Under the Digital Dome: States and the Cloud

NAAG Southern Region Meeting
March 13, 2015

Doug Robinson, Executive Director
National Association of State Chief Information Officers
Today’s State IT Landscape

Fiscal trends: CIOs still seeking IT operational **cost savings**, consolidation, innovations

**Cybersecurity threats!** New risks, enterprise governance is hard, funding inadequate

**Transition:** systems-centric to technology-as-a-service

Alternative **sourcing** options

Continuing IT **workforce** retirements, recruiting challenges, talent management, skills gap

Focus on **SMAC** stack: social, mobile, analytics, cloud
Top Ten: State CIO Priorities for 2015

1. Security
2. Cloud Services
3. Consolidation/Optimization
4. Broadband/Wireless Connectivity
5. Budget and Cost Control
6. Human Resources/Talent Management
7. Strategic IT Planning
8. Mobile Services/Mobility/Enterprise Mobility
9. Disaster Recovery/Business Continuity
10. Customer Relationship Management

Source: NASCIO State CIO Ballot, November 2014
Charting the Course: Business Models and Sourcing are Changing

<table>
<thead>
<tr>
<th>What business models and sourcing strategies does your state CIO organization currently use?</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owns and operates all state IT assets and operations</td>
<td>37%</td>
<td>29%</td>
</tr>
<tr>
<td>Owns and operates multiple data centers</td>
<td>58%</td>
<td>65%</td>
</tr>
<tr>
<td>Owns and operates a consolidated data center</td>
<td>65%</td>
<td>57%</td>
</tr>
<tr>
<td>Outsources some of its IT infrastructure operations</td>
<td>46%</td>
<td>51%</td>
</tr>
<tr>
<td>Outsources some of its IT application and services</td>
<td>81%</td>
<td>69%</td>
</tr>
<tr>
<td>Uses a managed services model for some or all IT operations</td>
<td>60%</td>
<td>65%</td>
</tr>
<tr>
<td>Uses an IT shared services model for some or all IT operations</td>
<td>70%</td>
<td>73%</td>
</tr>
</tbody>
</table>

Source: Charting the Course, 2014 State CIO Survey
Service Delivery in the Next Three Years?

How does your state CIO organization plan to deliver or obtain IT services over the next three years?

- Maintain the status quo
- Build new data centers
- Downsize state-owned-and-operated data center(s)
- Introduce outsourcing as a new service model
- Expand outsourcing
- Introduce a managed services model
- Expand existing managed services model
- Introduce an IT shared services model
- Expand existing IT shared services model
- Outsource business applications through a SaaS model
- Increase state IT staff

Source: Charting the Course, 2014 State CIO Survey
Forces of Change: Why Cloud?

- Cost savings and efficiency
- Flexibility and scalability
- Rapid provisioning
- Measured service
- Better data security
- Shift from capital spend to operating spend
- Reduced IT staffing and administration costs

This transition is disruptive to the traditional notions of state IT. It has serious implications for state budgeting, procurement, legal, business processes, project and portfolio management.
## Adoption of Cloud Services

<table>
<thead>
<tr>
<th>What is your state's status regarding cloud services?</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>The state is already highly invested in cloud services</td>
<td>6%</td>
<td>20%</td>
</tr>
<tr>
<td>The state has some applications in the cloud and is considering others</td>
<td>68%</td>
<td>73%</td>
</tr>
<tr>
<td>The state is still investigating cloud services</td>
<td>22%</td>
<td>6%</td>
</tr>
<tr>
<td>The state has considered cloud services but has rejected it</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: 2013 and 2014 State CIO Survey
8. In the next 1-2 years do you plan to move any of your core systems to the cloud (State Government Only)

11%  A. No, can’t get past security concerns
2%    B. No, can’t get past the human resources implications
11%  C. No, can’t get past procurement terms and conditions
37%  D. Yes, assuming the budget and ROI get approved
39%  E. Yes, no turning back now
### What categories of services have you migrated or do you plan to migrate to the Cloud? (select all that apply)

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-mail and collaboration</td>
<td>64%</td>
</tr>
<tr>
<td>Data Storage</td>
<td>48%</td>
</tr>
<tr>
<td>Geographic Information Systems</td>
<td>48%</td>
</tr>
<tr>
<td>Disaster recovery</td>
<td>44%</td>
</tr>
<tr>
<td>Program/business applications (e.g., licensing, unemployment insurance, workers' comp, etc.)</td>
<td>42%</td>
</tr>
<tr>
<td>Office productivity software (e.g., word processing)</td>
<td>37%</td>
</tr>
<tr>
<td>Digital archives/electronic records</td>
<td>31%</td>
</tr>
<tr>
<td>Citizen relationship management</td>
<td>25%</td>
</tr>
<tr>
<td>Open data</td>
<td>25%</td>
</tr>
<tr>
<td>Enterprise Resource Planning (ERP)</td>
<td>23%</td>
</tr>
<tr>
<td>Imaging</td>
<td>15%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: State CIO Survey NASCIO/TechAmerica/Grant Thornton
Major Changes in State Data

- Structured
- Semi-structured
- Unstructured

Sources and Format Changing Dramatically

Cloud for Data
Business objectives
Governance
Acquisition strategy
Jurisdictional issues
Security and privacy
Policy and legal issues
Exit strategy
Legal and Jurisdictional

- Lack of substantial legal precedence
- Whose laws apply?
- Anticipate what events can/will lead to litigation
- Access to E-records? E-discovery?
- Where’s the data?
- What constitutes “reasonable effort” for security?
- Self-provisioning: risks/liabilities
- Crafting multi-state collaboratives
Follow Us

@NASCIO
/NASCIOmedia
/NASCIOmedia

National Association of State Chief Information Officers (NASCIO)

drobinson@nascio.org