

# United States Senate

WASHINGTON, DC 20510

May 12, 2022

The Honorable Patrick Leahy  
Chairman  
Senate Appropriations Committee  
S-128, United States Capitol  
Washington, DC 20510

The Honorable Richard Shelby  
Vice Chairman  
Senate Appropriations Committee  
S-146A, United States Capitol  
Washington, DC 20510

The Honorable Chris Van Hollen  
Chairman  
Senate Appropriations Subcommittee on  
Financial Services & General Government  
133 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Cindy Hyde-Smith  
Ranking Member  
Senate Appropriations Subcommittee on  
Financial Services & General Government  
133 Dirksen Senate Office Building  
Washington, DC 20510

Chairman Leahy, Vice Chairman Shelby, Chairman Van Hollen, and Ranking Member Hyde-Smith:

As your committee begins consideration of appropriations for Fiscal Year (FY) 2023, we write to urge you to include significant and critically needed funding to modernize federal information technology (IT) systems. In particular, we request that you provide funding of at least \$300 million for the Technology Modernization Fund (TMF).

Congress created the TMF as part of the Modernizing Government Technology (MGT) Act,<sup>1</sup> in response to pressing needs for federal agencies to modernize outdated IT systems and address critical vulnerabilities. The TMF – a revolving fund governed by a board of experts with backgrounds in IT, cybersecurity, financial management, and federal acquisition – is unique in its ability to rapidly evaluate agencies’ technology modernization proposals, assign funding in an agile manner that prioritizes high-need and cost-saving projects, and do all of this in a transparent and accountable manner.

In the roughly four years since it was established, the TMF has delivered approximately \$400 million in funding to 20 modernization projects across the government, funding projects that the TMF Board identified as having significant impact on agencies’ security, program operability, and ability to efficiently and effectively deliver results for taxpayers. As the TMF is a revolving

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<sup>1</sup> Pub. L. No. 115-91, tit. X, subtitle G, 131 Stat. 1586 (2017). (accessed at: <https://www.congress.gov/115/plaws/publ91/PLAW-115publ91.pdf>, 12 May, 2022)

fund, agencies that receive funding are given repayment terms that vary based on the project, which allows the TMF to recover a portion of the funds – often through direct cost savings.

It is widely acknowledged that our federal government needs to make significant and urgent investments in replacing outdated and insecure legacy IT systems. Each year, the federal government spends roughly \$90 billion on IT systems.<sup>2</sup> Significant portions of this funding go toward the maintenance of older, legacy systems, which over time grow increasingly costly, and often present concerning cybersecurity vulnerabilities.

In addition to the urgent security concerns, ignoring these needed modernization efforts hinders the public’s ability to interact with the government in an efficient and responsive way. We saw this issue magnified during the course of the pandemic, as added demands at times overwhelmed our government’s ability to continue providing effective customer service and critical benefits to Americans. We have heard repeatedly from constituents how these strains have slowed the processing of benefits and claims, in many cases hindering their ability to access critical resources and needed assistance that Congress has put in place.

In 2021 Congress appropriated \$1 billion to the TMF to address government IT challenges. While this served as a sizable investment towards these efforts, the demand for these funds was more than double their availability,<sup>3</sup> and the Administration confirms that the TMF will allocate the majority of these funds by the end of this current fiscal year.

By necessity, efforts to modernize and improve the security of IT systems require ongoing and sustained effort by agencies. Congress has a similar responsibility to continue to fund modernization efforts, so that legacy systems aren’t left to grow increasingly costly and insecure over time. The TMF presents agencies with a funding vehicle that is agile and allows them to amortize modernization costs, and that makes technical experts available to agencies throughout the proposal and implementation phases. It also provides Congress a tool with additional accountability and oversight, in the form of board-review of proposals, incremental funding based on outcome-based milestones, and regular follow-up with funding recipients during funding implementation.

We appreciate your consideration of our request for at least \$300 million for the Technology Modernization Fund – the level requested by the Administration – and we look forward to continuing to work with you, and with our other colleagues here in the Senate, to ensure that we are providing necessary investment in our federal government’s IT systems.

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<sup>2</sup> U.S. General Services Administration. *Technology Modernization Fund – Fiscal Year 2023 Congressional Justification*. (accessed at [https://www.gsa.gov/cdnstatic/06\\_FY\\_2023\\_CJ\\_TMF\\_Narrative\\_Final\\_508cO.pdf](https://www.gsa.gov/cdnstatic/06_FY_2023_CJ_TMF_Narrative_Final_508cO.pdf), 12 May, 2022)

<sup>3</sup> “Since the American Rescue Plan (ARP) was enacted, the [TMF] Board has received over 130 proposals from over 60 Federal agencies and components requesting more than \$2.5 billion in funding.” *Ibid*.

Sincerely,



MARK R. WARNER  
U.S. Senator



THOM TILLIS  
U.S. Senator



STEVE DAINES  
U.S. Senator