



TECHNOLOGY MODERNIZATION FUND

*Fiscal Year*

**2024**

*Annual Report*

**T**he Technology Modernization Fund (TMF) was established under the Modernizing Government Technology (MGT) Act of 2017 to address a critical challenge facing federal agencies: replacing outdated and costly legacy systems with modern, secure, and sustainable solutions.

The TMF offers a transformative funding model to tackle this issue. Agencies compete for funding by proposing projects that demonstrate measurable value, clear outcomes, and alignment with federal priorities. Funding is released incrementally as milestones are achieved, ensuring accountability and results. Managed by a Board of senior federal executives, the TMF prioritizes investments that address the government's most pressing needs, including cybersecurity, digital service delivery, and operational efficiency.

Three and a half years after receiving a critical influx of funding through the American Rescue Plan, the TMF has reached a significant milestone: allocating over \$1 billion across 63 projects at 34 agencies. These projects span diverse goals, from mitigating security risks and enhancing customer experiences to adopting

cutting-edge technologies like artificial intelligence. The impact is real: TMF investments have helped agencies eliminate paper-based processes, consolidated legacy systems, and improved compliance with federal policies.

But the TMF's role extends far beyond providing funding. As partners in modernization, we help agencies navigate the complexities of digital transformation, offering expertise, fostering cross-agency collaboration, and championing evidence-based practices. By connecting agencies to shared lessons and resources, we're building a stronger, more cohesive federal technology community.

The progress achieved in Fiscal Year 2024 positions the TMF for even greater success in the years ahead. The future of federal technology modernization depends on strategic investment, practical support, and sustained collaboration. As we continue to evolve, the TMF remains committed to transforming government technology, driving innovation, and delivering long-term value to the American people.

## Larry Bafundo

Executive Director, TMF

*"The TMF is a perfect example of the government working for the people we serve - using taxpayer dollars responsibly to improve the lives of all Americans. I could not be more proud of the work being done through the TMF or the people doing it."*

### Robin Carnahan

GSA Administrator



*"The TMF Board is driving digital transformation by funding projects incrementally, actively managing the portfolio and holding teams accountable for delivery. TMF is delivering impact with taxpayer dollars and becoming the responsible funding vehicle of choice to accelerate IT modernization across the federal government."*

### Clare Martorana

Federal CIO and  
TMF Board Chair



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# Portfolio metrics

Our investment journey: Fiscal Year '18 to '24

**\$1 billion**  
*total invested*

**34**

*agencies invested in*

**63**

*total investments*

Fiscal Year 2024

**\$240M**

*invested*

**16**

*new investments*

**7**

*new agencies*

# Delivering value

From the time the American Rescue Plan provided vital funding three and a half years ago, the TMF has put more than \$1 billion to work.

**In addition to saving the government money through direct cost savings, TMF investments are:**

- ★ Improving federal policy compliance
- ★ Mitigating security risks
- ★ Driving operational efficiencies
- ★ Enhancing service delivery

## Portfolio highlights\*

**80%**

*include cybersecurity improvements*

**25%+**

*impact High Value Assets*

**73%**

*enable improved scalability*

**50%+**

*support interagency collaboration*

**79%**

*expect increased user satisfaction*

\*All percentages are based on the total number of TMF investments through FY24.



# Meet TMF's FY24 freshman class

FY24  
investment  
focus:

**\$231M**

enhancing  
cybersecurity

**\$218M**

improving user  
satisfaction

**\$51M**

incorporating  
AI capabilities

Investment dollars can span multiple categories.  
Visit [our website](#) for more information on all our investments.

## ARMED FORCES RETIREMENT HOME (AFRH)

\$6,050,000

AFRH is implementing a state-of-the-art and interoperable electronic health record (EHR) system to better care for retired veterans and those with disabilities. In replacing their inefficient, decade-old EHR system, AFRH will be able to share data seamlessly with the Department of Veterans Affairs (VA) and the Department of Defense (DoD) so providers can focus more on resident care and outcomes.



## FEDERAL ELECTION COMMISSION (FEC)

\$8,824,934

FEC is implementing a cloud migration for FECFile Online, which is used by political candidates and over 9,000 political committees to submit federally mandated campaign finance disclosures. This modernization will improve FECFile Online's data quality, security, and accessibility, as it will no longer run exclusively on Windows PCs. FEC is also creating an open-source product for vendors and state agencies to use in their own development efforts.



## GENERAL SERVICES ADMINISTRATION (GSA)

\$19,700,954

GSA's eRulemaking Program is upgrading Regulations.gov, which facilitates the American public's participation in the federal rulemaking process. To eliminate the risk to service continuity and increase their staff's ability to respond to large volumes of public comments, GSA will improve the user experience for their regulatory services, address near-term system security risks, and begin their multi-year transition to a modernized architecture.



## NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

\$5,872,492

NASA's technical and intellectual capital makes it a target for hackers, criminals, and foreign governments. To continue strengthening their IT systems and data defense, NASA is increasing network management automation, standardizing configurations, and collecting additional telemetry data. With this investment, NASA is accelerating the completion of these critical and operational upgrades by two years while also meeting federal cybersecurity mandates.




### Investment tags

 **Cybersecurity:** Strengthens agency security posture

 **AI:** Implements AI solutions

 **New agency partner:** First TMF investment

 **Data sharing:** Enables cross-agency data exchange

 **Mandate compliance:** Helps agency meet legal and policy requirements

 **Accelerated delivery:** Fast-tracks planned projects with TMF funding



## NATIONAL LABOR RELATIONS BOARD (NLRB)

\$23,197,800

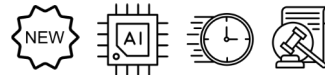
NLRB is migrating its outdated electronic case management system to the cloud, transforming how it handles over 22,000 representation and unfair labor practice cases annually. The new cloud-based system is projected to enhance data quality and streamline business operations while also improving user experience. By prioritizing public services like e-filing and easier access to information on NLRB's public website, this upgrade aims to ensure efficient service delivery to all stakeholders.



## U.S. DEPARTMENT OF COMMERCE, NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY (DOC-NIST)

\$10,000,000

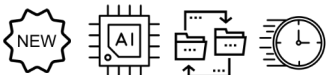
NIST aims to accelerate the growth of the U.S. AI Safety Institute (AISI), which will serve as a centralized resource to help agencies responsibly adopt AI. By creating evaluation tools, testing AI models and safeguards, issuing guidance on AI safety and risk management, and conducting technical research, AISI will help agencies modernize faster, improve public-facing services, and better manage AI-related risks.



## U.S. DEPARTMENT OF COMMERCE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (DOC-NOAA)

\$12,064,000

NOAA is redeveloping its primary website, Weather.gov and its Application Programming Interface (API), to improve accessibility and design for millions of daily users to take life-saving action during anticipated weather conditions. By adding language translation and improving accessibility for mobile and low-bandwidth access, Weather.gov 2.0 will serve previously underserved populations in the U.S. with critical weather, water, and climate forecasts and warnings.



## U.S. DEPARTMENT OF EDUCATION (ED)

\$5,939,936

Federal Student Aid (FSA) aims to improve StudentAid.gov's "My Activity" feature with a user-friendly, centralized location for status information. The project will implement software technology to reduce costs while expanding self-service tools. These improvements are expected to decrease direct customer service contact through fewer emails, calls, and chats, lowering wait times and inquiries across contact centers for significant annual savings.



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## U.S. DEPARTMENT OF ENERGY (DOE)

\$17,000,000

DOE is transitioning its outdated human resources (HR) infrastructure to a software-as-a-service (SaaS) platform, for nearly 15,000 employees. This modernization aims to streamline HR operations, eliminating manual processes and providing self-service capabilities. By integrating HR systems, DOE intends to enhance service delivery, reduce costs, and share implementation best practices government-wide.



## U.S. DEPARTMENT OF ENERGY (DOE)

\$3,812,000

DOE is modernizing their Radiological Response Data Portal (R2DP) and related applications to streamline their decision-making in response to nuclear emergencies. This update will enhance R2DP's data integrity and enable secure data sharing with system users including Department of Homeland Security, Department of Justice, Environmental Protection Agency, Food and Drug Administration, the White House and congressional decision authorities, and state, local, Tribal, and territorial officials.



## U.S. DEPARTMENT OF THE INTERIOR, BUREAU OF INDIAN EDUCATION (DOE-BIE)

\$5,868,000

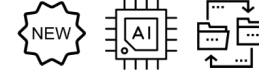
BIE is modernizing up to 183 school websites and expanding BIE's web hosting environment to enhance security and increase content and maintenance support. These improvements will give students and their families in tribal communities better access to crucial school-related information, address educational disparities, and bridge the digital divide between BIE schools and other educational institutions.



## U.S. DEPARTMENT OF JUSTICE, ANTITRUST DIVISION (DOJ-ATR)

\$45,514,719

ATR is modernizing its technology infrastructure and data analysis capabilities by leveraging AI and emerging technologies to conduct antitrust investigations more efficiently. The Division is also developing a new citizen complaint portal to improve public reporting of violations and implementing AI-powered platforms for document review and data processing. These improvements are projected to increase ATR's ability to analyze increasingly complex datasets and better fulfill its mission.



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## U.S. DEPARTMENT OF LABOR (DOL)

\$42,000,000

**DOL is modernizing its 20-year-old system that processes health records and claims** for over 2.5 million federal workers. Using low-code technology and a consolidated data platform, DOL plans to use modern cloud architecture, workflow automation, and enhanced cybersecurity. This upgrade aims to accelerate claim processing, protect health data, and enable data-driven decisions – providing federal agencies, claimants and other customers with improved tools.



## U.S. DEPARTMENT OF LABOR, EMPLOYEE BENEFITS SECURITY ADMINISTRATION (DOL-EBSA)

\$3,465,000

**EBSA is creating the Retirement Savings Lost and Found**, an online searchable database required by the Setting Every Community Up for Retirement Enhancement Act 2.0 of 2022. This database intends to help millions of American workers find and access their unclaimed retirement savings and benefits, as well as enable EBSA to meet the congressional deadline of making the portal public December 29, 2024.



## U.S. DEPARTMENT OF STATE (DOS)

\$13,100,000

**DOS is using zero-trust architecture to revamp credential management** for agency users carrying out foreign diplomacy efforts. By consolidating and centralizing their multiple and unsynchronized Identity, Credential, and Access Management (ICAM) systems, State will reduce security vulnerabilities, improve user experience, and comply with federal zero trust and ICAM mandates.



## U.S. DEPARTMENT OF STATE (DOS)

\$18,200,000

**DOS is investing in department-wide generative AI capabilities** to modernize American diplomacy. Deploying safe, secure and responsible generative AI enables staff and U.S. diplomats around the world to quickly leverage data insights from diplomatic cables, trade analyses, and other sources, helping advance our diplomatic mission, and American interests globally.




### Investment tags

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# TMF portfolio *deep dives*

As our investments mature, we gain deeper insights into their quantitative and qualitative impact. The following deep dive stories highlight our investments in the U.S. Department of Education's Zero Trust Architecture, the Postal Regulatory Commission's Network Modernization, the Department of Commerce's AI Safety Institute, and our ongoing partnership with the U.S. Department of Labor.

Each story illustrates the diversity of the TMF's investment portfolio – supporting agencies of varying sizes and missions, and building lasting partnerships for sustained modernization.



# Boosting student and borrower data protection through zero trust

**U.S. Department of Education**

\$20M investment awarded September 2021

The TMF invested in the Department of Education's (ED) zero-trust architecture (ZTA) in September 2021 to protect student loan borrowers and agency employees with secure, reliable access to financial aid systems. The stakes were particularly high for this modernization – ED manages one of the world's largest loan portfolios and safeguards personal identifiable information for over one-third of Americans.

## Challenge

The agency's network defenses were struggling to keep pace with emerging threats. Their disjointed security systems proved especially vulnerable in cloud and hybrid environments, creating significant risks for sensitive student data and service delivery. When [Executive Order 14028](#) and Office of Management and Budget (OMB) [memorandum M-22-09](#) mandated cybersecurity improvements, ED turned to the TMF for support.

## Approach and outcomes

The TMF's flexible funding model was well-suited for this modernization effort. The funding approach allowed ED to utilize TMF funds to create a Strategic Level ZTA Program Management Office to modernize ED's ZTA. This funding included implementing Secure Access Service Edge (SASE) technology, which has transformed how employees access agency resources. As part of the ZT model, SASE encrypted data traffic and resolved critical remote work challenges. Previously, staff had to re-authenticate frequently and often lost connections while submitting important reports. The SASE implementation eliminated these issues, saving employees from reconnecting to the virtual private network (VPN).

ED's solution involved moving all applications to a secure cloud environment using ZTA. This comprehensive approach provides a foundation for resilient cybersecurity protection while also meeting federal requirements and establishing a model for other agencies to follow.

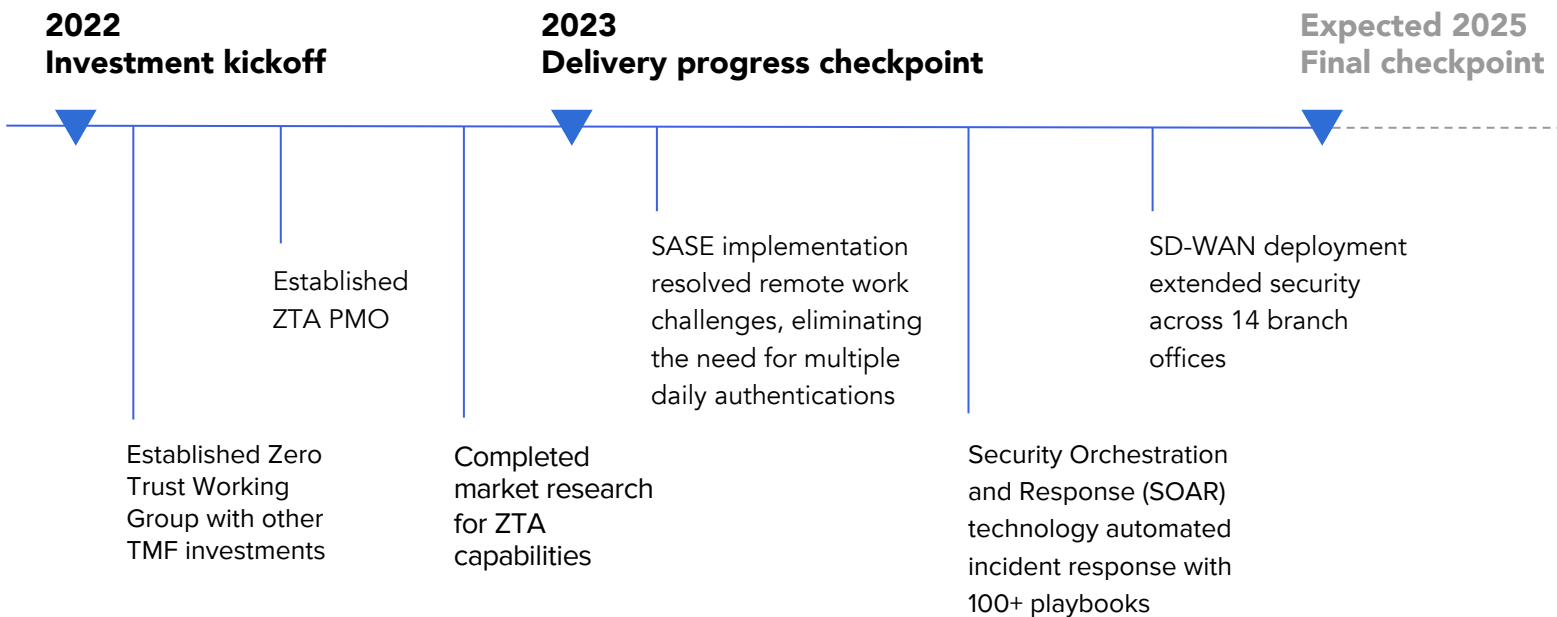
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*“The TMF has advanced cybersecurity in a few years what would have taken a decade. We have implemented several levels of maturity in ZTA capability and program maturity through the investment. The investment accelerated the Department’s cybersecurity program to both be measured as ‘effective’ by our IG, and also measured as an ‘A’ through the FITARA reporting process.”*

**Steven Hernandez**

Chief Information Security Officer and  
Director of Information Assurance Services

# Incremental funding based on successful delivery



**\$300K**

annual savings on remote access support

**\$520K**

annual savings from network migration

**\$1.5M**

savings through effective project management

**\$2M-\$4.5M**

cost avoidance per potential breach

## Future impact

ED is now a federal leader in zero trust adoption. After training 6,000 users on new ZT capabilities, the agency is focusing on:

- ★ Strengthening data loss prevention
- ★ Advancing maturity of ZT objectives including enterprise level event management, phishing resistant multi-factor authentication, and enterprise EDR
- ★ Sharing best practices across federal agencies
- ★ Updating relevant cybersecurity standards



# Building tomorrow's Postal Regulatory framework

## Postal Regulatory Commission

\$2.6M investment awarded March 2022

\$1.4M investment awarded January 2023

## Challenge

When COVID-19 struck, the Postal Regulatory Commission (PRC) faced unprecedented oversight demands with outdated systems. Analysts spent hours on manual data processing while public stakeholders struggled with cumbersome interfaces. Meanwhile, workforce shortages and supply chain disruptions created new challenges that the PRC's legacy systems couldn't handle. With traditional funding falling short of enabling the mitigation of basic security risks, the TMF supported PRC with a \$4 million investment through the American Rescue Plan.

## Approach and outcomes

The PRC deployed cloud-based solutions with advanced security protocols, replacing manual security checks with automated monitoring that provides round-the-clock protection. The Commission enhanced its regulatory capabilities by implementing advanced data analytics tools and automated docket management systems, enabling real-time monitoring of postal service performance. To improve public engagement, the PRC developed a new digital platform featuring interactive dashboards and intuitive search tools, making regulatory proceedings more accessible to all stakeholders.

Beyond financial support, the TMF's expert guidance helped reshape the Commission's modernization strategy. The TMF team's hands-on coaching enabled the PRC to adapt its implementation plans and explore more robust technical solutions. This collaborative approach helped the Commission navigate complex decisions and identify opportunities for enhanced security measures that might have otherwise been overlooked.

Through strategic financial planning, the PRC maximized the investment's impact by deploying modern solutions that addressed multiple challenges simultaneously. This approach allowed the Commission to build a sustainable, future-ready infrastructure while meeting immediate security and operational needs.

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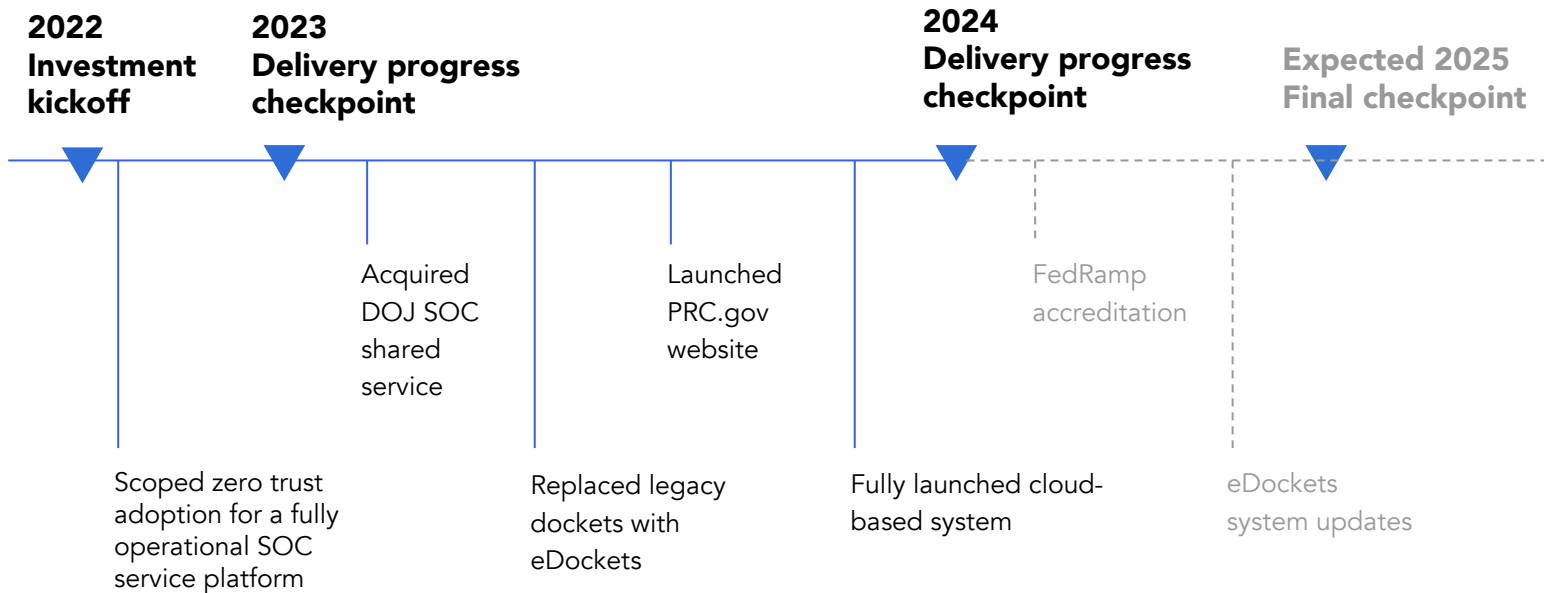
*“The TMF PMO gave the Commission the coaching required to successfully issue a significant change in plan to acquire Department of Justice, Security Operations Center services.*

*Without this additional funding, the Commission would not have been able to meet the requirements for log management and Zero Trust conformance. Their assistance shows their willingness to help the commission deploy sound technical services even if plans need to change.”*

**Stephen Perry**  
Chief Information Officer



# Incremental funding based on successful delivery



## Key achievements

**Transformed from reactive to proactive issue detection**

**Achieved 24/7 automated security monitoring**

**Eliminated manual data processing time**

## Future impact

- ★ Increasing ability to oversee modern postal challenges
- ★ Improving regulatory responsiveness
- ★ Enhancing protection of critical data
- ★ Upgrading public accessibility to postal regulatory information

*“As a very small federal agency, years of underinvestment left us with outdated legacy systems and critical security risks. Lacking the necessary resources to keep pace with IT modernization, it would have been impossible to accomplish the changes needed without external assistance. Funding and support from the TMF have been essential to achieving a modern, secure IT infrastructure that protects our agency’s mission and the data we hold. The TMF has empowered us to make impactful improvements we could not have realized on our own.”*

**Erica Barker**

Secretary and Chief Administrative Officer





# Enabling the future of federal AI use

**U.S. Department of Commerce**

\$10M investment awarded July 2024

The TMF continues to evolve with emerging technology trends, expanding its portfolio beyond traditional modernization efforts to address cutting-edge challenges. Within the Department of Commerce, the TMF has made a \$10 million investment in the National Institute of Standards and Technology's (NIST) newly established AI Safety Institute to advance trustworthy artificial intelligence (AI) development and deployment across the federal government and spur further productivity, efficiency, and innovation.

It's critical that federal agencies keep up with the rapid pace of AI's technological advancement, but they can't do it alone. The AI Safety Institute will develop scientific standards and best practices that will help agencies to focus on mission-driven AI applications rather than technical and security hurdles. This approach ensures that agencies won't have to independently solve the same AI security challenges, saving substantial resources and accelerating responsible AI adoption and innovation across government.

The TMF AI Call for Proposals fielded 40 different agency inquiries, and one thing was clear – every civilian federal agency is looking for clarity and guidance to implement AI tools.

*“This TMF funding will enable the AI Safety Institute to speed up the development of its AI testing and evaluation capabilities and help us provide federal agencies with the tools they need to securely and efficiently deploy innovative AI tools to benefit the American people.”*

**Laurie E. Locascio**

Under Secretary of Commerce for Standards and Technology and NIST Director

## *Future impact*

- ★ Reduced duplication of effort in AI safety development
- ★ Shared resources and guidelines for AI implementation across federal agencies
- ★ Avoidance of substantial costs from errors in AI adoption
- ★ Enhancing economic & national security posture



# Advancing labor services for Americans

**U.S. Department of Labor**

\$81M across six investments starting September 2018

The TMF partnership with the Department of Labor (DOL) began in 2018 with the development of the Foreign Labor Application Gateway (FLAG) system. Following this successful digitization of the temporary labor certification process, TMF expanded its support to include five additional transformative projects with DOL.

In August 2022, DOL initiated a comprehensive modernization project through its Employee Benefits Security Administration (EBSA), which oversees the protection of over 153 million workers, retirees, and their families who are covered by private employment retirement plans, group health plans, and other welfare benefit plans. As part of this endeavor and in response to the Setting Every Community Up for Retirement Enhancement (SECURE) Act 2.0, EBSA secured TMF funding in November 2023 to develop an innovative online "Lost and Found" registry. This user-friendly public portal empowers workers to locate lost or forgotten retirement benefits. The highly anticipated launch is scheduled to take place prior to January 1, 2025.

By providing upfront capital and ongoing support, TMF enabled DOL to rapidly modernize its systems while maintaining continuous service delivery. The agency's ability to apply lessons learned from each investment has created a cycle of continuous improvement, leading to more efficient and secure services for American workers and businesses.

*“The Department of Labor’s ... TMF investments help support America’s workers, job seekers and retirees – from providing quality data to researchers, application developers and journalists to making the labor certification process easier, faster and more cost effective for employers.”*

**Paul Blahusch**

Director of Cybersecurity and the Chief Information Security Officer

**\$2M**

in annual savings through improved agency data sharing and reduced administrative costs

**\$1.5M**

in annual savings from deprecating outdated systems and modernizing infrastructure

## Key achievements

- ★ Created 24/7 access to temporary work visa application status
- ★ Reduced visa processing time to 45 days
- ★ Streamlined PERM visa application process through online portal
- ★ Enabled seamless sharing of data with State Department and U.S. Citizenship and Immigration Services

## Future impact

- ★ Eliminating paper-based processes for faster visa certifications
- ★ Zero trust architecture protecting sensitive worker data
- ★ Enhancing data management capabilities
- ★ Modernizing infrastructure for future needs

# Evolving for the future

After seven years of helping federal agencies modernize their technology, the TMF continues to evolve to better serve its mission.

*In FY24, our operational improvements included:*

**14 weeks**

saved for agencies in the proposal development process

**25%**

faster in transferring money to agencies

*In FY25, we're implementing key changes to strengthen our impact:*

## Improved investment selection

We've updated our focus areas and selection criteria to simplify the submission process for federal agencies. Our new cohort intake model will group similar investments, enabling agencies to collaborate and solve shared challenges.

## Strengthened leadership

With 52% of our portfolio focused on service delivery, we've added three new Board members with expertise in digital transformation and AI. They join our diverse team of federal technology leaders representing various agencies and missions.

## Knowledge-sharing initiative

Informed by insights from our maturing investments, we're creating new ways to engage with our community in FY25.

With 6 new investments totaling \$70M so far in FY25, the TMF will maintain the strong pace set in 2024, prioritizing investments that address immediate needs while creating lasting improvements to government services.

*Our goal remains clear: to help build a more efficient, responsive government that better serves the American people.*

**FY24**



**TECHNOLOGY MODERNIZATION FUND**