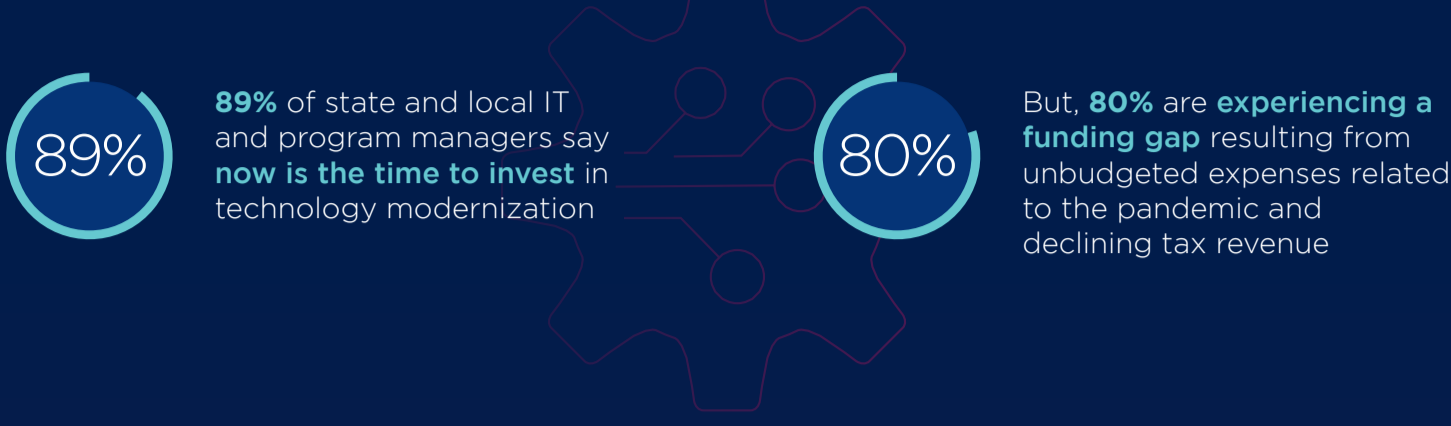# The SLG Tech Tightrope:
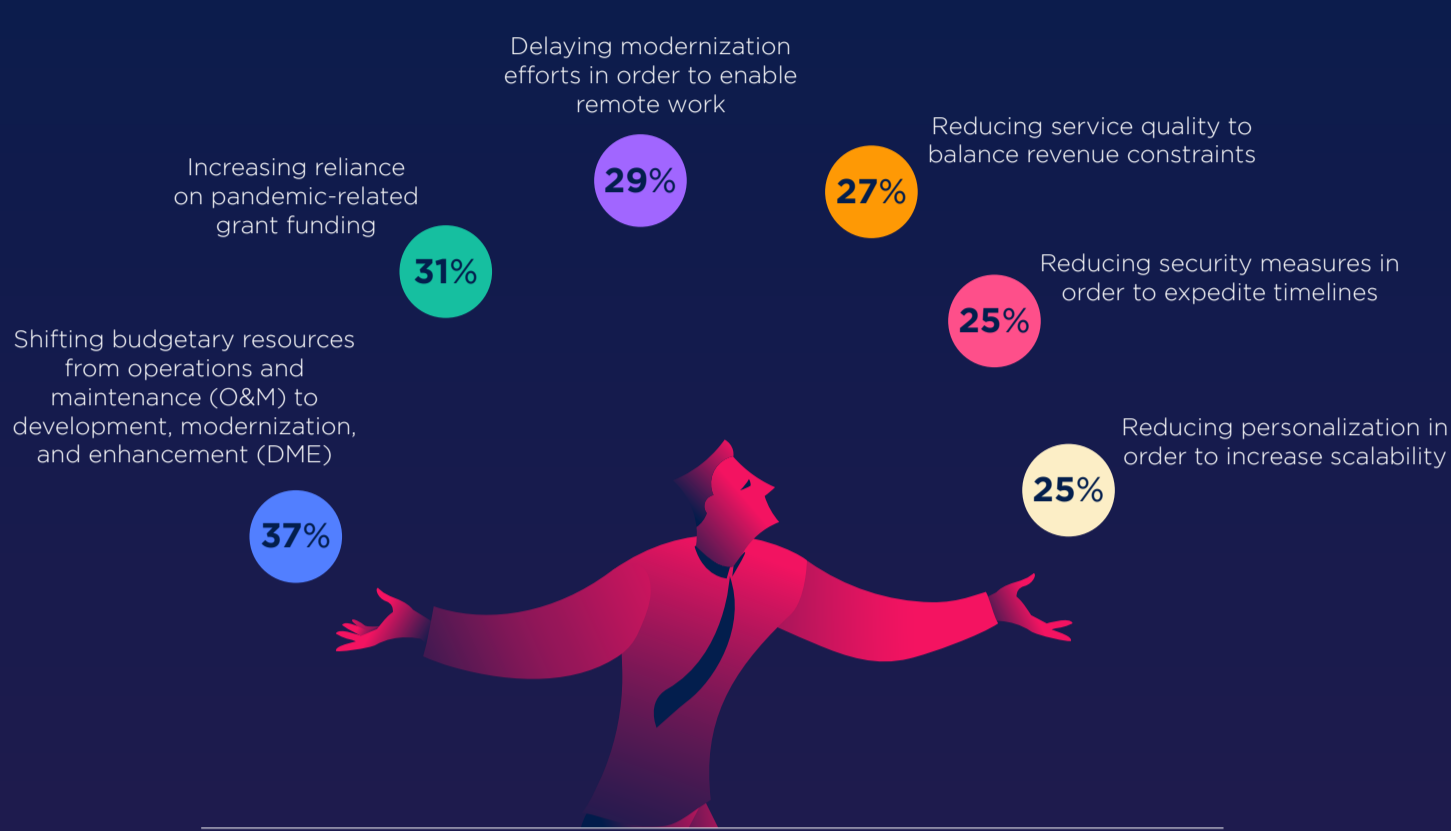## COVID, CARES, and the Road Ahead

MeriTalk surveyed 200 state and local government (SLG) IT and program managers to understand how leaders are walking the tightrope of investing in innovation while balancing revenue constraints.
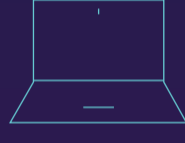
Show Time for Modernization

89%

89% of state and local IT and program managers say **now is the time to invest** in technology modernization

80%

But, **80%** are **experiencing a funding gap** resulting from unbudgeted expenses related to the pandemic and declining tax revenue

Juggling Priorities

84% of state and local organizations are making tradeoffs to help bridge funding gaps, including:

29% Delaying modernization efforts in order to enable remote work

27% Reducing service quality to balance revenue constraints

31% Increasing reliance on pandemic-related grant funding

25% Reducing security measures in order to expedite timelines

37% Shifting budgetary resources from operations and maintenance (O&M) to development, modernization, and enhancement (DME)

25% Reducing personalization in order to increase scalability

Interestingly, **more than one in three** (35%) IT managers say their organization is reducing security measures in order to expedite timelines — despite the expanding threat landscape and cybersecurity topping NASCIO's list of 2021 State CIO priorities[1]

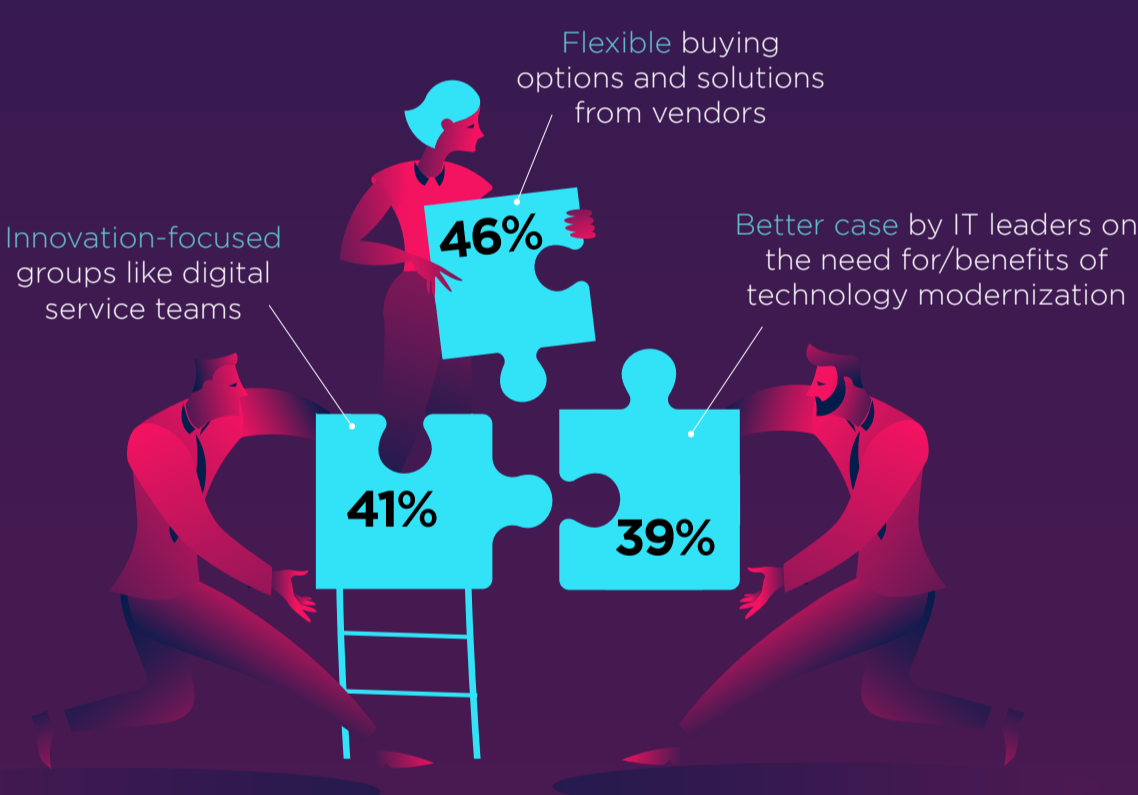### Where have investments increased?

Remote work devices (**84%**)

Digital services for citizens (**68%**)

Cybersecurity investments (**67%**)

Balancing Act

What do you need to balance technology requirements with budget constraints?

46% Flexible buying options and solutions from vendors

41% Innovation-focused groups like digital service teams

39% Better case by IT leaders on the need for/benefits of technology modernization

Building a Resilient Future

88% Despite challenges, 88% believe state and local governments **will make more technology modernization progress** in the year following COVID than in the 10 years prior

75% will use using pandemic-related funding for tech expenses

Which technology investments do you expect to deliver the **greatest ROI** over the next two years?

Remote work devices (**43%**)

Cloud computing (**38%**)

Data management/analytics (**33%**)

What do you most need **2021 technology investments** to deliver?

Increased efficiency (**53%**)

Improved quality of citizen service (**44%**)

Increased cyber resilience (**43%**)

[1] https://www.nascio.org/wp-content/uploads/2020/12/NASCIO_CIOTopPriorities.pdf