



The Forces of Change: States and the Cloud



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About NASCIO

- National association representing state chief information officers and information technology executives from the states, territories and D.C.
- Founded in 1969
- NASCIO's mission is to foster government excellence through quality business practices, information management, and technology policy.





Fiscal recovery and IT budgets: CIOs still seeking IT operational **cost savings**, consolidation, innovations

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

Transition: systems-centric *to* technology as a service; cloud services

Alternative **sourcing** options, lean and agile

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

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





The Forces of Change

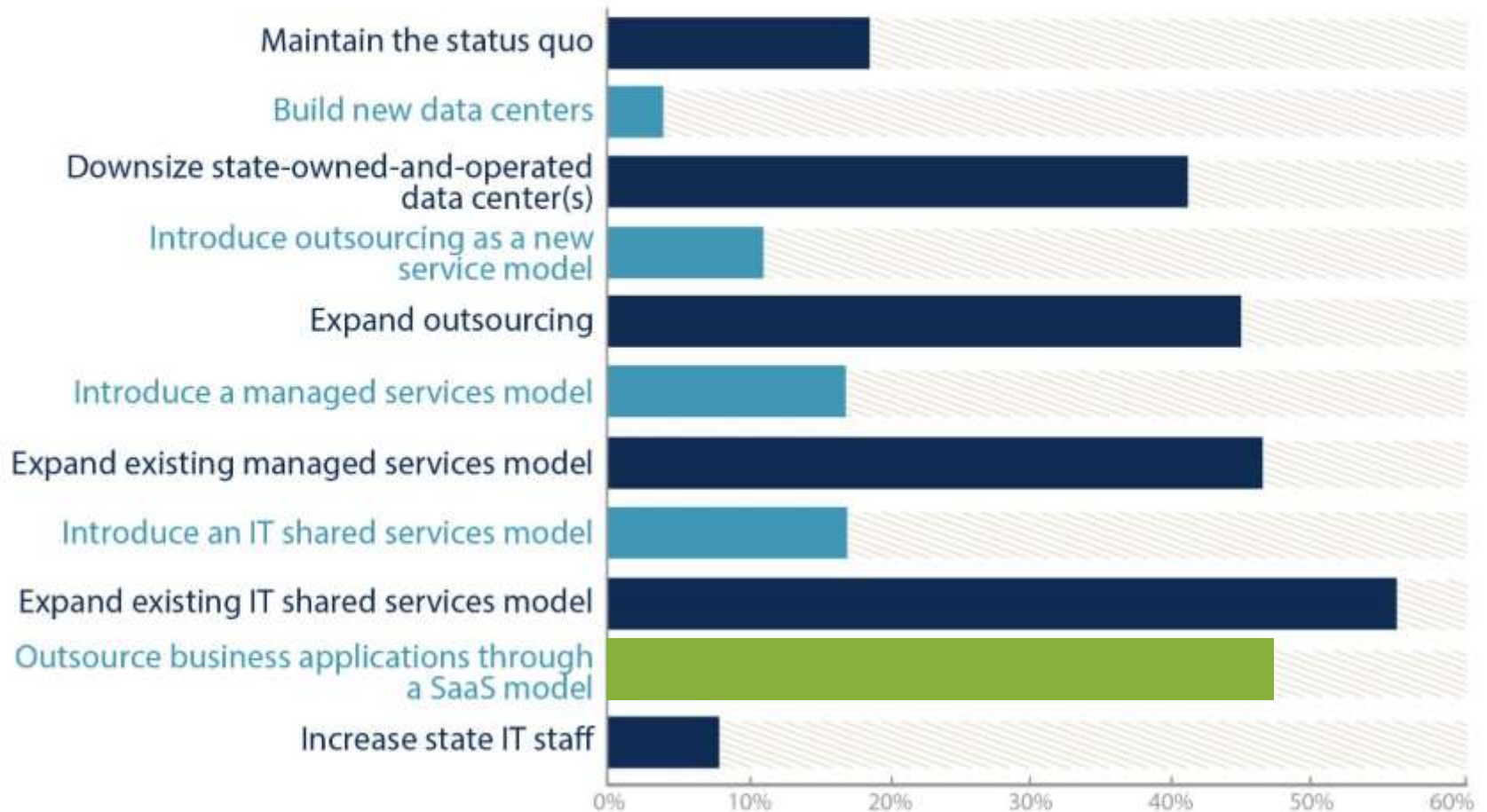
Charting the Course: Business Models and Sourcing are Changing

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

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?



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, audit, business processes, project and portfolio management.

Adoption of Cloud Services

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

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%
Data 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 (ERP)	23%
Imaging	15%
Other	15%

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

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



What changes driven by technology create the most challenges to statewide policies in your state? (State CIOs)

- 17% A. Big Data
- 2% B. Internet of Things
- 17% C. Mobility
- 41% D. Public Cloud - XaaS
- 4% E. Private Cloud
- 11% F. Hybrid Cloud
- 7% G. Other

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