

119TH CONGRESS
1ST SESSION

S. 3306

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.

IN THE SENATE OF THE UNITED STATES

DECEMBER 2, 2025

Mr. MORAN (for himself and Mr. PETERS) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Modernizing Govern-
5 ment Technology Reform Act”.

1 **SEC. 2. REALIGNING USE OF FUNDS WITH ORIGINAL CON-**
2 **GRESSIONAL INTENT.**

3 Section 1078 of the National Defense Authorization
4 Act for Fiscal Year 2018 (Public Law 115–91; 40 U.S.C.
5 11301 note) is amended—

6 (1) in subsection (b)—

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

9 “(3) USE OF FUNDS.—

10 “(A) IN GENERAL.—The Administrator
11 shall, in accordance with recommendations from
12 the Board, use amounts in the Fund for the fol-
13 lowing:

14 “(i) To transfer such amounts, to re-
15 main available until expended, to the head
16 of an agency for the acquisition, procure-
17 ment, and operation of information tech-
18 nology, or the development of information
19 technology when more efficient and cost ef-
20 fective, to—

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

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

1 “(III) improve long-term effi-
2 ciency and effectiveness of agency in-
3 formation technology; or

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

8 “(ii) To provide services or work per-
9 formed in support of—

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

12 “(II) the Board and the Director
13 in carrying out the responsibilities de-
14 scribed in subsection (c)(2).

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

19 “(iv) To transfer such amounts only
20 for programs, projects, or activities that
21 will be reimbursed to the Fund to the ex-
22 tent necessary to ensure total amounts in
23 the Fund are no less than the amounts
24 needed to keep the Fund operational until

1 the Fund sunsets pursuant to subsection
2 (g)(1).

3 “(B) TERMINATION OR SUSPENSION OF
4 FUNDS.—The Administrator shall, upon receiv-
5 ing a recommendation from the Board under
6 subsection (c)(2)(F), suspend or terminate
7 funding for any project with respect to which
8 the head of an agency provided fraudulent or
9 misleading statements about such project (in-
10 cluding fraudulent statements about technical
11 design, the business case, or program manage-
12 ment with respect to the project) in the applica-
13 tion or proposal for amounts from the Fund for
14 such project.”;

15 (B) in paragraph (5)—

16 (i) in subparagraph (A)—

17 (I) in clause (i)—

18 (aa) by striking “or (B)”;

19 and

20 (bb) by striking “(3)(C)”

21 and inserting “(3)(A)(ii)”;

22 (II) in clause (ii), by striking “,
23 consistent with any applicable re-
24 programming law or guidelines of the
25 Committees on Appropriations of the

1 Senate and the House of Representa-
 2 tives”; and

3 (ii) in subparagraph (B)(i)—

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

7 (II) by striking “the solvency of
 8 the Fund, including operating ex-
 9 penses” and inserting the following:
 10 “total amounts in the Fund are no
 11 less than the amounts needed to keep
 12 the Fund operational until the Fund
 13 sunsets pursuant to subsection
 14 (g)(1)”;

15 (C) in paragraph (6)—

16 (i) in subparagraph (A)—

17 (I) in the matter before clause
 18 (i), by striking “subparagraphs (A)
 19 and (B) of paragraph (3)” and insert-
 20 ing the following: “paragraph
 21 (3)(A)(i)”;

22 (II) in clause (i), by striking “;
 23 and” and inserting a semicolon;

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

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

3 “(ii) which shall include terms of re-
 4 payment that require the head of the agen-
 5 cy to reimburse the Fund for funds trans-
 6 ferred under paragraph (3)(A)(i) at a level
 7 that ensures total amounts in the Fund
 8 are no less than the amounts needed to
 9 keep the Fund operational until the Fund
 10 sunsets pursuant to subsection (g)(1);

11 “(iii) which shall include terms of re-
 12 payment that require the head of the agen-
 13 cy to fully reimburse the Fund for any
 14 services or work provided under paragraph
 15 (3)(A)(ii) in direct support of the project;
 16 and”;

17 (ii) in subparagraph (B)—

18 (I) by striking clause (i) and in-
 19 serting the following:

20 “(i) for any funds transferred to an
 21 agency under paragraph (3)(A)(i), in the
 22 absence of compelling circumstances docu-
 23 mented by the Administrator at the time of
 24 transfer, that such funds shall be trans-
 25 ferred only—

1 “(I) on an incremental basis, tied
 2 to metric-based development mile-
 3 stones achieved by the agency through
 4 the use of rapid, iterative, develop-
 5 ment processes; and

6 “(II) after the head of the agency
 7 has provided the Director any infor-
 8 mation the Director is required to re-
 9 port pursuant to paragraph (7)(A)(i);
 10 and”; and

11 (II) in clause (ii)—

12 (aa) by striking “subpara-
 13 graphs (A) and (B) of paragraph
 14 (3)” and inserting “paragraph
 15 (3)(A)(i)”; and

16 (bb) by striking “paragraph
 17 (6)” and inserting “this para-
 18 graph”; and

19 (iii) by inserting at the end the fol-
 20 lowing:

21 “(C) CONGRESSIONAL REQUESTS FOR
 22 COPY OF WRITTEN AGREEMENT.—Not later
 23 than 10 days after receiving a request from the
 24 Committee on Homeland Security and Govern-
 25 mental Affairs of the Senate or the Committee

on Oversight and Government Reform of the House of Representatives for a copy of a written agreement entered into under subparagraph (A), the Director shall provide such Committee with a copy of such written agreement.”; and

(D) in paragraph (7)(B)—

(i) in the matter preceding clause (i), by striking “every 2 years thereafter” and inserting “every 2 years thereafter until the Board terminates pursuant to subsection (g)(3)”;

(ii) in clause (i)—

(I) by striking “establishing”;

and

(II) 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 amount repaid to the Fund in accordance with the terms established in the written agreements described in paragraph (6);”;

(iii) in clause (ii)—

1 (I) by striking “reliability of the
2 cost savings” and inserting “total cost
3 savings”; and

4 (II) by striking the semicolon
5 and inserting “; and”;

6 (iv) in clause (iii), by striking “; and”
7 and inserting a period; and

8 (v) by striking clause (iv);

9 (2) in subsection (c)(2)—

10 (A) in subparagraph (A)—

11 (i) in clause (ii), by striking “the
12 greatest Governmentwide impact; and” and
13 inserting the following: “the greatest im-
14 pact on modernizing, retiring, or replacing
15 Federal legacy information technology sys-
16 tems; and”;

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

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

22 “(i) the ability for the head of the
23 agency to ensure repayment of funds
24 transferred from the Fund to the head of

1 the agency, in accordance with subsection
2 (b);”;

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

9 (C) in subparagraph (F), by inserting after
10 “subsection (b)(6)” the following: “or the iden-
11 tification of fraudulent or misleading state-
12 ments about the project (including fraudulent
13 statements about technical design, the business
14 case, or program management with respect to
15 the project) in the application or proposal for
16 amounts from the Fund for the project”; and

17 (D) in subparagraph (G), by inserting
18 after “operating costs of the Fund” the fol-
19 lowing: “to ensure total amounts in the Fund
20 are no less than the amounts needed to keep
21 the Fund operational until the Fund sunsets
22 pursuant to subsection (g)(1)”;

23 (3) in subsection (d)(2)—

24 (A) in subparagraph (A), by striking “sub-
25 section (b)(3)(A) and for products, services, and

1 acquisition vehicles funded under subsection
 2 (b)(3)(B)” and inserting “subsection (b)(3)”;

3 (B) in subparagraph (B), by striking the
 4 period at the end and inserting a semicolon;
 5 and

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

12 (4) by redesignating subsections (e) and (f) as
 13 subsections (f) and (g), respectively;

14 (5) by inserting after subsection (d) the fol-
 15 lowing new subsection:

16 “(e) RESPONSIBILITIES OF THE FEDERAL CHIEF IN-
 17 FORMATION OFFICER; AGENCY CHIEF INFORMATION OF-
 18 FICERS.—

19 “(1) AGENCY INVENTORY.—An agency Chief
 20 Information Officer, in coordination with stake-
 21 holders and other agency officials, shall provide to
 22 the Federal Chief Information Officer in accordance
 23 with the guidance issued under paragraph (3)—

24 “(A) not later than 180 days after the Di-
 25 rector issues the guidance under such para-

graph, a list of high-risk legacy information technology systems used, operated, or maintained by the agency; and

“(B) within 1 year after the first year in which the list is provided under subparagraph (A), and annually thereafter, any updates to such list.

“(2) 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 at least one agency Chief Information Officer, update, as necessary, the list required by subparagraph

1 (A) on the basis of each update to the list
2 provided by agency Chief information Offi-
3 cers under paragraph (1)(B).

4 “(B) REPORT TO CONGRESS.—Not later
5 than 14 days after the date on which the Fed-
6 eral Chief Information Officer compiles the list
7 required by subparagraph (A), or updates such
8 list, the Director shall submit to the Committee
9 on Homeland Security and Governmental Af-
10 fairs of the Senate, the Committee on Oversight
11 and Government Reform of the House of Rep-
12 resentatives, and the Comptroller General of the
13 United States, a report (which may include a
14 classified annex) containing—

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

18 “(ii) each list provided by an agency
19 Chief Information Officer under paragraph
20 (1)(A) (including any update made to any
21 such list under paragraph (1)(B) and any
22 information included on the list pursuant
23 to paragraph (3)(A)(ii)).

24 “(3) GUIDANCE.—

1 “(A) IN GENERAL.—Not later than 180
2 days after the date of enactment of the Modern-
3 izing Government Technology Reform Act, the
4 Director shall issue guidance on implementing
5 the requirements of this subsection that shall,
6 at a minimum—

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

10 “(ii) prescribe any additional informa-
11 tion to be included on such list;

12 “(iii) provide guidance on how an
13 agency Chief Information Officer should
14 identify high-risk legacy information tech-
15 nology systems that, at least, requires
16 agency Chief Information Officers, in co-
17 ordination with other agency stakeholders,
18 to identify as a high-risk legacy informa-
19 tion technology system any outdated or ob-
20 solete system of information technology
21 that is critical to the agency such that the
22 loss or degradation of the system would
23 create a security, operational, or privacy
24 risk to the agency or would otherwise im-
25 pact the ability of the agency to perform

1 the mission of the agency, effectively de-
 2 liver programs, or conduct business; and

3 “(iv) provide guidance on how existing
 4 reporting structures can be used to submit
 5 the list under paragraph (1)(A).

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

9 “(4) SUNSET.—This subsection shall cease to
 10 have effect on the date that the Fund sunsets pursu-
 11 ant to subsection (g)(1).

12 “(5) DEFINITIONS.—In this subsection:

13 “(A) AGENCY CHIEF INFORMATION OFFI-
 14 CER.—The term ‘agency Chief Information Of-
 15 ficer’ means a Chief Information Officer des-
 16 ignated under section 3506(a)(2) of title 44,
 17 United States Code.

18 “(B) FEDERAL CHIEF INFORMATION OFFI-
 19 CER.—The term ‘Federal Chief Information Of-
 20 ficer’ means the Administrator of the Office of
 21 Electronic Government.”; and

22 (6) in subsection (g)(1), as so redesignated, by
 23 striking “On and after the date that is 2 years after
 24 the date on which the Comptroller General of the
 25 United States issues the third report required under

- 1 subsection (b)(7)(B),” and inserting “After Decem-
- 2 ber 31, 2032,”.

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