



ISOO Notice 2021-03: Applying to the Technology Modernization Fund (TMF) to support classification and declassification improvements

October 5, 2021

Purpose

1. First authorized by the Modernizing Government Technology Act of 2017, the Technology Modernization Fund (TMF) provides Federal agencies with an innovative funding vehicle for expediting delivery of public services and improving security of classified information systems and data. This Notice recommends that Federal agencies submit applications to the TMF to develop and acquire digital technologies critically needed to improve the electronic classification and declassification of Classified National Security Information (CNSI), particularly for facilitating appropriate access by policymakers and the public to historically significant Federal records.

Background

2. The FY [2020 ISOO Annual Report](#) strongly recommends that agencies apply for funds from the TMF in support of cross-agency projects that will improve the capability of agency classification and declassification programs to process electronic information.

3. On March 10, 2021, Congress added \$1 billion to the TMF through appropriations approved in the American Rescue Plan Act (Pub L. No. 117-2), which the President signed into law on March 11, 2021. In addition to increasing the funds available to Federal agencies for technology modernization, the new law authorizes the Office of Management and Budget (OMB) and the General Services Administration (GSA), to delay or suspend repayment of TMF grants previously required under the Modernizing Government Technology Act of 2017.

4. On May 4, 2021, OMB and GSA updated the model for distributing TMF money by targeting proposals to improve information security under four categories:

- Modernizing high-priority systems;
- Cybersecurity;
- Public-facing digital services; and
- Cross-Government services and infrastructure.

5. As well as shifting focus to information security projects, this model makes repayment options more flexible under three categories:

- Full repayment: for projects that yield direct financial savings that can be used to fully repay the TMF.
- Partial repayment: for projects with strong positive impact that will yield some financial savings, but where the proposing agency doesn't expect to reach full cost recovery.
- Minimal repayment: for projects aimed at tackling the most urgent IT issues facing our Government, including critical cybersecurity improvements and initiatives that help agencies meet the demands of the COVID-19 pandemic, but which are unlikely to create direct cost savings.

Recommendations

6. The Information Security Oversight Office (ISOO), in its oversight role, strongly recommends that agency heads, Chief Information Officers, Chief Data Officers, and other Federal staff engaged in information security operations and acquisitions consider applying for funding from the TMF.

a. The TMF is an ideal vehicle for supporting projects to develop networked systems to modernize classification and declassification policies and processes. In particular, this includes through the implementation and use of advanced technologies across the executive branch.

b. The TMF Board considers each proposal in the order submitted. Therefore, to be considered for projects that should begin before the end of FY 2022, ISOO strongly recommends that agencies submit proposals as soon as possible.

7. For best consideration by the TMF Board and to best further the Government's information security modernization interests, project proposals should:

a. Integrate classification and declassification policies and processes (for collecting, analyzing, and protected sharing of CNSI through advanced technologies), as well as controlled unclassified information policies and processes, with broader, ongoing initiatives to modernize Federal information systems, including artificial intelligence, machine learning, and robotic process automation.

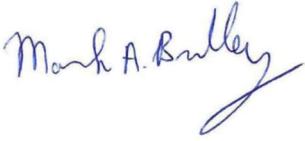
b. Focus on implementing technologies that facilitate interconnectivity between agencies based on common metadata standards.

c. Focus on developing Federal system-of-systems capabilities for managing classification and declassification.

d. To the extent possible, involve agencies working together with their counterparts across the Federal Government to develop and submit joint or multi-agency proposals.

8. For details on TMF project guidelines, repayment flexibility criteria, the TMF project proposal template, and where to submit proposals, see the TMF website at <https://tmf.cio.gov/>.

Please direct any questions regarding this ISOO Notice to: isoo@nara.gov.

A handwritten signature in blue ink that reads "Mark A. Bradley". The signature is written in a cursive style with a long, sweeping tail on the letter "y".

MARK A. BRADLEY
Director