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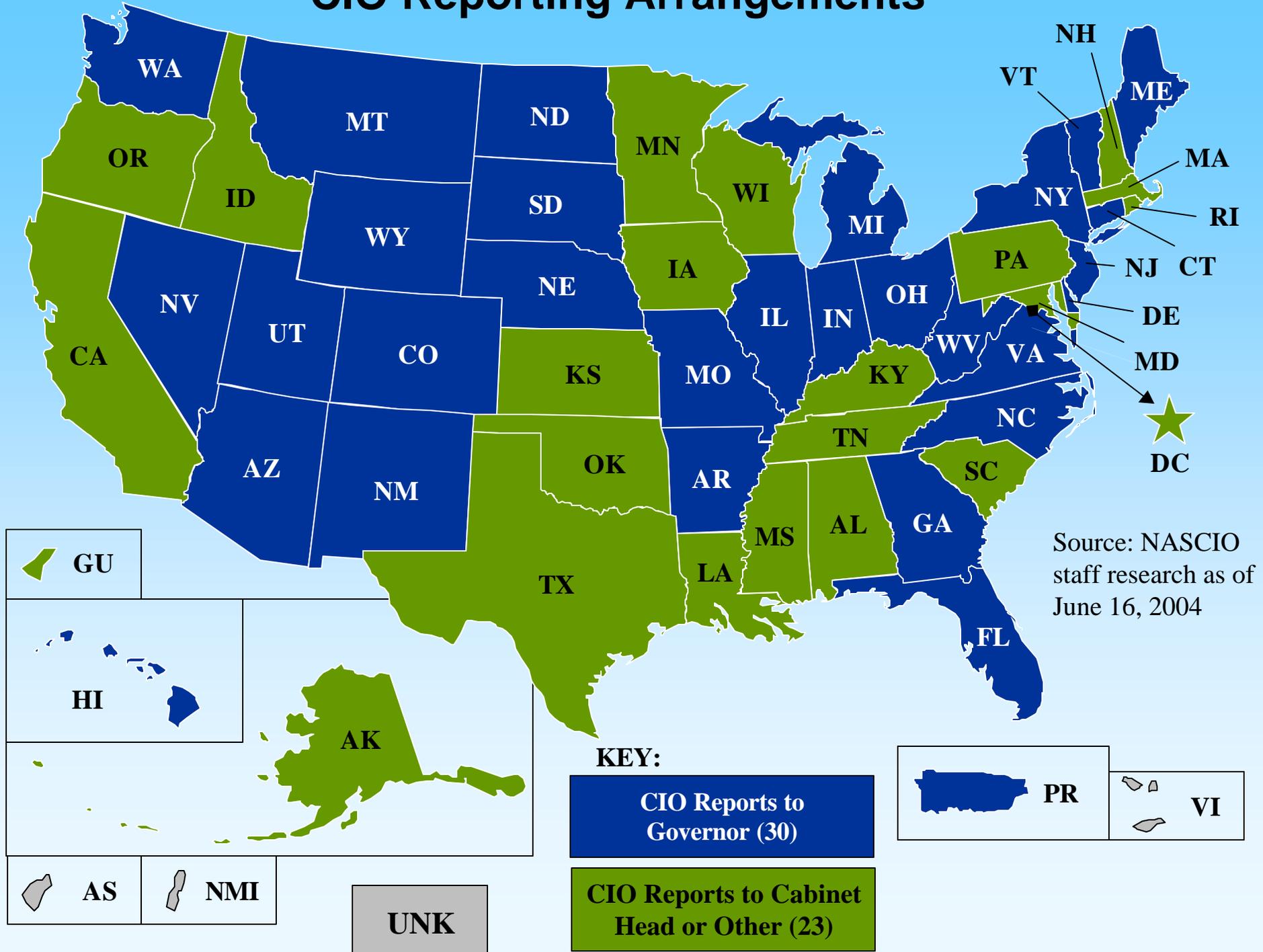
State of the States Briefing

CIO Membership Meeting

**September 19, 2004
New Orleans**

**Doug Robinson, Executive Director
NASCIO**

CIO Reporting Arrangements



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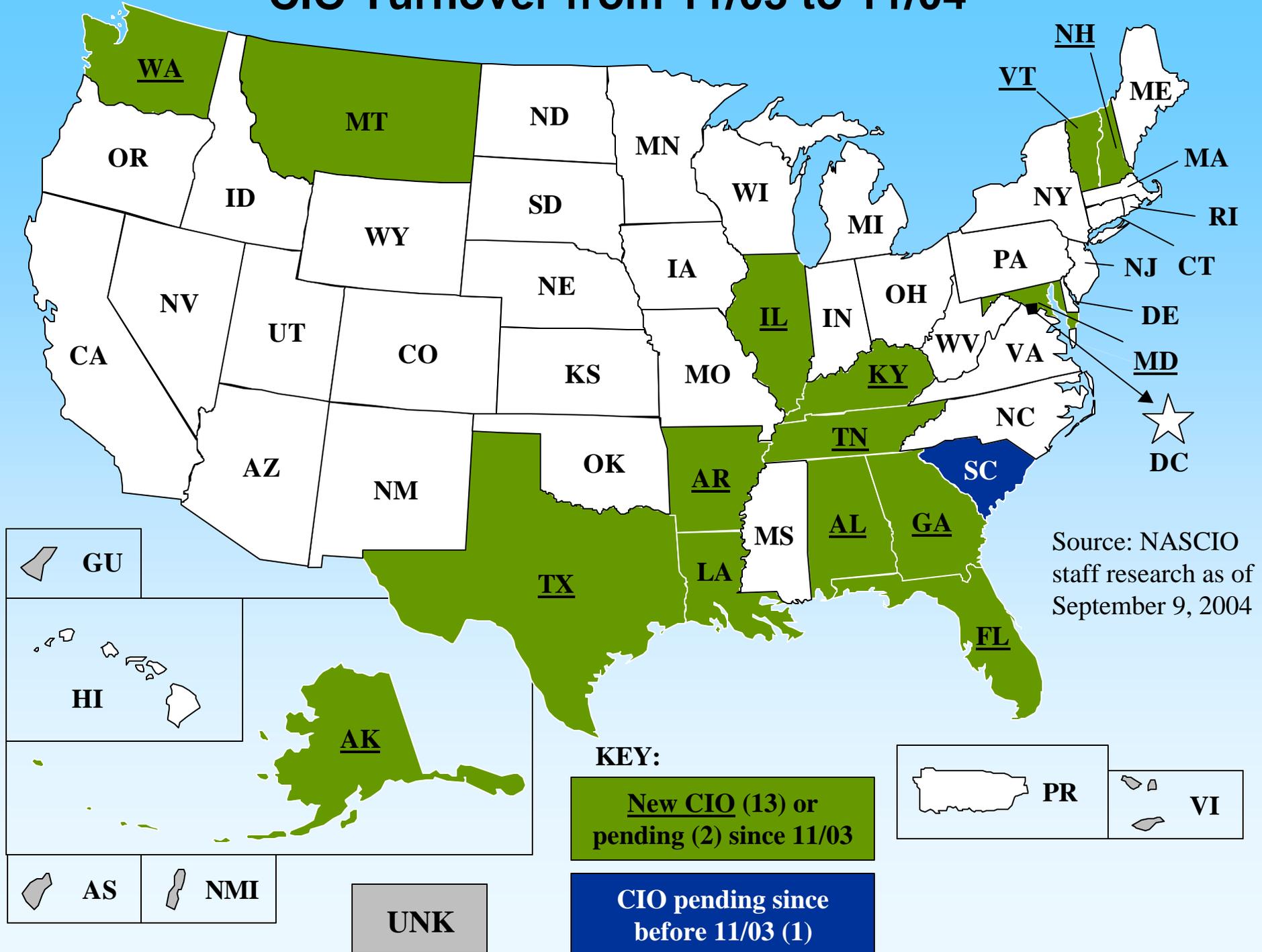
KEY:
 CIO Reports to Governor (30)

CIO Reports to Cabinet Head or Other (23)

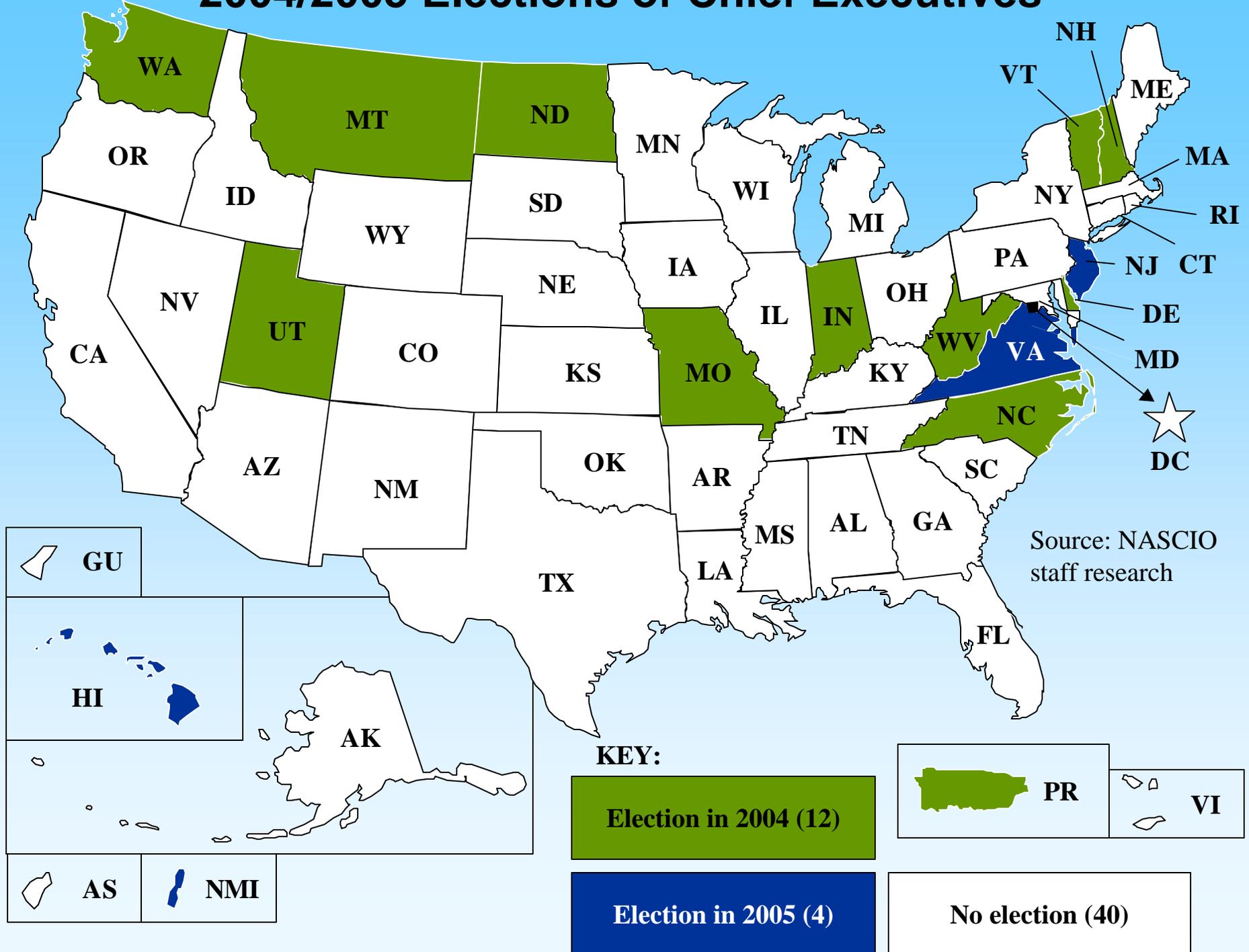
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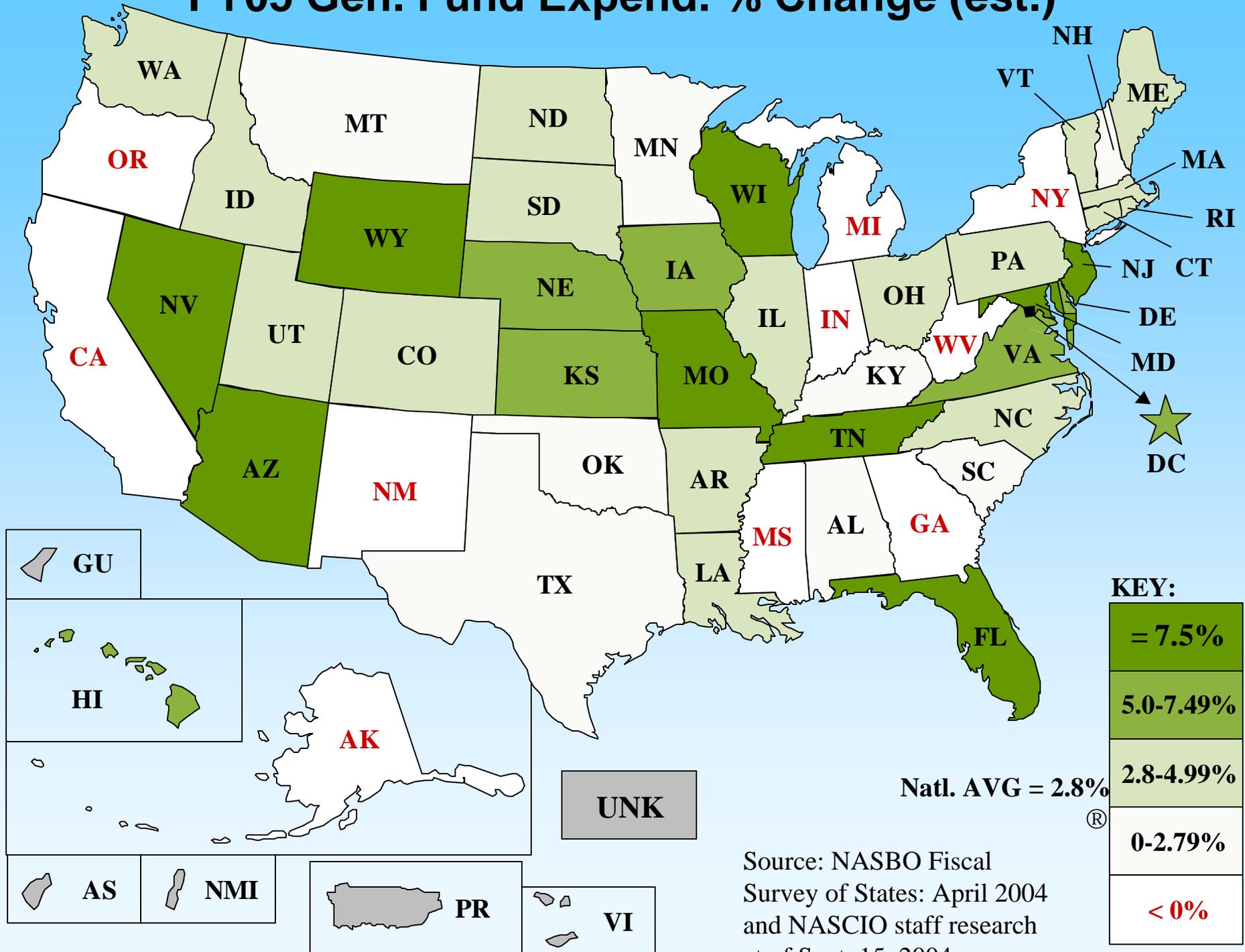
CIO Turnover from 11/03 to 11/04



2004/2005 Elections of Chief Executives



FY05 Gen. Fund Expend. % Change (est.)

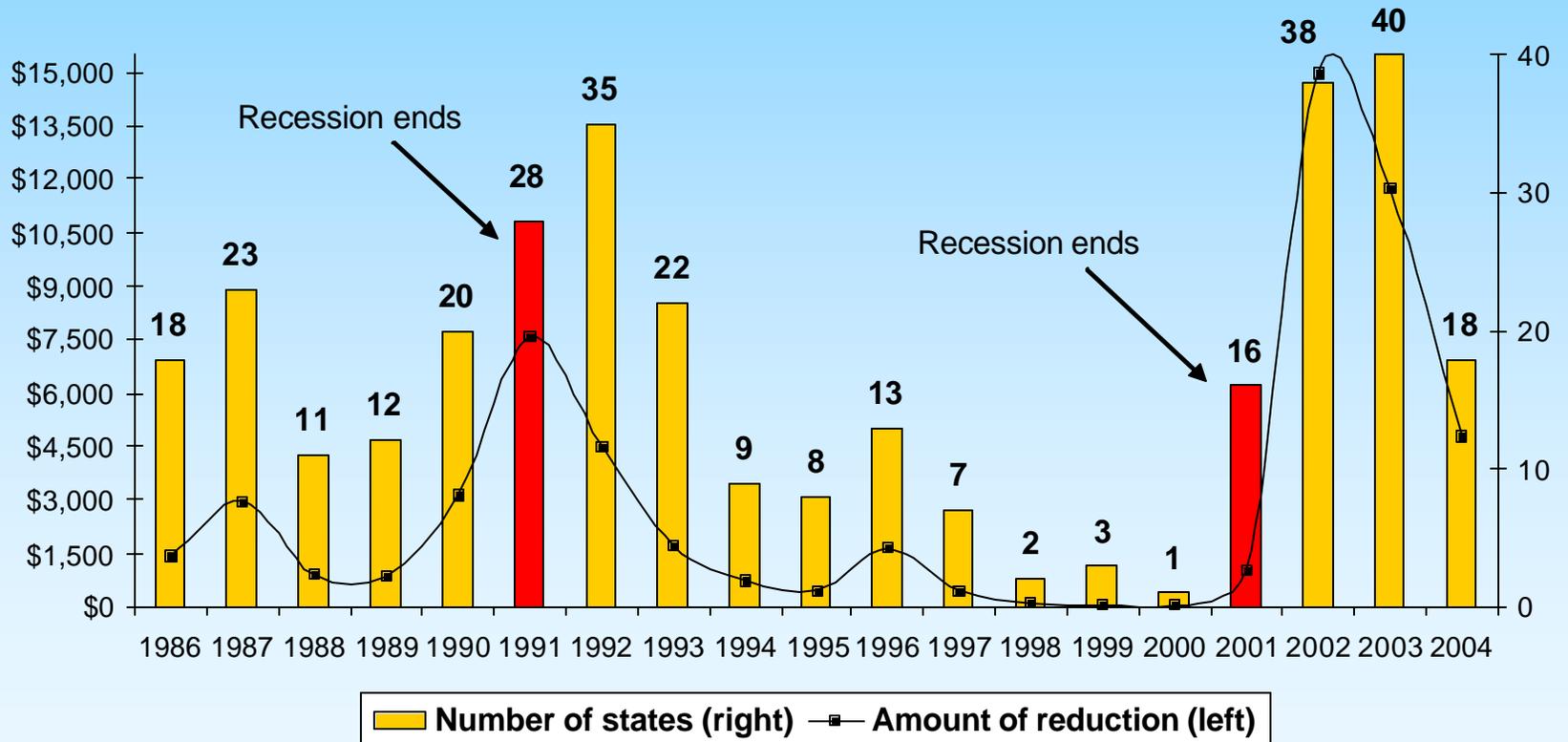




Improvement, but still tough times

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Budget Cuts Made After the Budget Passed,
Fiscal 1986-Fiscal 2004 (\$ millions)



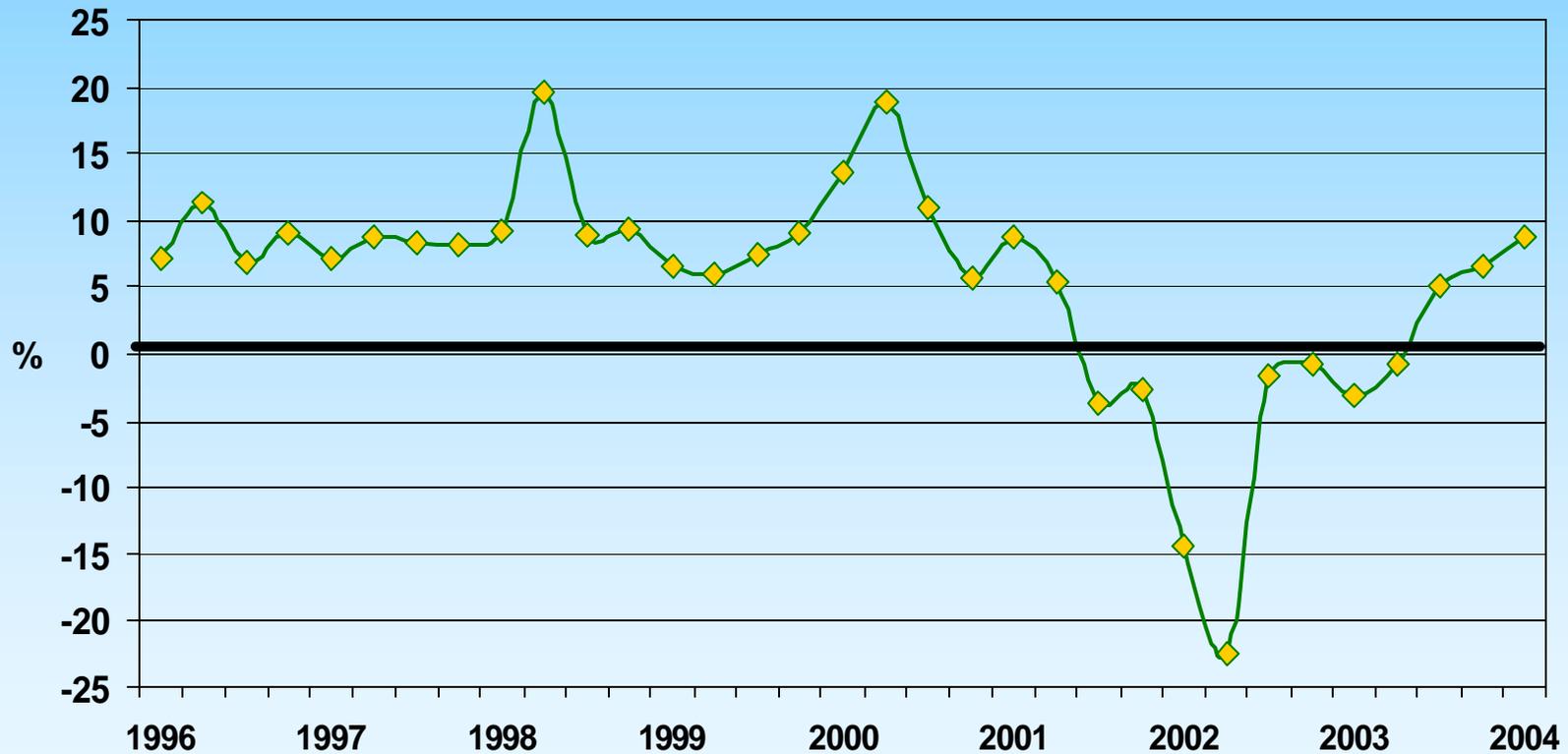
Source: NASBO, Fiscal Survey of States



Revenue Improves after Dramatic Fall

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Year-Over-Year Real Change in
Quarterly State Personal Income Tax Revenue



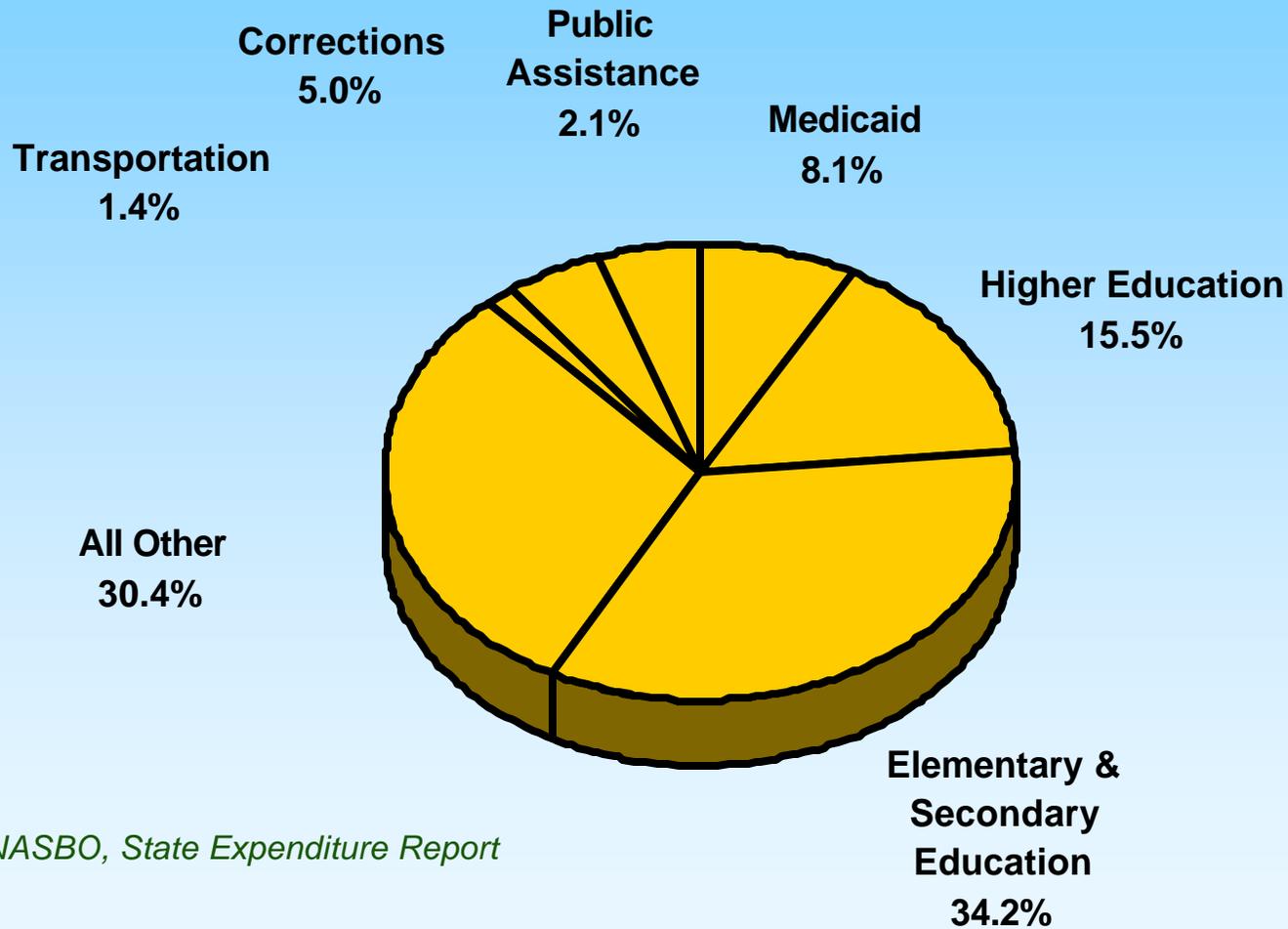
Source: Fiscal Studies Program, Rockefeller Institute of Government (via NASBO)



State GF 1987: K-12 & Higher Ed



General Fund Expenditures: 1987



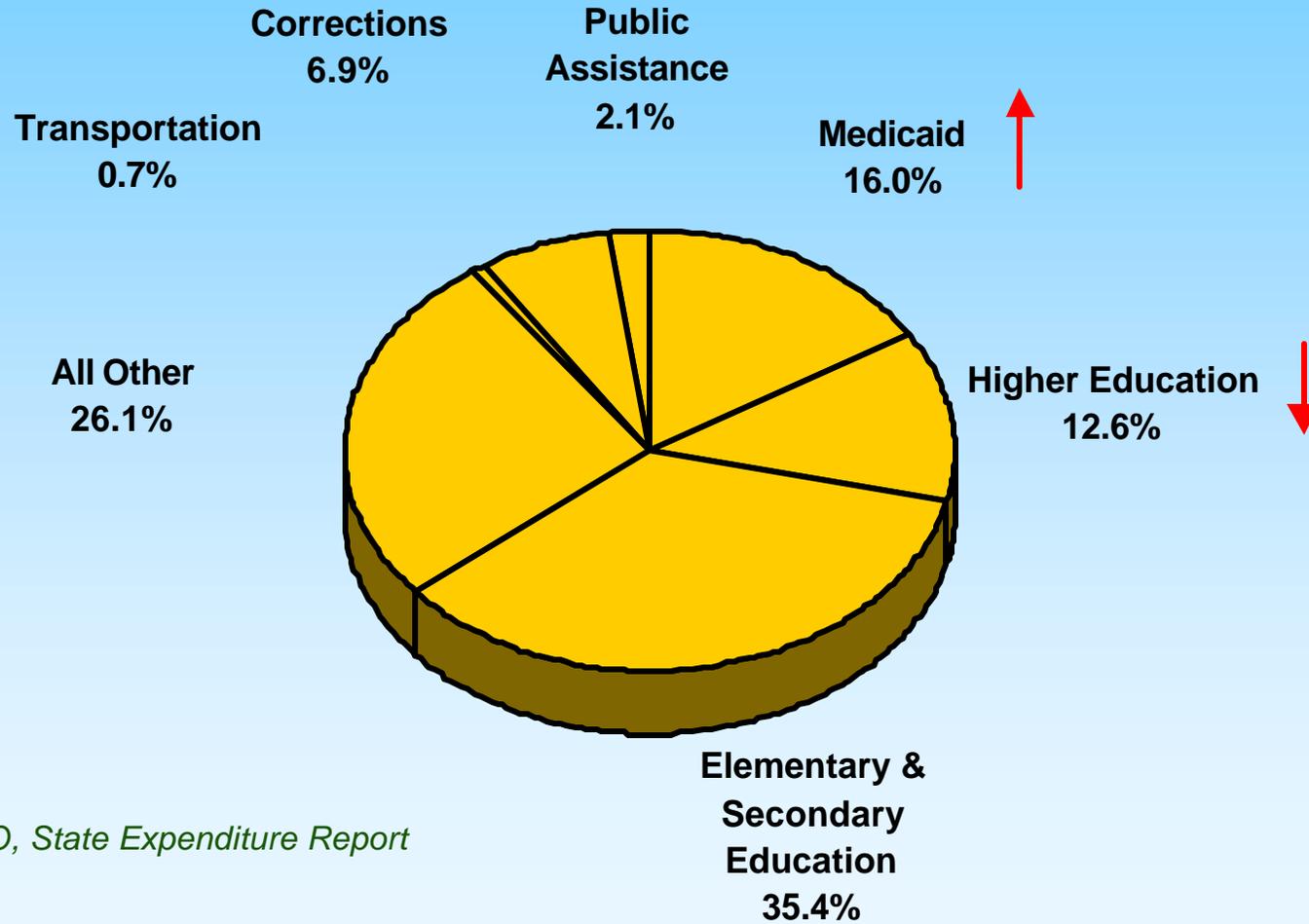
Source: NASBO, State Expenditure Report



State GF Now: Health Care & K-12



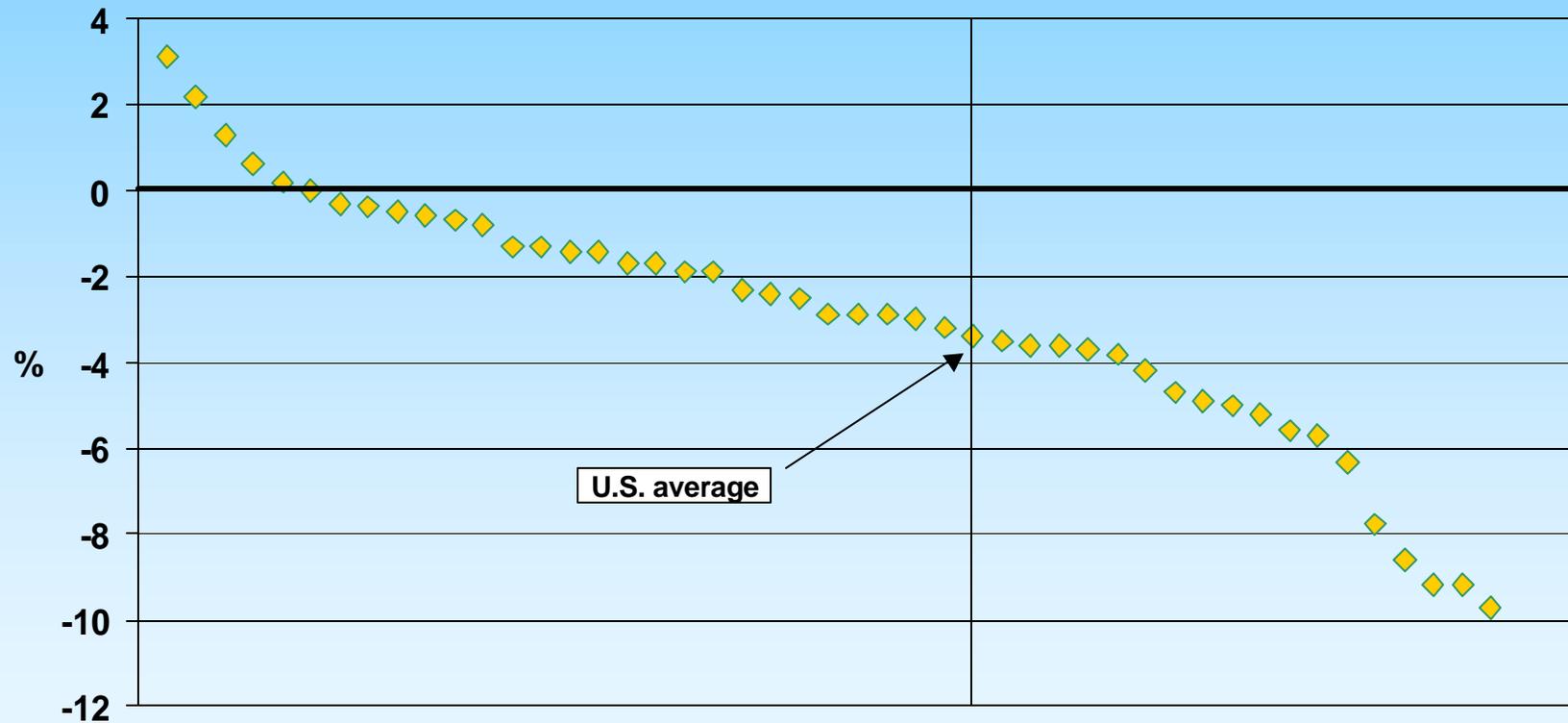
General Fund Expenditures: 2002



Source: NASBO, State Expenditure Report



State and Local Surplus (Shortfall) as a Percentage of Revenue, After 8 Years*



Source: Don Boyd, Rockefeller Institute of Government (via NASBO)



State Trends and Challenges

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- Fragile state financial picture: uneven road to recovery
- Health care costs and changing public sector workforce
- Emphasis on performance and measurement: OMB influence, budgets, measuring outcomes
- More steering than rowing? Collaboration, marketplace and non-traditional sourcing
- Pent up demand for capital IT investments: in a holding pattern for 3+ years



State IT Challenges & Trends

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- Continued fiscal pressure for more IT value
- Short term focus on efficiency – use of IT for budget balancing
- IT spending forecasts: slower growth for federal government – down 2-4%
- State IT spending growth – 8% annually
- Spending growth in security, CRM, ERP (workforce management)
- Public safety wireless interoperability – elusive goal?