

A vibrant city skyline at sunset, featuring several tall skyscrapers and a prominent bridge with a green steel structure. The sky is a mix of orange and blue, and the city lights are beginning to glow.

THE STATE OF LOCAL GOVERNMENT SURVEY 2023

How the Public Sector is Bridging the Gap Between Opportunities and Obstacles

Introduction

The results of our third annual State of Local Government Survey confirm one main thing: Public sector work is more vital than ever.

The work of local government leaders — from finance, to planning, to procurement — has become more demanding: Expectations are only rising when it comes to delivering on strategic priorities, meeting the growing needs of their communities with digital services, reducing manual work, replacing retiring staff, and protecting against cyber and environmental risks that could disrupt critical business processes.

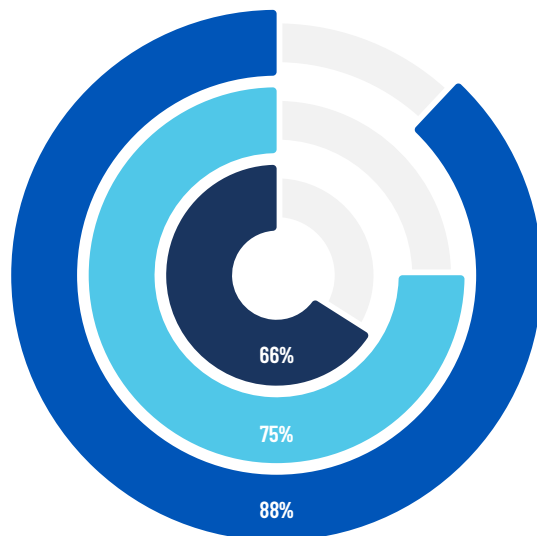
This year's survey sheds light on where teams are making strides but also exposes where there is work to be done. It's time for innovative leaders to adopt new technologies that make teams more effective in meeting the growing strategic requirements of their functions.

Survey respondents represent 592 public sector agencies across leadership, finance, IT, procurement, and development. They lead communities with populations and budgets of all sizes, with 36% of respondents serving a population over 100,000 and 43% have a budget size over \$100 million.

A New Era for Government Leadership

Local government leaders continue facing challenges to the way they work and serve. Their communities are growing and changing, they are being asked to provide more information and always-on digital access to government, and they often cannot grow their staff to meet these needs.

In any organization, people are the greatest asset, and where there is resistance to change, leadership is at a premium. Local government leaders are finding creative ways to drive changes to meet growing needs.



88% **have** seen population growth in their jurisdiction in the past 5 years

75% **have** seen resident engagement increase in the last year

66% of teams **have not** grown in the past 2-3 years

When it comes to driving change, what are your biggest needs?



Opportunities and Obstacles

When obstacles present themselves, so do opportunities. Below, see what respondents chose as their most pressing for each. (Additional answers listed to the right.)

49% of respondents see attracting and retaining talent as the **greatest area of improvement**



61% of respondents say hiring challenges **are an obstacle**

Top Opportunities

- 01 Adopting technology that makes data and information accessible for collaboration
- 02 Enabling departments to manage the budget strategically
- 03 Meeting resident expectations for service levels with digital workflows

Top Obstacles

- 01 Too few staff to support the changing needs of communities
- 02 Lack of transparency and coordination across departments
- 03 Too much manual work and the lack of talent and systems needed to get it done

Tech Investments Paying Off

In our 2021 survey, 39% were prioritizing investments in technology to automate repetitive tasks and workflows. Flash forward to today and respondents are seeing a decrease in manual work—while at the same time an increase in resident engagement—and more feel confident that their work would continue despite a leave of absence.

But, it's not time just yet to take that extended vacation. First, continue to focus on tech investments to improve collaboration and reduce manual work.

29%

report performing too much
manual work (2022: 34%)

85%

of respondents have seen an
increase in resident engagement
(2022: 66%)



54%

report someone could perform their duties
during a two week absence (2022: 38%)

In two years, I'll...

The good news: The vast majority of those in government still see themselves there in two years. Despite the challenges, teams are ready to focus on the future and make a greater impact. However, there was a notable drop from our 2022 survey; 79% of those in finance saw themselves in government in two years. This year, only 73% of finance leaders said the same.

SURVEY SAYS

What are the three biggest priorities facing your organization?

"Staffing - hiring, training, retaining; Process improvement - streamlining, automating, outcome improvements; Collaboration - internal and external stakeholders."



75%

Respondents who see themselves still working in government in two years (2022: 80%)

Continuity and Security

The security awareness needle is moving, and preparedness for a risk event has jumped substantially. With increased requirements around security, IT leaders should be happy to hear these results. However, only 8% of IT respondents said they feel their organization is absolutely protected against a cyberattack. Improved awareness of the importance of risk protection and cybersecurity creates dividends for both internal teams and the community.

93%

of respondents thought long-term resilience and protection against risk (weather events, cybersecurity, embezzlement, retirements/turnover, etc.) to their organization was **at least somewhat important** (2022: 95%)

61%

said they were **more prepared** for a risk event than they were last year. (2022: 38%)



⚡ CHANGING WORLD ORDER

Weather events, cybersecurity, embezzlement, retirements, and turnover present a perfect storm of risk events to local government. And, as we've seen, the desire for digital services only continues to grow.

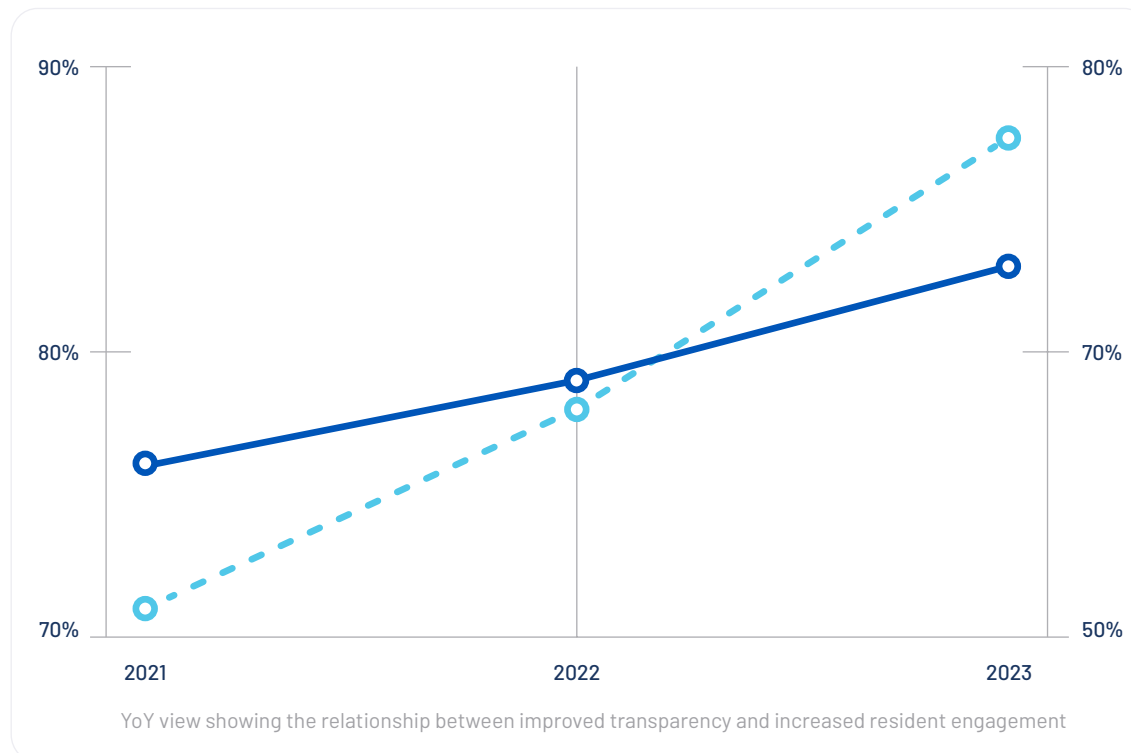
Security and resiliency must keep pace to protect operations and residents.

The T Word

Analyzing three years of results, requests from residents for data and information about how governments are working for them is outpacing improvements in reporting and transparency. Leaders should prioritize accessibility of information, both internally and externally.

SURVEY SAYS

"Outreach, transparency, and access to information for the public is key in what we do."



- Improved how it communicates data and insights to council and community
- - - Respondents that reported increased resident engagement

2021: **76%**

2021: **52%**

2022: **79%**

2022: **66%**

2023: **83%**

2023: **85%**

Let's Talk Equity

Equity is a growing focus across all departments. From improving impact with every dollar to bringing in more local small business vendors, the waves of improved equity will be felt across communities. But, most equity initiatives have only just begun. Teams should continue to build on this momentum, improving their impact. In Arizona, [Phoenix Elementary School District](#) is able to make more equitable purchasing decisions today.

SURVEY SAYS

What are the most important things you are working on at the moment in your job?

"Ensuring we are equitable in finding vendors and our solicitations are reaching as many people as possible."



55%

Report their budget has become more equitable (2022: 53%)

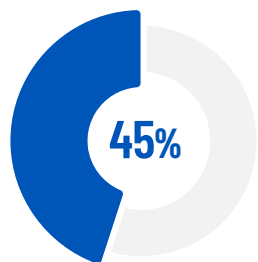
82%

Report their procurement process has become more equitable. (2022: 53%)

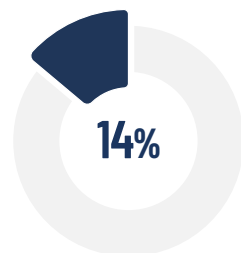
From the Desks of Finance Leaders

In the world of budget building, there's a push to drive impact with every dollar. The world of incremental budget adjustments is shrinking as budget teams improve the process of measuring outcomes and incorporate community feedback.

However, this is easier said than done. Smaller communities are less likely to adopt a strategic budgeting process in the next five years than larger communities.

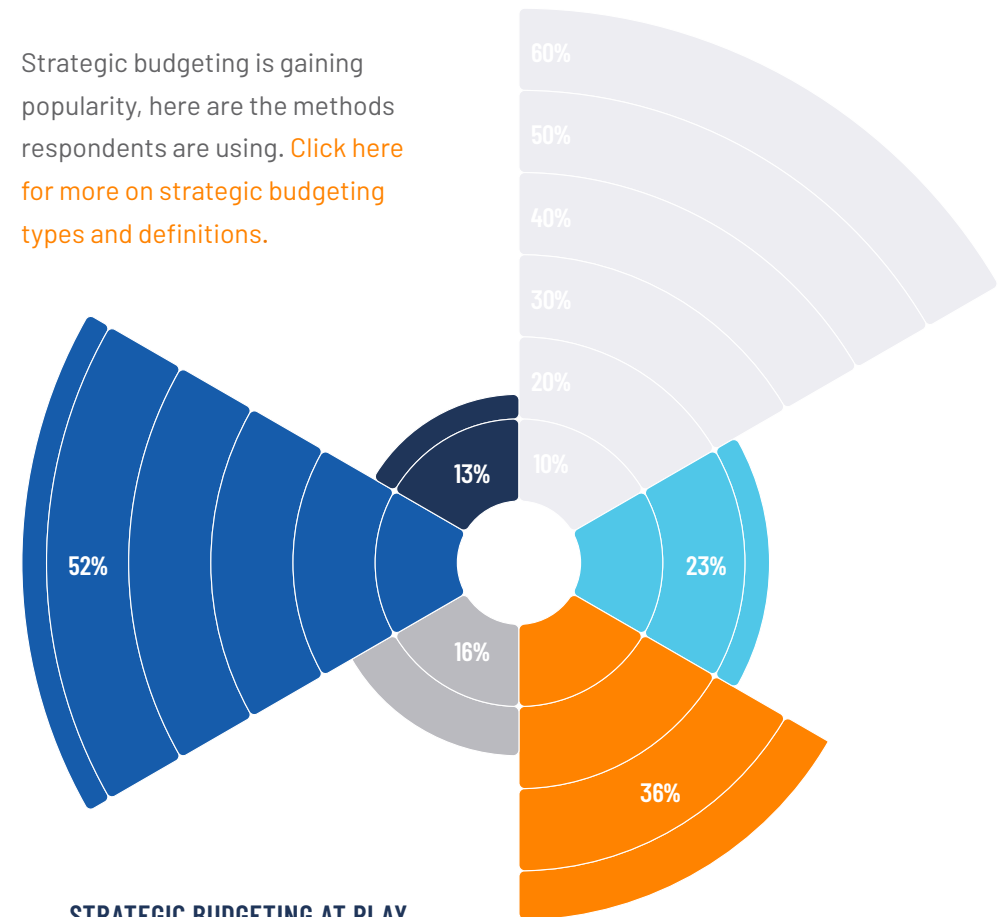


of finance leaders are currently using **at least one** strategic budgeting process



of budgets **include** community feedback

Strategic budgeting is gaining popularity, here are the methods respondents are using. [Click here for more on strategic budgeting types and definitions.](#)



STRATEGIC BUDGETING AT PLAY

- Scale
- Performance-based
- Program-based
- Outcome-based
- Priority-based
- Participatory Budgeting

30% **do not** plan on adopting strategic budgeting within the next five years

70% of those respondents have a budget **under** \$20 million

From the Desks of Procurement Leaders

Struggles with solicitations is the story for procurement. With 41% of respondents saying it's the most challenging stage of purchasing and almost as many saying it takes more than 45 days to release one.



1 in 5 governments still **require** suppliers to come to offices or mail in hard copies to submit

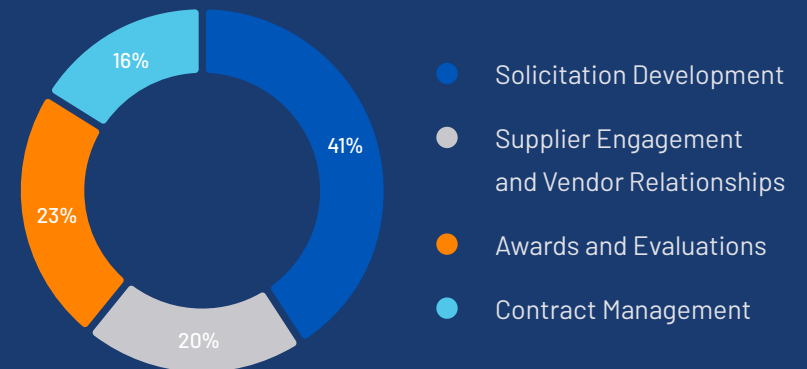
39%

of other departments are only **somewhat** or **not at all** satisfied with the procurement process

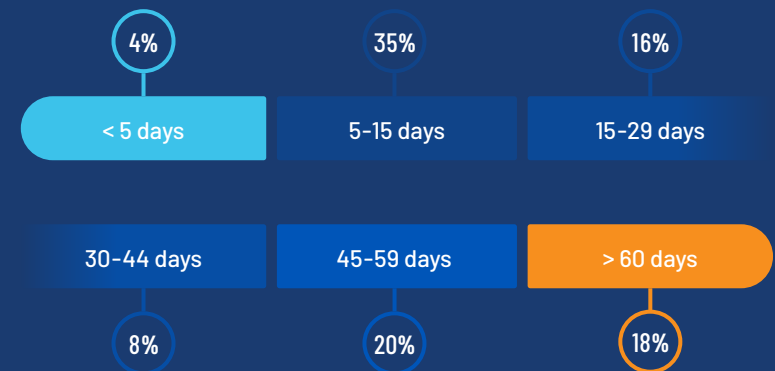
WHAT'S THE BIG DEAL?

Eprocurement eliminates the need for suppliers to come to offices or mail in hard copies and improves the experience for all parties.

What is the most challenging stage of the procurement process?



What is the average time from purchase request to released solicitation?



From the Desks of Planning and Development Leaders

You've already seen the data: 88% of respondents have seen growth in their jurisdiction in the past 5 years. For planning and development leaders, that means more work than ever. (Struggling with limited staff, dissatisfied external customers, and outdated software, it may be time to modernize processes to better welcome growth.)



Less than 1 in 3 residents **are satisfied** with the permitting and licensing process



Only 1 in 2 agencies **allow** online fee payment

Internal Challenges

Top four internal challenges to starting development projects ranked by survey respondents.

- 01 Trying to complete projects on time with limited staff
- 02 Collaborating across departments and government entities
- 03 Attracting or educating developers on codes or what to build
- 04 Managing permitting with paper processes or outdated software

FLASHBACK

Last year, 54% were not confident they would be able to replace leaving employees.

From the Desks of IT Leaders

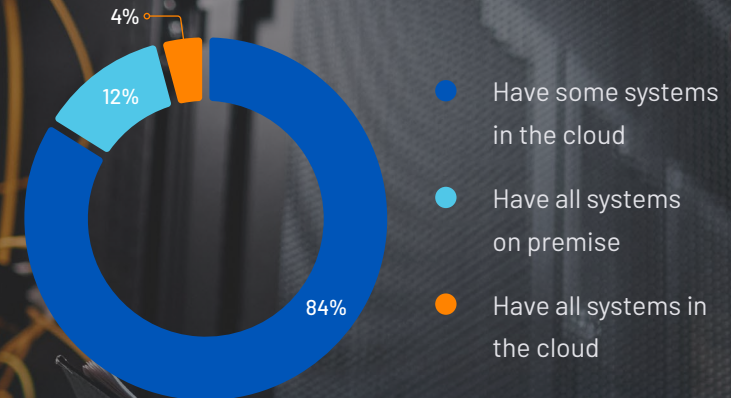
There's no denying it: Public sector IT leaders have an important job. Between protecting our communities from risk events and managing the vital systems that keep operations running, it's an uphill battle. With only a small percentage considering themselves absolutely protected from a security risk, we know leaders are doing what they can to improve security across the board for everyone.

SURVEY SAYS

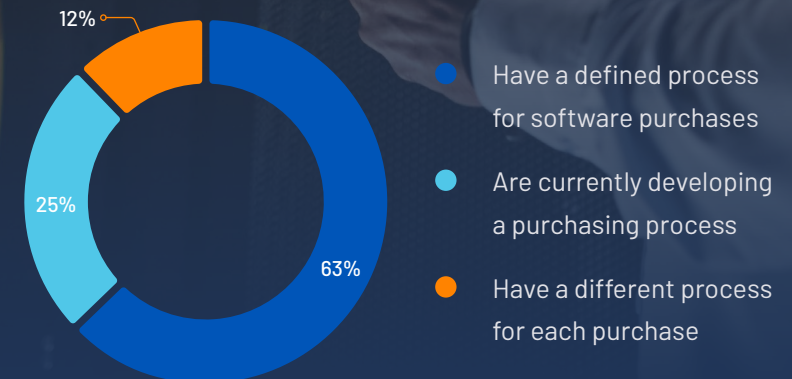
8%

of IT respondents said they feel their organization is absolutely protected against a cyberattack.

Are your systems currently in the cloud?



Do you have a unified process and criteria for software purchases?



What's Possible for the Public Sector

Despite the challenges with people, processes, and tech, the future is bright for public sector leaders and their teams. With dedicated staff, a renewed focus on equity, and the continued focus on improving processes with tech, workload challenges are sure to be tackled head-on. The reward: The ability to improve overall impact on the communities served.

Learn how other communities are tackling the challenges and reaping the benefits of impact.

What is your department?

Finance	27.2%
City or County Leadership	15.7%
IT	8.6%
Purchasing or Procurement	8.4%
Planning and Development	15.7%
Other, please list title	24.3%

What best describes your employer?

Municipality (village, town, city)	406
County	128
Special District	22
School District	5
Other	31

How long have you worked in government?

Some (0-6 years)	119
Significant (7-14 years)	132
Very significant (15-20 years)	119
Veteran (21+ years)	222

What is your budget size?

Greater than \$5B	2.4%
\$1B-\$5B	8.6%
\$500M-\$1B	8.1%
\$300M-\$500M	8.3%
\$100M-\$300M	15.9%
\$60M-\$100M	14.2%
\$20M-\$60M	17.1%
Less than \$20M	25.5%

What is your entity's population?

1000 or fewer	0.5%
1,001 - 5,000	3.0%
5,001 - 10,000	5.6%
10,001 - 50,000	37.2%
50,001-100,000	18.1%
100,001-250,000	13.9%
250,001-500,000	8.3%
500,001-1,000,000	5.9%
1,000,001+	7.6%

About the Study

On behalf of OpenGov, independent polling and research firm Zogby Analytics conducted an online survey of 592 local government leaders across the US. Each invitation was password coded and secure so that one respondent could only access the survey one time. Based on a confidence interval of 95%, the margin of error for 501 is +/- 4.4 percentage points. This means that all other things being equal, if the identical survey were repeated, its confidence intervals would contain the true value of parameters 95 times out of 100.

For media inquiries and access to the underlying data, please contact pr@opengov.com.

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OpenGov is the leader in modern cloud software for our nation's cities, counties, and state agencies. With a mission to power more effective and accountable government, OpenGov serves more than 1,600 agencies across the U.S. and is built exclusively for the unique budgeting, procurement, asset management, and citizen services needs of the public sector. The OpenGov Cloud makes organizations more collaborative and efficient and enables best-in-class communication with stakeholders and community.

