

# 2025 GovTech Market Briefing: Insights to Sharpen Your 2026 Strategy

## 2026 Budget Outlook: Fiscal Shifts

- **Budgets are tightening**
- **States have increased investments in education**
- **Significant impacts to Medicaid and health funding**
- **Funding dedicated to workforce development**
- **Changes in tax and revenue policy**

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## Emerging Technology Trends Shaping 2026



### Operational AI

Agencies are moving from exploration to scaled deployment



### Mission-Critical Cyber

2026 budgets protect core IT and OT systems first



### Workforce Enablement

Talent constraints are driving investment




### Data Interoperability

Modernization depends on connected data ecosystems

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## Top Editorial Themes: Headlines Shaping 2026

-  **Cybersecurity & Resilience** *Cross-sector resilience and automation as cyber incidents expand across verticals.*
-  **AI Adoption & Governance** *Ethical AI, copilots, and transparency lead as agencies move from pilots to policy.*
-  **Modernization & Interoperability** *Cloud migration and measurable ROI define modernization priorities.*
-  **Education Policy & Digital Wellbeing** *Focus shifts to safe tech use, AI literacy, and cybersecurity in K–12 and higher ed.*

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## Challenges Facing State, Local and Education



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## Education

### Top Priorities

### Top Challenges

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## Priorities Driving the Market

