfied

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21. If you could simplify one thing about state government technology, what would it be? (Corporate only)

- 77% A. Procurement
- 2% B. Human resources
- 2% C. Governance
- 10% D. Funding
- 8% E. Agency silos
- 2% F. The phone system



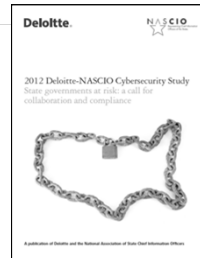
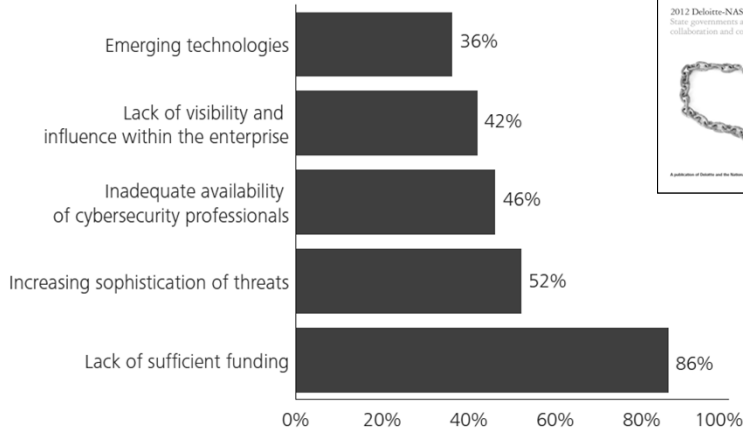
### 10. Which security risk concerns you the most?

(State Government only)

- 7% A. End-user downloads of non-approved apps
- 15% B. Insider threats
- 11% C. Email – malware and phishing
- 9% D. Mobile devices and BYOD
- 59% E. Sophisticated, pre-meditated attacks by hackers

### Top Five Barriers Faced in Addressing Cybersecurity

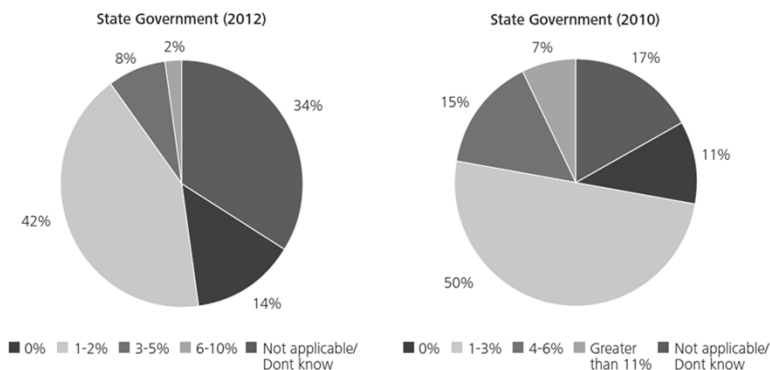
Q20. What major barriers does your state face in addressing cybersecurity?



Source: Deloitte-NASCIO Cybersecurity Study, October 2012

## Cybersecurity Budget Allocation (2012 vs. 2010)

Q30. What percentage of your state's overall IT budget is allocated to cybersecurity?

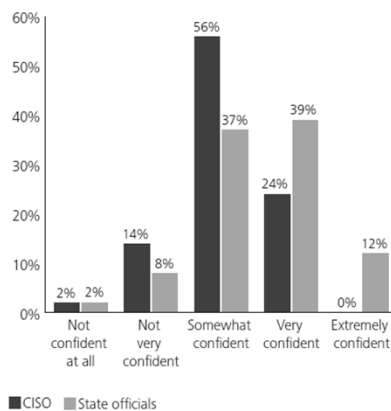


A small portion of the overall IT budget is devoted to cybersecurity— most state security budgets are in the 1-2% range.

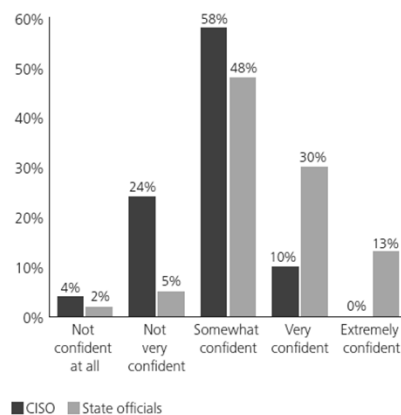
## Confidence Level of Agency/Office's Measures to Protect Information Assets from Threats

Q33. Indicate your level of confidence that your state's information assets are protected from threats.

Threats originating externally

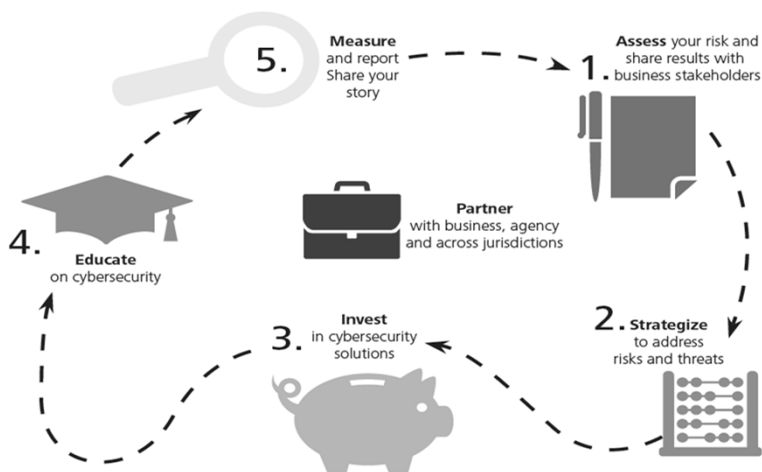


Threats originating internally

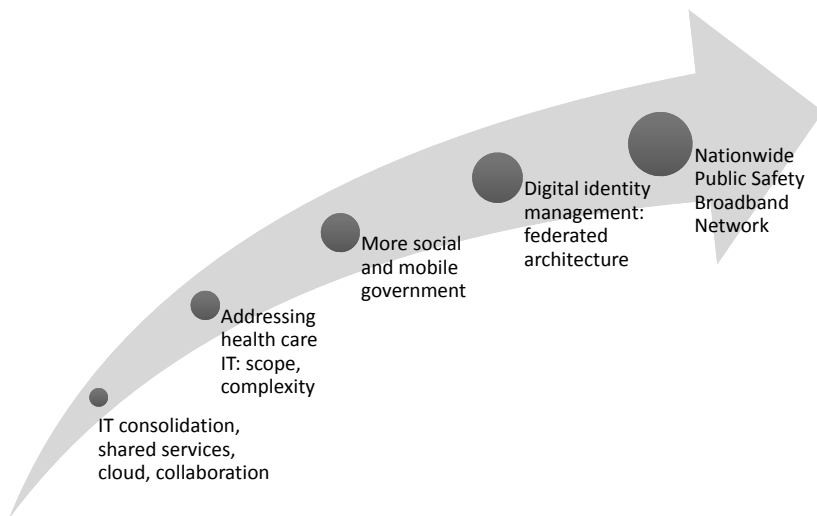




### A Call to Action for States: Execute on an effective cybersecurity strategy, with strong governance and compliance monitoring measures








### Trending...What to Watch



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