



# **State & Local Government Market Landscape 2026**

**Strategic Opportunity Report**

February 9, 2026

# 1. Strategic Executive Overview: The AI-First Government Era

The 2026 fiscal and operational landscape for State and Local Government (SLG) represents a definitive inflection point in public sector technology. For the first time in over a decade, the strategic center of gravity has shifted from defensive cybersecurity posturing to aggressive technological modernization centered on Artificial Intelligence (AI). According to the National Association of State Chief Information Officers (NASCIO), AI has displaced cybersecurity as the number one priority for State CIOs in 2026.<sup>1</sup> This indicates a transition from "protecting the network" to "leveraging the network" for tangible operational gains.

However, this ambition collides with a complex fiscal reality. The post-pandemic revenue surges have stabilized, and CIOs are navigating a "fiscal cliff" where innovation must be funded by efficiencies gained through consolidation. Simultaneously, the Infrastructure Investment and Jobs Act (IIJA), particularly the Broadband Equity, Access, and Deployment (BEAD) program, is reaching its peak execution phase.

For Dell Technologies, this necessitates a bimodal strategy:

1. **Dell AI Factory:** High-performance infrastructure to support state AI ambitions.
  2. **Dell APEX:** Cost control and predictable expenditure models to navigate tightening budgets.
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## 2. The South Region (Southeast & South Central)

This region is characterized by a mix of strong centralized governance (South Carolina, Kentucky) and highly federated "agency-centric" models (Texas). It is a major recipient of BEAD funding due to large rural populations.

### Alabama

- **Political & Executive Landscape:** Governor Kay Ivey is driving a policy agenda focused on education reform. The **FOCUS Act**, restricting cell phone use in schools, is a key driver for EdTech refresh cycles.<sup>2</sup>
- **IT Organizational Structure:** Centralized. The Office of Information Technology (OIT) creates standards, but agencies retain operational autonomy.
- **Fiscal & Budgetary Intelligence: FY Cycle: Oct 1 – Sept 30.** BEAD allocation: ~\$1.4 billion.
- **Procurement:** Formal bidding threshold is low (\$15,000)<sup>3</sup>, making cooperative contracts (NASPO) essential to bypass friction.
- **Strategic Initiatives:** Broadband expansion and a new cyber technology high school initiative.
- **The Opportunity Map:**
  - **K-12 Device Refresh:** Pitch Latitude/Chromebooks to fill the "cell phone void" in classrooms.
  - **Rural Connectivity:** PowerEdge XR servers for ISPs using BEAD funds.

### Arkansas

- **Political & Executive Landscape:** Focus on "lean government" and workforce reduction through automation.
- **IT Organizational Structure:** Highly Centralized. The **Department of Transformation and Shared Services (TSS)** controls IT spend.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. Formal bid threshold: \$75,000.<sup>3</sup>
- **Strategic Initiatives:** Data Center Consolidation to reduce real estate footprint.
- **The Opportunity Map:**
  - **Consolidation Infrastructure:** VxRail as the standard building block for the unified state data center.

### Florida

- **Political & Executive Landscape:** Governor Ron DeSantis emphasizes "**Data Integrity**" for AI ("garbage in, garbage out").<sup>2</sup>
- **IT Organizational Structure:** Centralized Strategy, Federated Execution. **Florida Digital Service (FLDS)** sets standards; agencies (AHCA, FDOT) buy independently.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. BEAD: ~\$1.2 billion.

- **Procurement:** "State Term Contracts" are mandatory for most agencies.
- **Strategic Initiatives:** Cloud-first legislation and hurricane resilience for data centers.
- **The Opportunity Map:**
  - **Clean Data Foundation:** PowerScale storage to support the Governor's data integrity mandate.
  - **Disaster Recovery:** Cyber Recovery vaults for hurricane resilience.

## Georgia

- **Political & Executive Landscape:** Governor Brian Kemp focuses on streamlining bureaucracy. New laws ban products from "countries of concern".<sup>4</sup>
- **IT Organizational Structure:** Outsourced/Broker Model. **Georgia Technology Authority (GTA)** manages IT via the GETS program. CIO: Shawnzia Thomas.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. BEAD: \$1.3 billion.
- **Strategic Initiatives:** **AI Innovation Lab** ("Reverse Shark Tank") and web accessibility compliance by April 2026.
- **The Opportunity Map:**
  - **AI Sandbox:** Precision Data Science Workstations for the AI Innovation Lab.
  - **Supply Chain Security:** Leverage Dell's secure supply chain to replace banned foreign tech.

## Kentucky

- **Political & Executive Landscape:** Biennial budget cycle (FY26-28). Focus on economic resilience in Appalachia.
- **IT Organizational Structure:** Centralized. **Commonwealth Office of Technology (COT)** is the single service provider.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Digital Government ("kynect") and middle-mile broadband.
- **The Opportunity Map:**
  - **Hybrid Cloud:** Dell APEX Private Cloud for COT's consolidated data center.

## Louisiana

- **Political & Executive Landscape:** Priority on disaster resilience and cybersecurity.
- **IT Organizational Structure:** Centralized. **Office of Technology Services (OTS)** consolidates executive IT.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. BEAD: \$1.35 billion.
- **Strategic Initiatives:** "Continuity of Operations" (COOP) refreshing backup/recovery postures.
- **The Opportunity Map:**
  - **Cyber Recovery:** PowerProtect Cyber Recovery vaults for hurricane/ransomware resilience.

## Mississippi

- **Political & Executive Landscape:** Focus on workforce development and telehealth.
- **IT Organizational Structure:** Centralized. **Dept of Information Technology Services (ITS).**
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Procurement:** The **Express Products List (EPL)** is the critical purchasing vehicle.
- **Strategic Initiatives:** Expanding broadband for telehealth in rural areas.
- **The Opportunity Map:**
  - **Telehealth Edge:** VDI solutions on **VxRail** for remote clinicians.

## North Carolina

- **Political & Executive Landscape:** Divided government leads to complex budget negotiations. Strong Digital Equity focus.
- **IT Organizational Structure:** Highly Centralized. **NCDIT** led by Secretary Teena Piccione.<sup>5</sup>
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. BEAD: \$1.53 billion.
- **Strategic Initiatives:** "Whole of State" cyber approach and AI policy development.
- **The Opportunity Map:**
  - **State AI Cloud: Dell XE9680 servers** to build internal AI compute capacity for NCDIT.

## Oklahoma

- **Political & Executive Landscape:** Governor Kevin Stitt focuses on "Top Ten State" metrics and efficiency.
- **IT Organizational Structure:** Consolidated. The **Office of Management and Enterprise Services (OMES)** provides shared services to all agencies. State CIO: Joe McIntosh.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. Revenue expected to stabilize/slightly decline in FY26.
- **Procurement:** SW10xx Statewide Contracts.
- **Strategic Initiatives:**
  - **Performance Improvement Graph (PIG):** A transparency dashboard for IT services.
  - **Automation:** Using AI to streamline high-volume, repetitive agency tasks.
- **The Opportunity Map:**
  - **Cost Control:** Pitch **Dell APEX** to OMES to convert CapEx to OpEx, aligning with their "efficiency" mandate.
  - **Citizen Services:** Infrastructure for the new unified state licensing platform.

## South Carolina

- **Political & Executive Landscape:** Conservative, focused on manufacturing economic development.

- **IT Organizational Structure:** Federated/Hybrid. **Dept of Administration** sets standards; agencies (SCDOT, SCDEW) buy independently.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Procurement:** Formal bid threshold is \$25,000.<sup>3</sup>
- **Strategic Initiatives:** Statewide cyber strategy and digital citizen portals.
- **The Opportunity Map:**
  - **Endpoint Security:** Dell SafeGuard and Response to unify fragmented agency security postures.

## Tennessee

- **Political & Executive Landscape:** Governor Bill Lee focuses on vocational training and the "Tennessee Quantum Initiative".<sup>6</sup>
- **IT Organizational Structure:** Centralized. **Strategic Technology Solutions (STS)** manages IT.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. Formal bid threshold: \$50,000.
- **Strategic Initiatives:** Quantum computing workforce pipeline and cloud brokerage.
- **The Opportunity Map:**
  - **Research Computing:** HPC clusters for universities involved in the Quantum Initiative.

## Texas

- **Political & Executive Landscape:** Governor Greg Abbott prioritizes border security and infrastructure.
- **IT Organizational Structure:** Highly Federated. The **Department of Information Resources (DIR)** sets the "Catalog," but agencies like **TxDOT** and **HHS** have massive independent buying power.
- **Key Leaders:**
  - **State CIO (Interim):** Tony Sauerhoff (also Chief AI Officer).<sup>7</sup>
  - **TxDOT CIO:** Anh Selissen.
- **Fiscal & Budgetary Intelligence: FY Cycle: Sept 1 – Aug 31.**
  - **TxDOT IT Budget:** ~\$394 million for 2026-2027 modernization.
  - **BEAD:** \$3.3 billion allocation (highest in nation).
- **Procurement:** **DIR Cooperative Contracts** are mandatory and widely used.
- **Strategic Initiatives:**
  - **AI Division:** Creation of a dedicated AI division under Sauerhoff.
  - **Connected Infrastructure:** TxDOT is moving from AI pilots to agency-wide deployments for traffic management.
- **The Opportunity Map:**
  - **TxDOT Modernization:** Pitch **Edge Gateways** and **Computer Vision** storage for TxDOT's smart corridor projects.

- **AI Infrastructure:** GPU clusters for the new state AI division to test sovereign models.

## Virginia

- **Political & Executive Landscape:** Hub for federal contracting. Biennial budget (FY26-28).
- **IT Organizational Structure:** Highly Centralized. **VITA (Virginia Information Technologies Agency)** operates a "multisourcing service integrator" model.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. BEAD: \$1.48 billion.
- **Strategic Initiatives:** Cloud First and strict security standards (SEC501).
- **The Opportunity Map:**
  - **VITA Catalog:** Ensure **Dell AI Factory** SKUs are approved on VITA contracts; agencies cannot buy off-contract.

## West Virginia

- **Political & Executive Landscape:** Economic diversification beyond coal.
  - **IT Organizational Structure:** Centralized. **wvOIT** manages executive branch IT.
  - **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. BEAD: \$1.2 billion.
  - **Strategic Initiatives:** Massive broadband push in mountainous terrain.
  - **The Opportunity Map:**
    - **Rugged Edge:** **PowerEdge XR** servers for wireless ISPs (WISPs) expanding coverage where fiber can't reach.
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### **3. The Northeast Region**

Characterized by aging legacy infrastructure (mainframes), high unionization, and a strong focus on social services and digital equity.

#### **Connecticut**

- **Political & Executive Landscape:** Focus on "all-digital" government.
- **IT Organizational Structure:** Centralized. **DAS-BITS** consolidates IT.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. Formal bid threshold: \$10,000.
- **Strategic Initiatives:** Mainframe retirement and "CT.gov" single sign-on.
- **The Opportunity Map:**
  - **Mainframe Offload:** Dell APEX for on-prem cloud-like operation during legacy migration.

#### **Delaware**

- **Political & Executive Landscape:** Business-friendly digital services (incorporation).
- **IT Organizational Structure:** Highly Centralized. **DTI** controls all IT (including schools).
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** 100% gigabit broadband coverage.
- **The Opportunity Map:**
  - **Digital Archives:** High-availability storage for the Division of Corporations.

#### **Maine**

- **Political & Executive Landscape:** Climate resilience and healthcare.
- **IT Organizational Structure:** Centralized. **MaineIT** services all agencies.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Remote work support and climate data modeling.
- **The Opportunity Map:**
  - **Remote Workforce:** Carbon Black and **Workspace ONE** for securing remote endpoints.

#### **Maryland**

- **Political & Executive Landscape:** Focus on equity and service.
- **IT Organizational Structure:** Centralized. **DoIT** manages the portfolio.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** **MD THINK** (Total Human Services Integrated Network) and "bug bounty" cyber programs.
- **The Opportunity Map:**
  - **Cyber Resilience:** **PowerProtect** with CyberSense to complement their proactive

security posture.

## Massachusetts

- **Political & Executive Landscape:** Climate tech and transportation.
- **IT Organizational Structure:** Centralized. **EOTSS** led by Jason Snyder.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Municipal cyber services and MBTA modernization.
- **The Opportunity Map:**
  - **Municipal Cyber:** Partner with EOTSS to offer **Cyber Recovery** vaults as a service to cities/towns.

## New Hampshire

- **Political & Executive Landscape:** Low-tax, efficient government.
- **IT Organizational Structure:** Centralized. **DoIT**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Cybersecurity and school connectivity.
- **The Opportunity Map:**
  - **Storage Consolidation:** **PowerStore** (4:1 data reduction) to lower costs for the frugal administration.

## New Jersey

- **Political & Executive Landscape:** Innovation economy; created **NJ Innovation Authority** for AI.<sup>6</sup>
- **IT Organizational Structure:** Federated. **OIT** sets standards, but large agencies like Transit are independent.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** AI innovation and mainframe modernization.
- **The Opportunity Map:**
  - **AI for Biotech:** **HPC** clusters for state universities and research hospitals.

## New York

- **Political & Executive Landscape:** Governor Hochul pushing "green energy" (nuclear) for data centers.<sup>2</sup>
- **IT Organizational Structure:** Consolidated. **NYS ITS** led by CIO Dru Rai.
- **Fiscal & Budgetary Intelligence:** **FY Cycle: April 1 – March 31.**
- **Strategic Initiatives:** **Joint Security Operations Center (JSOC)** connecting cities to state cyber defense.
- **The Opportunity Map:**
  - **Sustainable Data Centers:** **Modular Data Centers** and liquid cooling to align with the green energy mandate.

## Pennsylvania

- **Political & Executive Landscape:** "Get Stuff Done" attitude.
- **IT Organizational Structure:** Hybrid. **Office of Administration (OA)** leads, with **CODE PA** for digital services. CIO: Bry Pardoe.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** AI governance (partnered with Carnegie Mellon) and digital permitting.
- **The Opportunity Map:**
  - **DevOps Infrastructure:** APEX Cloud Platform for Red Hat OpenShift for CODE PA's agile development.

## Rhode Island

- **Political & Executive Landscape:** "Blue Economy" (marine).
- **IT Organizational Structure:** Centralized. **ETSS**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. Formal bid threshold: \$10,000.
- **Strategic Initiatives:** Digital excellence and education tech.
- **The Opportunity Map:**
  - **Marine Edge:** Rugged computing for port security and marine research.

## Vermont

- **Political & Executive Landscape:** Rural resilience.
  - **IT Organizational Structure:** Centralized. **Agency of Digital Services (ADS)**.
  - **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
  - **Strategic Initiatives: AI Ethics:** Vermont developed an ethical AI framework early. Also flood resilience data.
  - **The Opportunity Map:**
    - **AI Governance Consulting:** Services to help agencies implement the state's ethical AI framework.
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## 4. The Midwest Region

The Heartland focuses on "Pragmatic Modernization"—ERP consolidation, broadband for agriculture, and workforce development.

### Illinois

- **Political & Executive Landscape:** Fiscal stability and digital modernization.
- **IT Organizational Structure:** Consolidated. **DoIT**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** "Smart State" (IoT sensors) and ERP modernization.
- **The Opportunity Map:**
  - **IoT Edge Gateways:** Aggregating sensor data for the Smart State initiative.

### Indiana

- **Political & Executive Landscape:** Governor Mike Braun warns data centers must "pay their own way" for power.<sup>2</sup>
- **IT Organizational Structure:** Consolidated. **Indiana Office of Technology (IOT)**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. Formal bid threshold: \$150,000.<sup>3</sup>
- **Strategic Initiatives:** Data analytics (MPH) and local government cyber grants.
- **The Opportunity Map:**
  - **Green Data Center Retrofit:** Pitch **PowerEdge** refresh for energy efficiency to address power consumption concerns.

### Iowa

- **Political & Executive Landscape:** Government restructuring.
- **IT Organizational Structure:** Consolidated. **OCIO** (now part of Dept of Management).
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** "Precision Ag" broadband and agency consolidation.
- **The Opportunity Map:**
  - **Consolidation Services: Managed Deployment Services** to physically merge IT assets during agency restructuring.

### Kansas

- **Political & Executive Landscape:** Governor Laura Kelly advocates for banning cell phones in schools.<sup>2</sup>
- **IT Organizational Structure:** Centralized. **OITS**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Cybersecurity Act compliance and IT Modernization Fund.
- **The Opportunity Map:**

- **K-12 Modernization:** Pitch 1:1 devices (Chromebooks) to replace cell phones in classrooms.

## Michigan

- **Political & Executive Landscape:** Focus on manufacturing (EVs).
- **IT Organizational Structure:** Centralized. **DTMB** led by Laura Clark.
- **Fiscal & Budgetary Intelligence:** FY Cycle: Oct 1 – Sept 30.
- **Strategic Initiatives:** **MiLogin** (Digital Identity) and legacy modernization.
- **The Opportunity Map:**
  - **Identity Infrastructure:** Secure backend storage for the 10M+ user MiLogin system.

## Minnesota

- **Political & Executive Landscape:** Social services focus.
- **IT Organizational Structure:** Consolidated. **MNIT Services**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Using AI for fraud detection in benefits programs and translation services.
- **The Opportunity Map:**
  - **AI for Benefits:** **Dell AI Factory** solutions to support fraud detection algorithms.

## Missouri

- **Political & Executive Landscape:** Governor Mike Kehoe is "all in on nuclear" for data centers.<sup>2</sup>
- **IT Organizational Structure:** Consolidated. **OA-ITSD**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. BEAD: \$1.7 billion.
- **Strategic Initiatives:** Data analytics and citizen experience.
- **The Opportunity Map:**
  - **Data Center Expansion:** Partner with colocation providers expanding in MO due to favorable energy policies.

## Nebraska

- **Political & Executive Landscape:** Fiscal conservatism.
- **IT Organizational Structure:** Consolidated. **OCIO**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Cost control through consolidation.
- **The Opportunity Map:**
  - **Storage Consolidation:** **PowerStore** to reduce maintenance costs of disparate arrays.

## North Dakota

- **Political & Executive Landscape:** "Automation" to solve labor shortages.
- **IT Organizational Structure:** Highly Consolidated. **NDIT**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. Formal bid threshold: \$100,000.<sup>3</sup>
- **Strategic Initiatives:** "Whole-of-State" cyber defense and extensive automation.
- **The Opportunity Map:**
  - **Statewide Cyber Defense:** **MDR** licenses covering state and local entities.

## Ohio

- **Political & Executive Landscape:** "InnovateOhio" drives data strategy.
- **IT Organizational Structure:** Consolidated. **DAS-OIT** led by Katrina Flory.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** **InnovateOhio Platform** (Data Analytics) and workforce data integration.
- **The Opportunity Map:**
  - **Data Lakehouse:** **ObjectScale** to support the InnovateOhio analytics platform.

## South Dakota

- **Political & Executive Landscape:** Focus on "SecureSD" cyber initiative.
- **IT Organizational Structure:** Consolidated. **BIT**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. Formal bid threshold: \$50,000.<sup>3</sup>
- **Strategic Initiatives:** Expanding **SecureSD** to rural water systems and utilities.<sup>6</sup>
- **The Opportunity Map:**
  - **Utility Cyber Protection:** Ruggedized gateways and security appliances for rural utilities.

## Wisconsin

- **Political & Executive Landscape:** ERP Modernization focus.
  - **IT Organizational Structure:** Consolidated. **DET** manages infrastructure.
  - **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
  - **Strategic Initiatives:** ERP modernization and rural broadband.
  - **The Opportunity Map:**
    - **ERP Infrastructure:** High-performance compute/storage for the new ERP environment.
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## 5. The West Region

The West leads in AI regulation, privacy laws, and environmental technology.

### Alaska

- **Political & Executive Landscape:** Governor Dunleavy pushing digital modernization.
- **IT Organizational Structure:** Centralized. **OIT**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. Formal bid threshold: \$100,000.<sup>3</sup>
- **Strategic Initiatives:** **myAlaska** mobile app and using drones/Starlink for disaster assessment.<sup>6</sup>
- **The Opportunity Map:**
  - **Rugged Mobility:** Latitude Rugged tablets for field teams using the new drone/Starlink workflows.

### Arizona

- **Political & Executive Landscape:** Focus on water data and cloud smarts.
- **IT Organizational Structure:** Centralized. **ASET** led by J.R. Sloan (NASCIO President).
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. Formal bid threshold: \$100,000.<sup>3</sup>
- **Strategic Initiatives:** **AZRAMP** (Cloud compliance) and water conservation analytics.
- **The Opportunity Map:**
  - **Cloud Repatriation:** **APEX Private Cloud** for workloads that need to move off public cloud for cost reasons.

### California

- **Political & Executive Landscape:** Governor Newsom highlights AI's "promise and peril".<sup>2</sup>
- **IT Organizational Structure:** Centralized. **CDT**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. BEAD: \$1.86 billion.
- **Strategic Initiatives:** **GenAI** testing for traffic/code remediation and **Delete Act** privacy tools.
- **The Opportunity Map:**
  - **Sovereign AI:** Dell XE9680s for internal state AI models that protect citizen privacy.

### Colorado

- **Political & Executive Landscape:** Tech-forward; Governor Polis supports blockchain.
- **IT Organizational Structure:** Consolidated. **OIT**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** **myColorado** app and paying down technical debt.
- **The Opportunity Map:**

- **App Modernization:** Infrastructure to support microservices for the myColorado app.

## Hawaii

- **Political & Executive Landscape:** Disaster resilience (post-Lahaina).
- **IT Organizational Structure:** Consolidated. **ETS**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Mainframe modernization and digitizing paper records.
- **The Opportunity Map:**
  - **Digital Archives: ECS (Elastic Cloud Storage)** for long-term retention of digitized records.

## Idaho

- **Political & Executive Landscape:** "Idaho LAUNCH" workforce program.<sup>6</sup>
- **IT Organizational Structure:** Consolidated. **ITS**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** "Code Cleanup" (regulation reduction) and workforce hubs.
- **The Opportunity Map:**
  - **Web Hosting:** Infrastructure to support the high-traffic Idaho LAUNCH portal.

## Montana

- **Political & Executive Landscape:** Rural connectivity.
- **IT Organizational Structure:** Consolidated. **SITSD**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Digital government and public safety radio upgrades.
- **The Opportunity Map:**
  - **Broadband Edge:** Networking gear for rural ISPs connecting Montana.

## Nevada

- **Political & Executive Landscape:** Smart Cities (Las Vegas).
- **IT Organizational Structure:** Centralized. **Office of the CIO** led by Timothy Galluzi.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Orion business licensing platform and smart city pilots.
- **The Opportunity Map:**
  - **Smart City Edge:** Compute nodes for processing real-time video/sensor data.

## New Mexico

- **Political & Executive Landscape:** Broadband and education.
- **IT Organizational Structure:** Consolidated. **DoIT**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30. BEAD: \$675 million.

- **Strategic Initiatives:** ConnectNM broadband and P25 radio upgrades.
- **The Opportunity Map:**
  - **Broadband Transport:** Optical networking for the middle-mile buildout.

## Oregon

- **Political & Executive Landscape:** Cybersecurity Center of Excellence.
- **IT Organizational Structure:** Consolidated. **EIS**.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Cyber Oregon and legacy modernization.
- **The Opportunity Map:**
  - **Cyber Vault: PowerProtect** to support the state's center of excellence.

## Utah

- **Political & Executive Landscape:** #1 Digital State.
- **IT Organizational Structure:** Highly Consolidated. **DTS** led by Alan Fuller.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** AI "regulatory sandbox" and obsessive focus on user experience (CX).
- **The Opportunity Map:**
  - **CX Analytics:** Real-time analytics infrastructure for citizen interactions.

## Washington

- **Political & Executive Landscape:** Privacy focus ("My Health My Data").
- **IT Organizational Structure:** Federated. **WaTech** sets policy; agencies are strong. CIO: Bill Kehoe.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** One Washington (ERP) and flood mapping.
- **The Opportunity Map:**
  - **Privacy Compliance:** Storage with immutable logging to meet strict state privacy laws.

## Wyoming

- **Political & Executive Landscape:** Blockchain friendly.
- **IT Organizational Structure:** Consolidated. **ETS** led by Jeff Clines.
- **Fiscal & Budgetary Intelligence:** FY Cycle: July 1 – June 30.
- **Strategic Initiatives:** Telehealth and blockchain for records.
- **The Opportunity Map:**
  - **Blockchain Infrastructure:** High-performance compute for state blockchain pilots.

## 6. Fiscal & Budgetary Intelligence: The 2026 Landscape

### 6.1 The "Fiscal Cliff" & Budget Tightening

State revenues, which surged post-COVID, are flattening. NASBO reports that states are finalizing FY26 budgets amid "tightening conditions".<sup>8</sup>

- **Implication:** CIOs cannot rely on "new money." They must fund innovation (AI) by cutting costs elsewhere (Consolidation).
- **Dell Play: APEX (aaS).** Shift CapEx to OpEx to bypass capital budget freezes. Pitch "Tech Refresh" as a cost-savings mechanism (newer servers = lower power/cooling).

### 6.2 Federal Funding Streams (The "Use It or Lose It" Phase)

- **ARPA (SLFRF):** Funds must be obligated by **Dec 31, 2024** and spent by **Dec 31, 2026**.<sup>9</sup>
    - *Urgency:* Agencies are in a "rush to spend" mode for remaining ARPA dollars. Any project that can be framed as "broadband," "water infrastructure cyber," or "remote work" fits.
  - **IIJA / BEAD:** \$42.45B for broadband.
    - *Timeline:* 2026 is the peak "deployment" year. States have approved plans and are awarding sub-grants to ISPs.
    - *Dell Angle:* ISPs receiving grants need **Optical/IP Networking, Servers** for BNG/CNG, and **Storage** for logging.
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## 7. Procurement & Contracting Vehicles

Navigating the complex web of contract vehicles is critical for speed-to-revenue.

### 7.1 Cooperative Purchasing: The "Easy Button"

- **NASPO ValuePoint:** The dominant vehicle. Dell holds master agreements for **Computer Equipment** (2023-2028) and **Cloud Solutions** (2016-2026).<sup>10</sup>
  - *Strategy:* Always lead with NASPO. It allows states to bypass lengthy RFPs.
- Key Thresholds (Formal Bid vs. Small Purchase)<sup>11</sup>:
  - **Alabama:** Formal bid >\$15k. (Low threshold = high friction).
  - **Alaska:** Formal bid >\$100k.
  - **Arizona:** Formal bid >\$100k.
  - **California:** Formal bid >\$25k (Goods).
  - **Texas:** Formal bid >\$25k.
  - *Insight:* For states with low thresholds (AL, CA, TX), leverage **cooperative contracts** (NASPO/DIR) to avoid the formal bid process for mid-sized deals (\$20k-\$100k).

### 7.2 State Specific Vehicles

- **Texas DIR:** Dell must sell through the DIR contract for almost all Texas public sector business. It is widely used by local govts outside Texas too.
  - **California CMAS:** California Multiple Award Schedules. Essential for bypassing the \$25k bid limit.
  - **New York OGS:** Office of General Services contracts. Mandatory for state agencies.
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## 8. Strategic Initiatives & Technology Focus

### 8.1 The "AI First" Pivot

NASCIO's 2026 #1 priority is AI. But it's not just "chatbots."

- **Use Cases:**
  - **Code Modernization:** Using AI to rewrite COBOL/Mainframe code (NY, CA, NJ).
  - **Defensive Cyber:** AI detecting anomalies in real-time.
  - **Procurement:** Using AI to draft RFPs (Georgia is testing this).
- **Dell Solution: Dell AI Factory with NVIDIA.** Pitch a "Sovereign AI" model—build the state's AI *on-prem* (or hybrid) to keep sensitive citizen data out of the public cloud.

### 8.2 The "Consolidation" Return

Consolidation is back at #9 (and higher in practice) due to budget cuts.<sup>12</sup>

- **Trend:** Merging agency data centers into a central state cloud (Hybrid).
- **Dell Solution: Multi-Cloud Data Services.** Help CIOs manage data across AWS, Azure, and On-Prem from a single console.

### 8.3 Digital Accessibility (The "DOJ Deadline")

- **Driver:** DOJ Rule requiring WCAG 2.1 AA by April 2026.<sup>13</sup>
  - **Pain Point:** 54% of states lack dedicated funding for this.<sup>13</sup>
  - **Dell Solution: Workforce Modernization.** Providing developers and content creators with modern workstations (Precision) and monitors to test/build accessible content.
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## **9. The Opportunity Map: Dell Focus & Sales Plays**

### **9.1 Sales Play: "The Secure AI Foundation"**

- **Target:** State CIOs & CISOs (AZ, TX, GA, PA).
- **Pitch:** "You want to deploy AI (#1 priority), but you can't compromise Cyber (#2). Dell's **Project Helix / AI Factory** offers the only validated design to run GenAI securely on-prem, ensuring you meet state privacy laws while innovating."

### **9.2 Sales Play: "The BEAD Broadband Edge"**

- **Target:** State Broadband Offices & Rural ISPs (TX, MO, MI, NC).
- **Pitch:** "Broadband isn't just fiber; it's the data that flows over it. As you light up rural communities, deploy **Dell PowerEdge XR** servers at the edge to handle network virtualization and cache content locally, reducing backhaul costs."

### **9.3 Sales Play: "The Fiscal Bridge (APEX)"**

- **Target:** State Budget Officers & Agency CFOs.
- **Pitch:** "Facing a flat budget in FY27? Don't defer modernization. Use **Dell APEX** to consume infrastructure as an operating expense, aligning costs with actual usage and bypassing capital budget freezes."

### **9.4 Sales Play: "Education Device Refresh"**

- **Target:** K-12 Districts in "Phone Ban" states (KS, AL, IN).
  - **Pitch:** "With cell phones removed from classrooms, 1:1 student devices are the *only* digital link. Refresh your aging Chromebook/Windows fleets with Dell's rugged education series to ensure continuity of learning."
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## 10. Conclusion

The 2026 SLG market is defined by a tension between **technological ambition** (AI) and **fiscal reality** (budget tightening). State leaders are no longer satisfied with keeping the lights on; they want to use AI to fundamentally reshape government operations. However, they lack the capital budget flexibility of the COVID years.

Dell Technologies is uniquely positioned to bridge this gap. By offering **AI-ready infrastructure** that leverages existing on-prem investments, **consumption-based pricing (APEX)** to navigate budget constraints, and **rugged edge solutions** for the broadband boom, Dell can transition from a hardware vendor to a strategic partner in the "AI Era of State Government."

### **Immediate Action Items for Sales Teams:**

1. **Audit Q1 Pipeline:** Identify all deals in "Phone Ban" states (Education) and "Accessibility Deadline" states (Software/Services) and accelerate them.
2. **Engage on AI Governance:** Do not just sell servers; offer to help draft the *governance* strategy using Dell's vetted frameworks.
3. **Leverage NASPO:** Ensure every proposal references the NASPO contract to minimize procurement friction in a tightening fiscal year.

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