











State of the States Forecast: What Lies Ahead?

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STATE CIO TOP 10 PRIORITIES

Priority Strategies, Management Processes and Solutions for 2023

- 01  **Cybersecurity and Risk Management**
- 02  **Digital Government / Digital Services**
- 03  **Workforce**
- 04  **Legacy Modernization**
- 05  **Identity and Access Management**
- 06  **Cloud Services**
- 07  **Consolidation/ Optimization**
- 08  **Data and Information Management**
- 09  **Broadband/ Wireless Connectivity**
- 10  **Customer Relationship Management**

Focus on digital services and transformation: improved **citizen experience**, citizen-centric design, streamlining services, automation, citizen **identity management**

Elevated cyber threats, nation state and criminal attacks, focus on **whole-of-state** cybersecurity resilience, benefits fraud

5R challenges of state IT workforce: **recruitment**, **retention**, **reskilling**, **retirements**, **resignations** - a crisis with cybersecurity positions

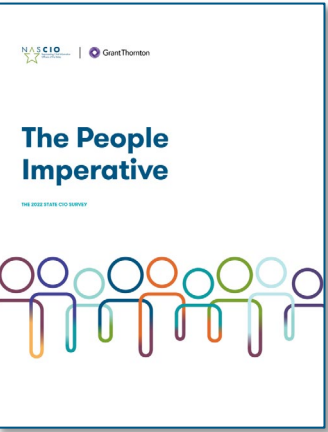
Year 1 of State and Local Cybersecurity Improvement Grant (\$180M): NOFO, state applications, organizing, initial planning, local grants

Huge investments in broadband; more granular **mapping data** for better decisions; addressing affordability issues; digital equity

36 gubernatorial elections in 2022 - **9 new governors**; 1,500 new legislators. What can we expect in 2023? CIO transitions and impact on continuity of leadership?



Rank the top five business processes, practices or investment changes that you believe will continue post COVID-19 pandemic?



#1

Increased attention on digital government services / citizen experience

#1 in 2021
#3 in 2020



#2

Increased priority and investment in legacy modernization

#5 in 2021
#5 in 2020



#3

Investments in broadband expansion / adoption

#3 in 2021
#4 in 2020



#4

Expanded work from home / remote work options

#2 in 2021
#1 in 2020



#5

Expanded use of collaboration platforms / remote meetings

#4 in 2021
#2 in 2020



How is the CIO organization moving to deliver services to agencies within the next two years?

56%

Consolidation of infrastructure

54%

Centralization of IT project management and oversight under the CIO organization

48%

Consolidation of services (e.g., help desk, training etc.)

38%

Consolidation of applications

31%

Responsibility for technology procurement within the CIO organization



“Workforce is the single largest challenge any leader faces and getting the workforce component right is the make / break success of the CIO.”

-State CIO

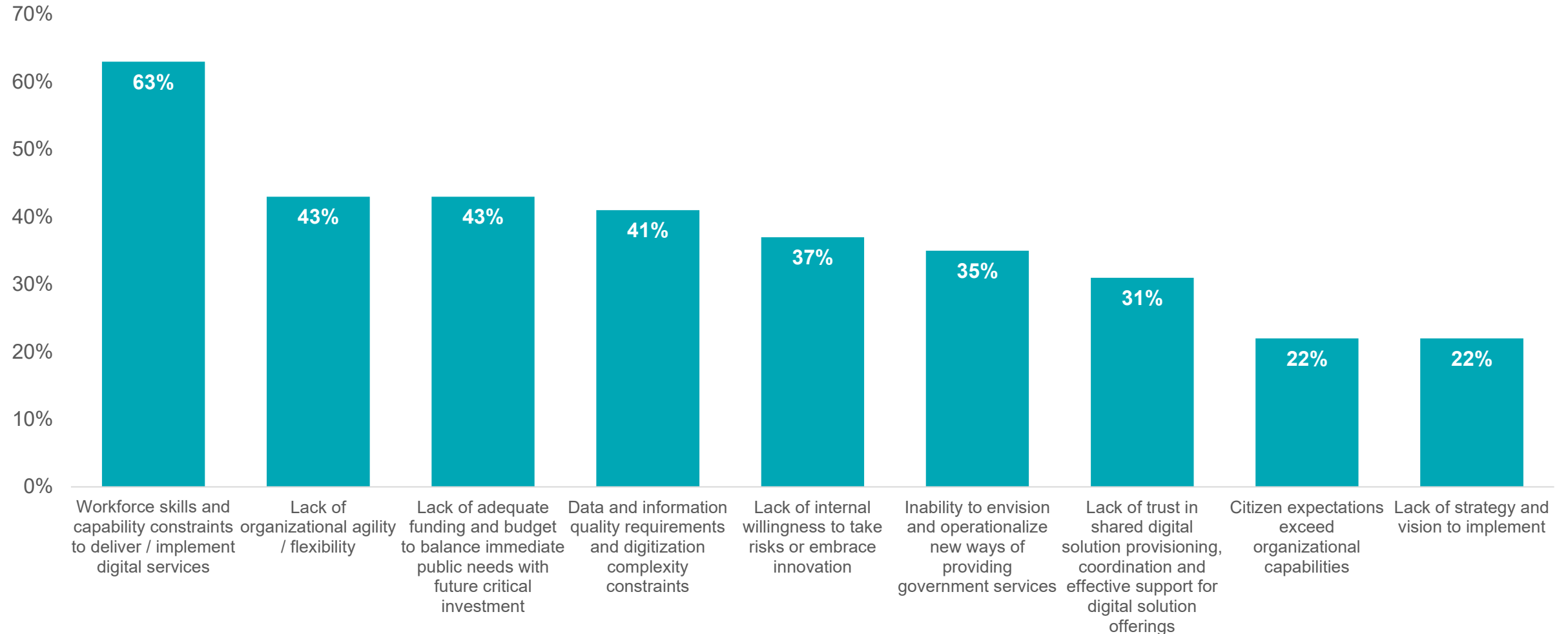


Besides increased compensation, what single action should be implemented that would be the most impactful in recruiting and retaining the future IT workforce in your state?

	2022	2019
Reskilling current employees to meet modern IT demands	35%	25%
Aligning IT job titles, classifications and descriptions more closely to the private sector	31%	33%
Increasing remote work options	18%	N / A
Expanding flexible work schedules	8%	N / A
Streamlining the hiring process and reducing time to hire	6%	14%
Other	2%	N / A



What major challenges do you face in meeting demand for digital services?



Cyber talent a top barrier for state CISOs

Inadequate availability of cybersecurity professionals is among the top five barriers that CISOs cite

2020

2022



01 Lack of sufficient cybersecurity budget (46%)

01 Legacy infrastructure and solutions to support emerging threats (52%)

02 Inadequate cybersecurity staffing (42%)

02 Inadequate availability of cybersecurity professionals (50%)

03 Legacy infrastructure and solutions to support emerging threats (34%)

03 Inadequate cybersecurity staffing (46%)

04 Inadequate availability of cybersecurity professionals (28%)

04 Decentralized IT and security infrastructure and operations (38%)

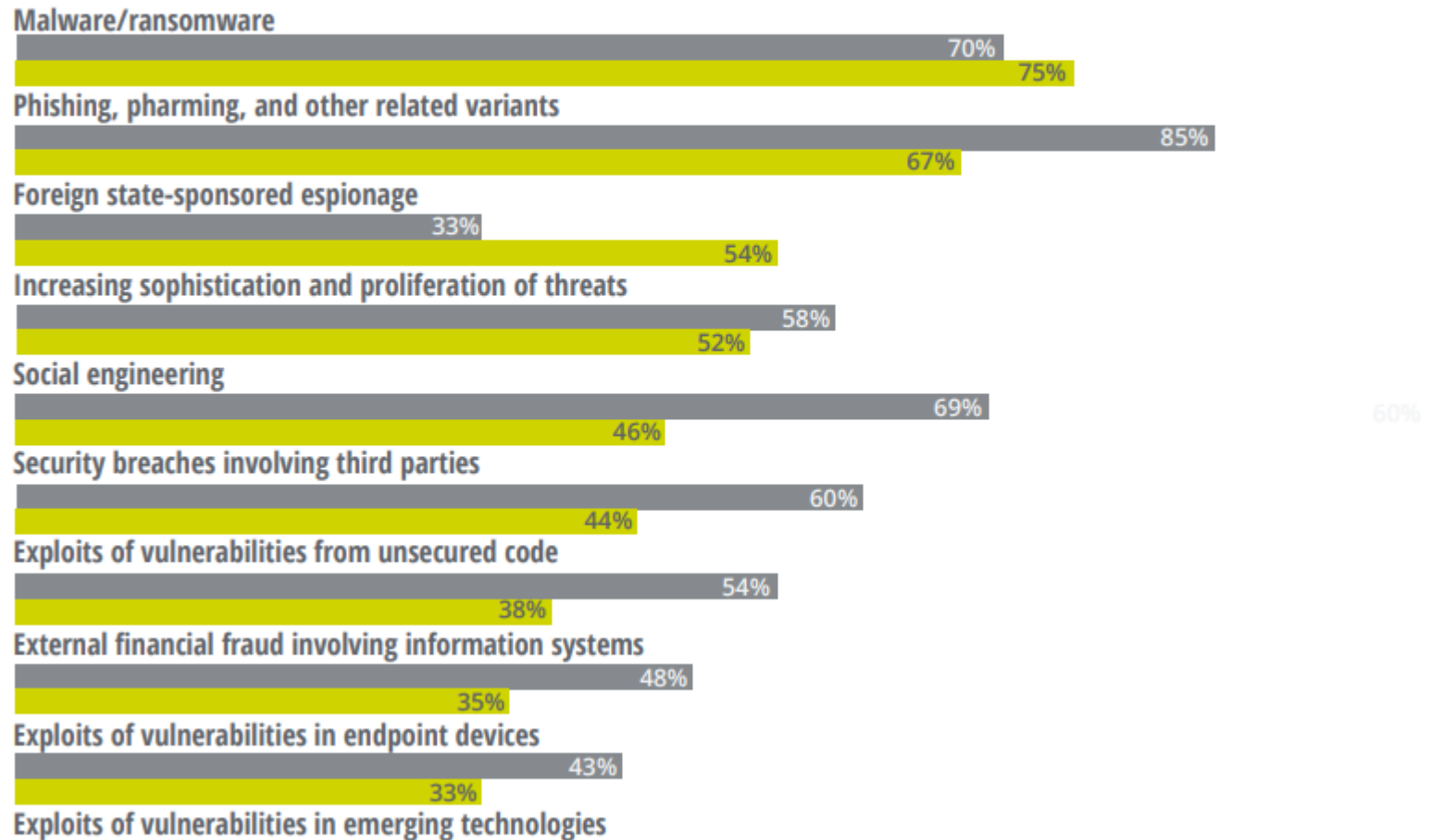
05 Lack of dedicated cybersecurity budget (28%)

05 Increasing sophistication of threats (29%)



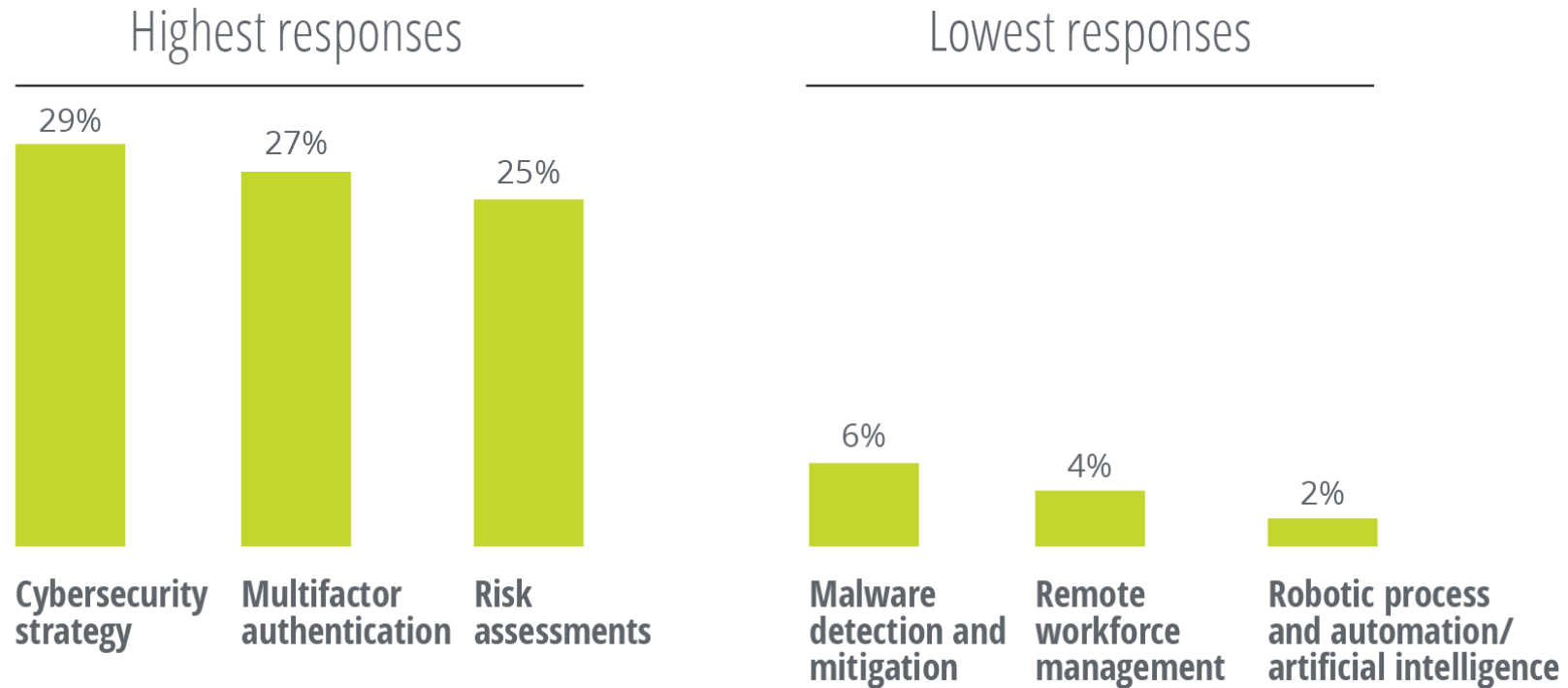
How much of a threat do each of the following cyberthreats pose to your state? (Very high and somewhat higher threat combined)

2020 2022



States focused on foundational cyber initiatives

Majority of states focused on cyber strategy, multifactor authentication, and risk assessments as upcoming initiatives



State Cyber Trends

Talent crisis: recruitment, retention, compensation

More centralized operating model; zero trust framework

Adopting whole-of-state cybersecurity resilience

Expanding attack surface – services, remote work

Software supply chain risks

Support and partnerships with **local governments**



What services does the state CIO organization offer to local governments compared to 2020?



#1

Network services (WAN / LAN)

59% In 2020



#2

Data center hosting

55% In 2020



#3 (tied)

Security services / infrastructure

48% In 2020



#3 (tied)

Geospatial information systems (GIS)

50% In 2020

	2022	2020
Telephony / VoIP	37%	48%
Digital government / portal	35%	39%
Co-location	33%	43%
IT training	33%	23%
Business continuity / disaster recovery	25%	41%
Email / office productivity / collaboration	25%	39%
Identity and access management	25%	23%
Mainframe services	22%	23%
Storage services	22%	34%
Backup services	22%	39%
Cloud services / hosting	20%	43%
Video / web conferencing	20%	36%

Rank the top major challenges in collaborating with local governments.



Lack of dedicated funding



Lack of desire to collaborate by local governments



Lack of clear state authority



Lack of technical capacity / knowledge from local governments



Unclear governance model

What to Watch in 2023

Execution of the State and Local Cybersecurity Improvement Grant: CISA plan approval, application process, state shared cyber services to locals

Future of the IT workforce: sustaining the remote work environment? Recruitment/retention/resignation, skills transformation, adaptation

Reducing diversity and complexity - seeking to “rationalize” the technology environment: hardware, software and services

Pressure to improve program integrity: identity verification, anti-fraud solutions, data sharing

State privacy legislation; State chief privacy officer role growing and evolving



Resource Center at NASCIO.org

