

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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April 13, 2021

The Honorable Shalanda Young
Acting Director
Office of Management and Budget
725 17th Street, N.W.
Washington, D.C. 20503

Ms. Katy Kale
Acting Administrator
General Services Administration
1800 F Street, N.W.
Washington, D.C. 20405

Dear Acting Director Young and Acting Administrator Kale:

We write to request the Administration's plan for the Technology Modernization Fund (TMF). Congress provided the TMF with \$1 billion through The American Rescue Plan to facilitate much-needed information technology (IT) improvements across the federal enterprise.¹ As the pandemic has demonstrated, IT is integral to the federal government's mission. Oversight of how these funds will be prioritized and allocated, including how the funds will be subject to the reimbursement model currently required by law, is necessary to protect this significant investment of taxpayer dollars.

In 2017, Congress enacted the Modernizing Government Technology Act to provide agencies with more nimble IT funding mechanisms—like the TMF—with the goal of helping improve information technology and enhance cybersecurity across the federal government. The TMF is the best vehicle for addressing in a timely manner systemic IT challenges that impede the federal government's ability to serve the American public. The legislation that established the TMF allows the Director of the Office of Management and Budget (OMB) to rapidly fund critical IT initiatives, based upon the advice of government experts on the TMF Board. These approved funds are allocated to agencies on the condition that the agency reimburse the TMF after no more than five years, unless approved by the Director of OMB. This reimbursement model was intended to ensure the TMF remains self-sustaining and ensure agencies across the federal government are able to benefit from the Fund over time and use the funds to drive modernization within their agencies.²

To ensure the most immediate and effective investment of the \$1 billion TMF appropriation, we understood that the reimbursement model would need to be relaxed in the American Rescue Plan. As a result, most drafts of the provision retained a reimbursement requirement for only a portion of the funding. Although that requirement could not be retained in the budget reconciliation process, we strongly urge the Administration not to let the

¹ American Rescue Plan Act of 2021, Pub. L. No. 117-2 (2021).

² Pub. L. No. 115-91 (2017).

reimbursement model atrophy during the expenditure of the investment made by the American Rescue Plan.

The Subcommittee, therefore, respectfully requests that OMB, in collaboration with the General Services Administration (GSA) and the TMF Board, produce a plan to Congress that details how the \$1 billion appropriated to the TMF in the American Rescue Plan will be prioritized and spent. Further, to ensure the self-sustaining model of the TMF is preserved, we urge OMB to include details on how the \$1 billion will be at least partially subject to the reimbursement requirements.

Specifically, we request that this funding plan include, but not be limited to:

1. How the Program Management Office, which supports the TMF Board and agency application process, will be scaled appropriately to handle the volume of project proposals from agencies;
2. How the TMF Board will communicate opportunities to federal agencies to access TMF funding, including plans on how it might encourage proposals from agencies with the greatest IT modernization needs;
3. Criteria the TMF Board will use to determine which proposals to prioritize;
4. Criteria that OMB will use to ensure proposals that anticipate a financial return on investment have appropriate and applicable timetables for reimbursement;
5. Criteria for measuring the success of proposals that do not anticipate a financial return on investment to ensure modernization goals are met and other performance and outcome improvements are achieved; and
6. Other information that OMB or GSA determines will assist in robust Congressional oversight of the \$1 billion of TMF funding and allocation to ensure transparency and successful implementation.

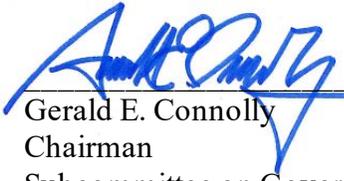
In addition, the Subcommittee respectfully requests a briefing from OMB and GSA to discuss the development and public release of the plan. We request that this briefing be held no later than May 7, 2021.

We look forward to working with you to ensure this funding catalyzes the transformative IT investments the federal government so desperately needs to better serve this nation at a most critical time.

The Committee on Oversight and Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. If you have any questions regarding this request, please contact Committee staff at (202) 225-5051.

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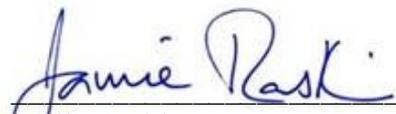
Sincerely,


Gerald E. Connolly
Chairman
Subcommittee on Government
Operations


Carolyn B. Maloney
Chairwoman
Committee on Oversight and Reform


Eleanor Holmes Norton
Member of Congress


Katie Porter
Member of Congress


Jamie Raskin
Member of Congress

cc: The Honorable Jody Hice, Ranking Member
Subcommittee on Government Operations