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CIOs to Feds: Fix the Pipes or Forget the Prompts

MeriTalk's second annual Federal CIO Forecast spotlights growing AI momentum, the enterprise opportunity, and the foundational tech needed to scale

Alexandria, Va., October 6, 2025 – Artificial intelligence (AI) has rocketed to the top of Federal chief information officers' (CIOs) priority lists, but without modern infrastructure, flexible funding, and stronger executive backing, the government risks stalling its own transformation. That's according to the newly released "Tech Tonic: FY26 Federal CIO Forecast" by MeriTalk, government IT's top digital platform. The second annual [report](#) features frontline insights from 10 federal CIO offices and reveals sharp year-over-year shifts, mounting cost pressures, and a growing disconnect between mission ambitions and IT readiness.

Seventy percent of CIOs rank AI as a top-three priority for FY26 – more than double last year. The percentage who say they regularly use generative AI (GenAI) for work has tripled, rising from 16% to 60%. As CIOs scale pilots and deploy AI into mission-critical environments, infrastructure modernization and data management have also climbed significantly in importance – rising from mid-tier to top-five priorities.

Yet not all of this acceleration is matched by adequate support. While CIOs and cabinet secretaries align on the strategic value of AI and cybersecurity, infrastructure modernization shows the *largest gap* between CIO priority and leadership backing. "AI may be driving the vision, but it's infrastructure that enables the mission," said Nicole Burdette, principal at MeriTalk. "If agencies can't get support to modernize the foundational, they'll never deliver on the promise of smarter government."



Budget pressures add to the challenge. Every CIO surveyed is actively pursuing IT cost-cutting measures, and 80% are under formal savings mandates. Leaders are embracing system consolidation, AI-driven automation, and enterprise licensing to maximize returns, but they warn that every dollar must deliver against both mission and modernization goals.

Despite hurdles, CIOs see momentum in adopting an enterprise approach, with nine out of 10 saying adopting an enterprise mindset is good for federal IT. As one CIO explained, “More and more, we’re moving to enterprise services and enterprise contracts. As we do that, we realize true cost avoidance – and that money gets plowed back into the mission.”

Still, CIOs say structural reforms are necessary. Top recommendations include modernizing funding mechanisms like the Technology Modernization Fund (TMF), granting CIOs greater authority, and investing in governmentwide infrastructure modernization and data management alongside AI. Without those changes, leaders caution, the federal government risks losing momentum just as AI is poised to deliver mission-changing impact.

MeriTalk gathered insights from 10 Federal CIO offices through surveys and in-depth interviews between July and August 2025. The “Tech Tonic: FY26 Federal CIO Forecast” is underwritten by Dell Technologies and ColorTokens. To review the full findings, visit: <https://www.meritalk.com/study/federal-cio-forecast-2026/>.

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