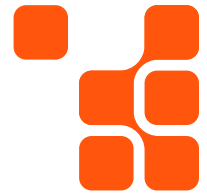


The Data Readiness Index: Unlocking AI for Mission Success in the Public Sector



Introduction

Public sector organizations have something most industries don't: strong data governance.

Driven by regulatory requirements, public accountability, and legacy systems, agencies have built mature frameworks to control and protect data. In fact, according to [The Data Readiness Index 2026](#), 72% report that most or all of their data is governed – the highest of any industry surveyed.

But that leadership comes with a tradeoff.

While data is well-controlled, it is far less accessible and visible across agencies and systems. Just 31% of public sector agencies report full visibility into their data, meaning most are operating with an incomplete picture of where their data lives.

The gap is even more pronounced in accessibility. Only 16% of those surveyed in the public sector say they can reach 100% of their data across environments – the lowest of any industry surveyed. By comparison, 51% of telecommunications organizations report full data accessibility, highlighting how much further some industries have progressed in operationalizing data.

72% governed. 16% accessible.

This is the public sector data gap: control without activation. Highly governed data remains siloed, limiting mission impact and slowing AI adoption.

Data Readiness in the Public Sector: Strong Control, Limited Activation

Public sector organizations have invested heavily in controlling and protecting data, but that data still lives across a patchwork of agencies, legacy systems, file formats, and environments. Accessing it often means navigating complex processes, disconnected systems, and unclear ownership.

These challenges are not unique to the public sector, but they are often amplified in highly regulated, distributed environments. Across industries, nearly half of organizations cite complicated access requirements as a primary barrier, while others struggle with limited visibility into where data resides and how it can be used.

These challenges are compounded by persistent silos. Even as agencies modernize, only a small percentage report that their data is fully integrated across environments. The result is a disconnect between what organizations have and what they can actually use to inform decisions.

Roadblocks to Readiness & the Governance Paradox

Despite leading in governance, public sector organizations face persistent barriers to using data effectively.

Data is governed, but fragmented across systems and agencies, making it difficult to access, combine, and use meaningfully.

For public sector organizations, this gap has real-world consequences. Agencies depend on timely, accurate information to make decisions that affect public safety, resource allocation, and citizen services. But when data is incomplete or difficult to access, those decisions are delayed or made without the full picture.

This is where the impact compounds. Fragmented access goes beyond just slowing down the process – it also undermines the quality of the data itself. When organizations can't bring together all relevant data, they are left working with partial, inconsistent datasets. In the public sector, data quality is the leading cause of underperforming AI investments (24%) – a direct result of data that is governed, but not fully accessible or connected.

Other sectors lag behind in data governance:

66%

healthcare,

65%

energy and utilities,

63%

software and technology,

61%

financial services,

58%

manufacturing,

57%

and telecommunications.

With 72% of data governed, the public sector has the highest level of data governance of any industry surveyed.

A Shift in Approach: From Moving Data to Connecting It

Closing the gap between control and activation requires a fundamental shift in the data foundation.

Traditional approaches have focused on centralizing data – moving it into a single location to make it easier to analyze. But in the public sector, where data is highly distributed and tightly regulated, this approach introduces unnecessary risk, cost, and complexity – and may simply not be possible at all. A more effective model is simple: bring AI to the data.

With a [federated-in-place architecture](#), agencies can securely access and analyze data across environments without moving it. This approach allows organizations to maintain strict governance while enabling broader access and usability. Data remains where it belongs, but becomes part of a unified, connected ecosystem.

Instead of choosing between control and access, agencies can achieve both without increasing risk.

What's Possible When Data Connects

When data is no longer confined to silos, its impact expands significantly.

Agencies can begin to operate with a more complete, real-time view of the environments they serve, enabling better coordination, faster response times, and more effective service delivery.

For example:

- Disaster response efforts can integrate data from weather systems, transportation networks, and communications infrastructure to improve coordination in critical moments
- Citizen services can become more proactive, using data across programs to identify needs and deliver benefits faster
- Agencies can collaborate more effectively, sharing insights without duplicating or moving sensitive data

A Strong Foundation for Mission Impact

Public sector organizations are not starting from behind. In many ways, they are ahead.

Strong governance frameworks (often seen as a constraint to innovation) are actually a critical foundation for responsible AI and data use. While other sectors are still working to establish control, the public sector already has it.

By connecting data across environments while maintaining that control, agencies can turn governance into a capability that improves how agencies deliver services and make decisions, supporting more secure and scalable use of data.

Activate Your Data: Enabling Secure Data Access for Government

Cloudera helps public sector organizations securely connect and activate their data wherever it lives so they can scale AI, improve services, and deliver on their mission.

Learn how to achieve [data readiness](#) and activate it for AI.

Where data breaks down:

47%

Complex access requirements and processes

44%

Limited visibility into where data resides

34%

Siloed data across agencies and systems

30%

Incomplete integration across environments (only 30% fully integrated).



Governance is the foundation for innovation, not what's holding it back."

DARIO PEREZ

VP, Federal Civilian and SLED

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