

H.R.5527 - Modernizing Government Technology Reform Act

118th Congress (2023-2024) |

Sponsor: [Rep. Mace, Nancy \[R-SC-1\]](#) (Introduced 09/18/2023)  
Committees: House - Oversight and Accountability | Senate - Homeland Security and Governmental Affairs  
Committee Meetings: [09/18/24 10:00AM](#) [09/20/23 10:00AM](#)  
Committee Reports: [H. Rept. 118-397](#)  
Latest Action: Senate - 12/19/2024 Placed on Senate Legislative Calendar under General Orders. Calendar No. 752. ([All Actions](#))

Tracker: ⓘ

Introduced

Passed House

Passed Senate

To President

Became Law

Summary(2) **Text(4)** Actions(15) Titles(5) Amendments(0) Cosponsors(2) Committees(2) Related Bills(1)

☰

🔊 Listen

▶

There are 4 versions: 

Referred in Senate (05/22/2024) ▼

Text available as: XML/HTML | [XML/HTML \(new window\) \(27KB\)](#) | [TXT \(23KB\)](#) | [PDF \(210KB\)](#) ⓘ

Shown Here:  
Referred in Senate (05/22/2024)

118<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

H. R. 5527

IN THE SENATE OF THE UNITED STATES  
MAY 22, 2024

Received; read twice and referred to the Committee on Homeland Security and Governmental Affairs

AN ACT

To amend section 1078 of the National Defense Authorization Act for Fiscal Year 2018 to increase the effectiveness of the Technology Modernization Fund, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Modernizing Government Technology Reform Act”.

SEC. 2. REALIGNING USE OF FUNDS WITH ORIGINAL CONGRESSIONAL INTENT.

Section 1078 of the National Defense Authorization Act for Fiscal Year 2018 ([Public Law 115–91](#); [40 U.S.C. 11301](#) note) is amended—

(1) in subsection (b)—

(A) by amending paragraph (3) to read as follows:

“(3) USE OF FUNDS.—

“(A) IN GENERAL.—The Administrator shall, in accordance with recommendations from the Board, use amounts in the Fund for the following:

“(i) To transfer such amounts, to remain available until expended, to the head of an agency for the acquisition, procurement, and operation of information technology, or the development of information technology when more efficient and cost effective, to

—

“(I) modernize, retire, or replace legacy information technology systems used by the agency;

“(II) enhance cybersecurity and privacy at the agency;

“(III) improve long-term efficiency and effectiveness of agency information technology; or

“(IV) improve the ability of the agency to perform the mission of the agency and deliver services to the public.

“(ii) To provide services or work performed in support of—

“(I) the activities described in clause (i); and

“(II) the Board and the Director in carrying out the responsibilities described in subsection (c)(2).

“(iii) To fund only programs, projects, or activities, or to fund increases for any programs, projects, or activities that have not been denied or restricted by Congress.

“(iv) To transfer such amounts only for programs, projects, or activities that will be reimbursed to the Fund to the extent necessary to ensure total amounts in the Fund are no less than the amounts needed to keep the Fund operational until the Fund sunsets pursuant to subsection (g)(1).

“(B) TERMINATION OR SUSPENSION OF FUNDS.—The Administrator shall, in accordance with recommendations from the Board, suspend or terminate funding for any project with respect to which the head of an agency provided fraudulent or misleading statements about such project (including fraudulent statements about technical design, the business case, or program management with respect to the project) in the application or proposal for amounts from the Fund for such project.”;

(B) in paragraph (5)—

(i) in subparagraph (A)—

(I) in clause (i)—

(aa) by striking “or (B)”; and

(bb) by striking “(3)(C)” and inserting “(3)(A)(ii)”; and

(II) in clause (ii), by striking “, consistent with any applicable reprogramming law or guidelines of the Committees on Appropriations of the

Senate and the House of Representatives”; and

(ii) in subparagraph (B)(i)—

(I) by striking “paragraph (3)(C)” and inserting “paragraph (3)(A)(ii)”; and

(II) by striking “the solvency of the Fund, including operating expenses” and inserting the following: “total amounts in the Fund are no less than the amounts needed to keep the Fund operational until the Fund sunsets pursuant to subsection (g)(1)”;

(C) in paragraph (6)—

(i) in subparagraph (A)—

(I) in the matter before clause (i), by striking “subparagraphs (A) and (B) of paragraph (3)” and inserting the following: “paragraph (3)(A)(i) and before any services or work are provided under paragraph (3)(A)(ii)(I)”;

(II) in clause (i)—

(aa) by striking “unless approved by the Director”; and

(bb) by striking “; and” and inserting a semicolon;

(III) by redesignating clause (ii) as clause (iv); and

(IV) by inserting after clause (i) the following new clauses:

“(ii) which shall include terms of repayment that require the head of the agency to reimburse the Fund for funds transferred under paragraph (3)(A)(i) at a level that ensures total amounts in the Fund are no less than the amounts needed to keep the Fund operational until the Fund sunsets pursuant to subsection (g)(1);

“(iii) which shall include terms of repayment that require the head of the agency to fully reimburse the Fund for any services or work provided under paragraph (3)(A)(ii) in direct support of the project; and”;

(ii) in subparagraph (B)—

(I) by striking clause (i) and inserting the following:

“(i) for any funds transferred to an agency under paragraph (3)(A)(i), in the absence of compelling circumstances documented by the Administrator at the time of transfer, that such funds shall be transferred only—

“(I) on an incremental basis, tied to metric-based development milestones achieved by the agency through the use of rapid, iterative, development processes; and

“(II) after the head of the agency has provided the Director any information the Director is required to report pursuant to paragraph (7)(A)(i); and”;

(II) in clause (ii)—

(aa) by striking “subparagraphs (A) and (B) of paragraph (3)” and inserting “paragraph (3)(A)(i)”;

(bb) by striking “paragraph (6)” and inserting “this paragraph”;

(D) in paragraph (7)—

(i) in subparagraph (A)(i)—

(I) by inserting “the written agreement entered into under paragraph (6),” after “description of the project,”; and

(II) by inserting “(including documented market research into commercial products and services)” after “used”;

(ii) in subparagraph (B)—

(I) in clause (i)—

(aa) by striking “establishing”; and

(bb) by striking “the cost savings associated with the projects funded both annually and over the life of the acquired products and services by the Fund;” and inserting the following: “the amount repaid to the Fund in accordance with the terms established in the written agreements described in paragraph (6);”;

(II) in clause (ii)—

(aa) by striking “reliability of the cost savings” and inserting “total cost savings”; and

(bb) by striking the semicolon and inserting “; and”; and

(III) in clause (iii), by striking “; and” and inserting a period; and

(IV) by striking clause (iv);

(2) in subsection (c)(2)—

(A) in subparagraph (A)—

(i) in clause (ii), by striking “the greatest Governmentwide impact; and” and inserting the following: “the greatest impact on modernizing, retiring, or replacing Federal legacy information technology systems; and”;

(ii) by redesignating clauses (i) through (iii) as clauses (ii) through (iv), respectively; and

(iii) by inserting before clause (ii), as so redesignated, the following new clause:

“(i) the ability for the head of the agency to ensure repayment of funds transferred from the Fund to the head of the agency, in accordance with subsection (b);”;

(B) in subparagraph (D), by striking “to improve or replace multiple information technology systems” and inserting the following: “to modernize, retire, or replace legacy information technology systems under subsection (b)(3)(A)(i)”;

(C) in subparagraph (F), by inserting after “subsection (b)(6)” the following: “or the identification of fraudulent or misleading statements about the project (including fraudulent statements about technical design, the business case, or program management with respect to the project) in the application or proposal for amounts from the Fund for the project”; and

(D) in subparagraph (G), by inserting after “operating costs of the Fund” the following: “to ensure total amounts in the Fund are no less than the amounts needed to keep the Fund operational until the Fund sunsets pursuant to subsection (g)(1)”;

(3) in subsection (c)—

(A) in paragraph (5)—

(i) in subparagraph (B) by striking the period at the end and inserting “; and”; and

(ii) by inserting after subparagraph (B) the following:

“(C) a senior official from the Cybersecurity and Infrastructure Security Agency of the Department of Homeland Security, appointed by the Director of the Cybersecurity and Infrastructure Security Agency, with the approval of the Director of the Office of Management and Budget.”;

(B) in paragraph (6)(A)—

(i) by striking “shall be—” and inserting “shall be 4 employees of the Federal Government primarily having technical expertise in information technology development, financial management, cybersecurity and privacy, and acquisition, appointed by the Director.”; and

(ii) by striking clauses (i) and (ii); and

(4) in subsection (d)(2)—

(A) in subparagraph (A), by striking “subsection (b)(3)(A) and for products, services, and acquisition vehicles funded under subsection (b)(3)(B)” and inserting “subsection (b)(3)”;

(B) in subparagraph (C), by inserting after “and reduce waste” the following: “and ensure total amounts in the Fund are no less than the amounts needed to keep the Fund operational until the Fund sunsets pursuant to subsection (g)(1)”;

(5) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively;

(6) by inserting after subsection (d) the following new subsection:

“(e) RESPONSIBILITIES OF THE FEDERAL CHIEF INFORMATION OFFICER; AGENCY CHIEF INFORMATION OFFICERS.—

“(1) AGENCY INVENTORY.—An agency Chief Information Officer, in coordination with stakeholders and other agency officials, shall provide to the Federal Chief Information Officer—

“(A) on or before the first September 30 that occurs after the date of the enactment of the Modernizing Government Technology Reform Act of 2023, a list of high-risk legacy information technology systems used, operated, or maintained by the agency, in accordance with the guidance issued under paragraph (4); and

“(B) on or before September 30 of each year after the first year in which the list is provided under subparagraph (A), any updates to such list.

“(2) LEGACY FEDERAL IT INVENTORY.—The Federal Chief Information Officer shall

“(A) on or before the first December 30 that occurs after the date of the enactment of the Modernizing Government Technology Reform Act of 2023, compile a Legacy Federal IT Inventory on the basis of the each list provided by an agency Chief Information Officers under paragraph (1)(A) that includes information about each high-risk legacy information technology system used, operated, or maintained by an agency; and

“(B) on or before December 30 each year after the year in which the Legacy Federal IT Inventory is compiled, update such Inventory on the basis of each update to the list provided by an agency Chief Information Officer under paragraph (1)(B).

“(3) PRIORITIZATION LIST.—

“(A) REQUIREMENT.—The Federal Chief Information Officer shall—

“(i) not later than 90 days after the date on which the Federal Chief Information Officer receives the list required by paragraph (1)(A) from each agency Chief Information Officer, compile, on the basis of each such list, a list of 10 legacy information technology systems that present the greatest security, privacy, and operational risks to the Federal Government; and

“(ii) not later than 90 days after the date on which the Federal Chief Information Officer receives updates under paragraph (1)(B) from each agency Chief Information Officer, update the list required by subparagraph (A) on the basis of each updates to the list provided by agency Chief information Officers under paragraph (1)(B).

“(B) REPORT TO CONGRESS.—Not later than 14 days after the date on which the Federal Chief Information Officer compiles the list required by subparagraph (A), or updates such list, the Director shall submit to the Committee on Oversight and Accountability of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Comptroller General of the United States, a report (which may include a classified annex) containing—

“(i) such list (including any update made to such list under subparagraph (A)(ii)); and

“(ii) each list provided by an agency Chief Information Officer under paragraph (1)(A) (including any update made to any such list under paragraph (1)(B)).

“(4) GUIDANCE.—

“(A) IN GENERAL.—Not later than 180 days after enactment of this Act, the Director shall issue guidance on implementing the requirements of this subsection that shall, at a minimum—

“(i) prescribe an appropriate format for list to be provided under paragraph (1)(A);

“(ii) prescribe the information to be included in the Legacy Federal IT Inventory required by paragraph (2);

“(iii) provide guidance on how an agency Chief Information Officer should identify high-risk legacy information technology systems that, at least, requires agency Chief Information Officers, in coordination with other agency stakeholders, to identify as a high risk legacy information technology system any outdated or obsolete system of information technology that is critical to the agency such that the loss or degradation of the system would create a security, operational, or privacy risk to the agency or would otherwise impact the ability of the agency to perform the mission of the agency, effectively deliver programs, or conduct business; and

“(iv) provide guidance on how existing reporting structures can be used to submit the Legacy Federal IT inventory required by paragraph (2).

“(B) UPDATES.—The Director may update the guidance issued under subparagraph (A) as the Director determines necessary.

“(5) DEFINITIONS.—In this subsection:

“(A) AGENCY CHIEF INFORMATION OFFICER.—The term ‘agency Chief Information Officer’ means a Chief Information Officer designated under section 3506(a)(2) of title 44, United States Code.

“(B) FEDERAL CHIEF INFORMATION OFFICER.—The term ‘Federal Chief Information Officer’ means the Administrator of the Office of Electronic Government.”; and

(7) in subsection (g)(1), as so redesignated, by striking “On and after the date that is 2 years after the date on which the Comptroller General of the United States issues the third report required under subsection (b)(7)(B),” and inserting “After December 31, 2031,”.

Passed the House of Representatives May 21, 2024.

Attest:

KEVIN F. MCCUMBER,  
Clerk.