



\$2.1 billion in state technology spending at an all-time high, boosted by stimulus

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Current state technology investments are budgeted at an all-time high, due in part to federal economic stimulus dollars and an increased interest in government technology that promises reduced costs and improved services in **Pennsylvania**.

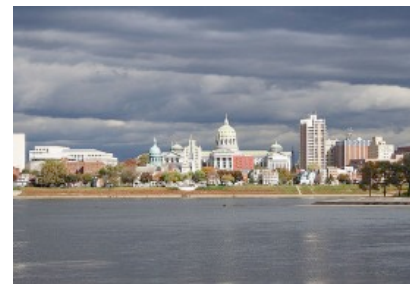
According to a report from market research and professional services firm **pjmathison**, which assists clients with procurement, grants and loans, **state government** technology-related spending is estimated to exceed \$2.1 billion this year. The firm's founder, Paul J. Mathison, whose background has been in both technology and government relations, has led the preparation of the company's state technology forecasts for 10 years.

Mathison says that as federal economic stimulus money is awarded and depleted the state will face a technology shortfall in future fiscal years. "That money is going to be drying up after this year and beneficiaries and recipients of that federal stimulus money are going to be scratching their heads," he said in an interview with Technically Philly on Tuesday.

But the firm predicts that the state will continue

investing in technology as the economy turns around and as tax revenues readjust.

"Governments at all levels are figuring out that they can provide many government services faster, better and cheaper by deploying technology. It's a trend whose tipping point has occurred over the past few years."



Priorities of budget spending are in health information technology, energy technology and broadband investment, according to the report. Broadband has been of increasing interest in the region, state and nationally. The City of Philadelphia has chased federal broadband stimulus dollars **for the past year** and has refocused its energy **on attracting Google to lay one-gigabit fiber here.**

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“There will be a couple hundred million dollars being spent on broadband over the next fiscal year, bringing broadband to rural areas and other underserved areas,” he says. Mathison says that some of those projects are already underway, like the state’s mapping of broadband capacity and capabilities across the state, **as we’ve reported.** State spending means contract opportunities for businesses locally and throughout the state, which means job creation and retention, and which could directly benefit the region. With his company based Philadelphia, where he has long-championed technology businesses, Mathison says that local companies face tougher conditions for procuring government contracts.

“In Philadelphia, because we’re not as close to Harrisburg as those who are populated around the state capital, you just don’t hear about government contracting. But opportunities exist for local companies large and small to provide products and services to the state,” he says. Mathison says that there’s a lot of pressure for economic stimulus money to go to disadvantaged businesses, like minority- and women-owned operations.

And there’s plenty budgeted for job training and for business investment through initiatives like **Ben Franklin Technology Partners** and **Keystone Innovation Zones.** Though BFTP was **threatened with deep cuts last July**, Mathison says that its current year budget reductions were “consistent with what other parts of state government are being subjected.”