

15. INFORMATION TECHNOLOGY AND CYBERSECURITY FUNDING

Information Technology Priorities

Technology serves as a foundation of the Federal Government's ability to deliver on its mission. The Administration is leading the Federal enterprise on the technology issues of our time—stopping foreign intrusions into Federal agencies, balancing difficult trade-offs in digital identity and artificial intelligence, redefining security expectations for software and the cloud, and maximizing the impact of taxpayer dollars to drive digital transformation across the Government to deliver a better customer experience for the American people. The Budget supports launching tech policy that meets today's expectations and results in technology that is secure by design, allowing Federal agencies to deliver on their missions safely, reliably, and easily. The Administration is focused on understanding where agencies are on their information technology (IT) modernization journeys, determining the right investments to support secure technology integration and innovation, and planning when to implement these updates to ensure both year-over-year technological advances and progress against overarching agency timelines for achieving digital transformation. The Budget proposes spending \$75 billion on IT at civilian agencies in 2025, which will be used to deliver simple, seamless, and secure Government services. The President's Budget also supports the implementation of Federal laws that enable agency technology planning, oversight, funding, and accountability practices, as well as Office of Management and Budget (OMB) guidance to agencies on the strategic use of IT to enable mission outcomes.

OMB continues to focus on five strategic priorities, all enabled by a strong Federal workforce. The priorities include:

Cybersecurity—Departments and agencies will continue to increase the safety and security of public services, implementing the requirements contained in [Executive Order 14028](#), “Improving the Nation’s Cybersecurity,” the Federal Zero Trust Strategy, and the National Cyber Strategy.

To guide agencies in addressing these critical efforts in the 2025 Budget, OMB and the Office of the National Cyber Director jointly released [OMB Memorandum M-23-18](#), Administration Cybersecurity Priorities for the FY 2025 Budget.

This memo directed Federal agencies to prioritize funding consistent with the five pillars outlined in the National Cybersecurity Strategy: defend critical infrastructure; disrupt and dismantle threat actors; shape market forces to drive security and resilience; invest in a resilient future; and forge international partnerships to pursue shared goals. Collectively, these efforts will support key efforts in the National Cyber Strategy and its

implementation plan, and drive Strategic Objective 1.5, Modernize Federal Defenses.

Artificial Intelligence—Managing artificial intelligence (AI) technologies that present tremendous promise to improve public services and increase the efficiency of Federal Government operations. However, because the Federal Government makes decisions and takes actions that have profound impact on the public, agencies have a distinct responsibility to identify and manage AI risks because of the role they play in society. To seize the promise and manage the risks of AI, the Administration issued [Executive Order 14110](#), “Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence,” and released a corresponding publicly-commented-on draft OMB policy on the use of AI in Federal agencies—the most significant set of actions any government has ever taken on AI safety, security, and trust. The Executive Order establishes new standards for AI safety and security, protects Americans’ privacy, advances equity and civil rights, and stands up for consumers and workers. The Executive Order also promotes innovation and competition which advances American leadership around the world across these and a number of other critical facets of responsible AI. The President’s Budget funds the implementation of these historic actions, through which the Federal Government will lead by example and provide a global model for the responsible use of AI.

IT Modernization—Adopting modern technologies, retiring legacy systems, employing methods of continuous improvement, and scaling them across Government, so that the Government can run more effectively and improve the delivery and reliability of trusted services. The President’s Budget includes an additional \$75 million for the Technology Modernization Fund (TMF), an innovative funding model that reimagines how the Government uses IT to deliver a simple, seamless, and secure digital experience to the American public. The TMF, a complement to the annual budget process, allows agencies to quickly access funding for critical IT modernization projects. Funds are invested in the most promising projects that have a high likelihood of success and a measurable impact on advancing key priorities, such as modernizing high priority systems, strengthening the cybersecurity of Federal agencies, and improving public-facing digital products and services. TMF investments are diverse and far-reaching, and reflect the Administration’s strong commitment to improving the American public’s interactions with the Government. Such investments have assisted veterans and their families by enabling access to digital service records and benefits; farmers and consumers by streamlining produce inspection to safeguard the food supply; and retirement and disability beneficiaries by securing systems that protect their personal information.

Table 15-1. ESTIMATED 2025 CIVILIAN FEDERAL IT SPENDING AND PERCENTAGE BY AGENCY
(In millions of dollars)

Agency	2025	Percent of Total
Department of Homeland Security	11,116	14.8%
Department of Health and Human Services	9,884	13.2%
Department of the Treasury	9,067	12.1%
Department of Veterans Affairs	8,833	11.8%
Department of Energy	5,511	7.3%
Department of Justice	4,446	5.9%
Department of Transportation	4,361	5.8%
Department of State	3,267	4.3%
Department of Agriculture	2,914	3.9%
Department of Commerce	2,893	3.9%
Social Security Administration	2,459	3.3%
National Aeronautics and Space Administration	2,171	2.9%
Department of the Interior	2,042	2.7%
Department of Education	1,690	2.2%
Department of Labor	953	1.3%
General Services Administration	888	1.2%
Department of Housing and Urban Development	539	0.7%
Environmental Protection Agency	439	0.6%
U.S. Agency for International Development	383	0.5%
Small Business Administration	328	0.4%
U.S. Army Corps of Engineers	252	0.3%
National Science Foundation	201	0.3%
Nuclear Regulatory Commission	186	0.2%
Office of Personnel Management	158	0.2%
National Archives and Records Administration	147	0.2%
Total	75,128	100.0%

This analysis excludes the Department of Defense.

The TMF is a catalyst to address technology modernization needs and show what's possible across Government – and to scale lessons learned.

Digital-First Public Experience—Delivering a simple, seamless, and secure experience to the American public that meets 21st century expectations. Digital is now the default way the public interacts with the Government and more than ever, digital experience is central to Federal agencies' mission delivery. The President's Budget reflects funding for multiyear implementation efforts to improve digital experiences per the requirements outlined in OMB Memorandum M-23-22, Delivering a Digital-First Public Experience, the 21st Century Integrated Digital Experience Act (Public Law 115-336), and Executive Order 14058, “Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government.” OMB Memorandum M-23-22, issued in September 2023, provides a robust policy framework for the next decade of digital modernization across Government and gives Federal agencies a roadmap for delivering online information and services that meet today's expectations. The policy guidance outlines analytics, accessibility, branding, content, design, search, and digitization as key pillars of digital experience. The President's Budget reflects funding across these pillars, with an emphasis on funding to deduplicate web content, modernize the front-end design

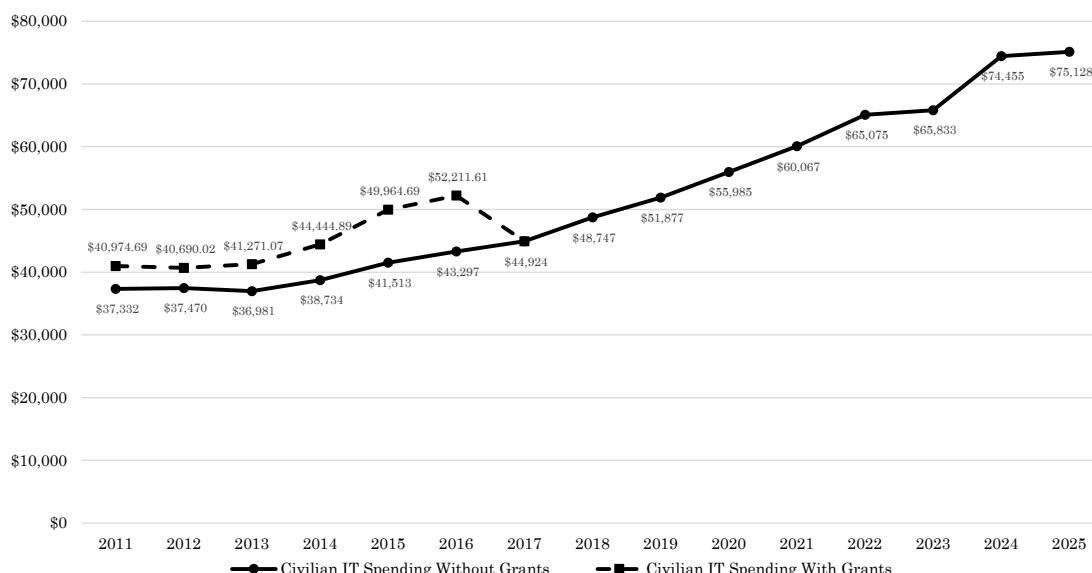
of websites and digital services, and improve the accessibility of websites and digital services. OMB also released OMB Memorandum M-24-08, Strengthening Digital Accessibility and the Management of Section 508 of the Rehabilitation Act, which provides agencies with guidance on what further steps agencies can take to improve digital accessibility.

Data as a Strategic Asset—Powering intelligent Government operations and citizen services by harnessing accurate, available, and actionable data to drive key insights into the decision-making process. OMB initially released the Federal Data Strategy (FDS) in 2019 as a foundational document for enabling agencies to use and manage Federal data to serve the American people. The FDS provides a consistent framework of principles and practices that are intended to guide agencies as they continue to use and manage data as a resource and strategic asset. The FDS provides an overarching and iterative approach to data stewardship through the release of action plans that support the implementation of the strategy over an eight-year period.

Federal Spending on IT

As shown in Table 15-1, the President's Budget for IT at civilian Federal agencies is estimated to be \$75 billion in 2025. Chart 15-1 shows trending information for Federal

CHART 15-1. TRENDS IN FEDERAL CIVILIAN IT SPENDING



civilian IT spending from 2021 forward. The President's Budget includes funding for 4,446 investments at 25 agencies. These investments support the three IT Portfolio areas shown in Chart 15-2. As outlined in OMB Circular A-11, Section 55—Information Technology Investments, agencies are required to determine major IT investment designations based on several factors including whether the investment under consideration has significant program or policy implications; has high executive or public visibility; has high development, high operating, and/or high maintenance costs; or requires special management attention because of its importance to the agency's mission or critical functions. Of the 4,446 IT investments, 595 have been designated as major IT investments. For each designated major IT investment, agencies are required to submit a business case analysis which provides additional transparency regarding the major investment's cost, schedule, risk, and performance. OMB also requires that each reporting agency Chief Information Officer (CIO) provide additional risk ratings for each major IT investment reported on the IT Dashboard website. Throughout the fiscal year, agency CIOs are required to continuously reassess how risks for their major IT investments are being managed and mitigated.

Federal Spending on Cybersecurity

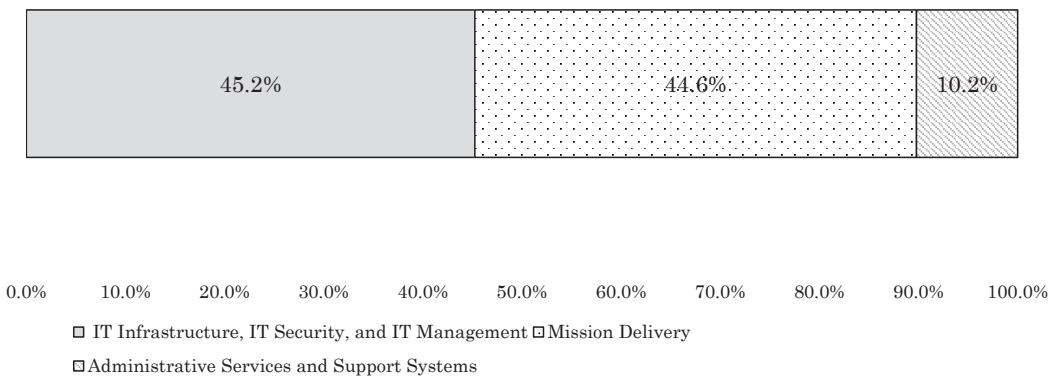
Cybersecurity is a top priority for the Administration. The Nation's adversaries continue to employ novel and sophisticated methods in an effort to compromise Federal systems. With the release of *Executive Order 14028*, "Improving the Nation's Cybersecurity," on May 12, 2021, the Administration initiated a paradigm shift for cybersecurity. The Executive Order sets a framework to aggressively change the cybersecurity strategy and culture across the Federal enterprise to ultimately center around

leading industry practices. Through implementation of Executive Order 14028, Federal agencies are enhancing the protection of Federal systems through modernization of cybersecurity defenses, improving information sharing between the Federal Government and the private sector, and strengthening the United States' ability to rapidly respond to incidents when they occur. Agencies can no longer rely on a perimeter-based approach or "digital walls" to keep sophisticated actors from gaining unauthorized access to Federal systems. The Administration is focused on making Federal systems more defensible by adopting zero trust principles, a security strategy premised on the idea that trust is never granted implicitly but must be continually evaluated.

To that end, OMB has released several Government-wide policies that align to the zero trust vision outlined in Executive Order 14028. On January 26, 2022, OMB released *OMB Memorandum M-22-09*, Moving the U.S. Government Toward Zero Trust Cybersecurity Principles, or the Federal Zero Trust Strategy. The strategy requires agencies to invest in technology that is built and deployed with security foremost in mind and move towards a zero trust architecture that provides the vigilance to detect malicious behaviors and react quickly. The Federal Zero Trust Strategy and associated agency implementation plans delineate meaningful milestones in implementing a zero trust architecture.

In September 2022, OMB took new actions to address potential security gaps in the software supply chain. By issuing *OMB Memorandum M-22-18*, Enhancing the Security of the Software Supply Chain through Secure Development Practices, the Administration focused agencies on shifting to exclusively utilizing software developed with appropriate security practices in place. The Memorandum focuses on minimizing the risks associated

CHART 15-2. 2025 CIVILIAN IT INVESTMENT PORTFOLIO SUMMARY



with running unvetted technologies on agency networks, increasing the resilience of Federal technology against cyber threats.

In addition, OMB will carry forward the vision—not just the actions—laid out in Executive Order 14028. The cyber landscape is rapidly evolving, and the Government will continue to discover new threats and tactics that our adversaries intend to use against us. This is why agencies must build upon the strategic direction of Executive Order 14028 and take actions to secure Federal systems against all present and future threats as they become known. For example, the Administration recognized the future threat that quantum computers may pose to the Federal Government, and consequently published *OMB Memorandum M-23-02*, Migrating to Post-Quantum Cryptography, which establishes requirements for agencies to prioritize and identify where they are using cryptography within their most sensitive systems that are vulnerable to decryption by a future quantum computer. This guidance will help prepare the Government for an inevitable shift in security that could ultimately expose securely encrypted secrets to foreign adversaries if we do not act decisively.

In the three years since the release of Executive Order 14028, Federal agencies have made considerable progress towards a more cyber-secure future. Agencies are implementing higher levels of encryption, using the best methods in the industry to verify legitimate users, and utilizing toolsets that create constant vigilance within Federal systems. These efforts to adopt technologies and practices that enhance cybersecurity defenses and ensuring the human capital to maintain these endeavors will and must continue. The President's Budget includes ap-

proximately \$13 billion of budget authority for civilian cybersecurity-related activities.

Federal Spending on Artificial Intelligence

Advances in AI are creating groundbreaking opportunities, while changing the nature of work and organizational management. To benefit from the opportunities created by AI while mitigating its risks, the Administration is committed to advancing its management of AI and significantly expanding AI talent in the Federal Government. The Budget provides \$70 million for Federal agencies to establish agency Chief AI Officers accountable for their agency's use of AI and to establish minimum safeguards for agency use of AI. This includes significant additional AI management funding for the Departments of State, Agriculture, Commerce, Energy, Homeland Security, Housing and Urban Development, Interior, Justice, Transportation, and the Treasury, as well as the Environmental Protection Agency, the National Science Foundation, and the U.S. Agency for International Development. The Budget also proposes \$300 million in mandatory funding to increase agency funding for AI, both to address major risks from, as well as to advance its use for public good. In addition to this funding, the Budget includes an additional \$40 million for the U.S. Digital Service, General Services Administration, and Office of Personnel Management to support the National AI Talent Surge that will rapidly increase agencies' recruitment and hiring of AI talent, fill urgent gaps at key agencies with highly qualified fellows, and expand Government-wide AI training programs to upskill the existing workforce.

Table 15-2. ESTIMATED CIVILIAN FEDERAL CYBERSECURITY SPENDING BY AGENCY
(In millions of dollars)

Organization	2023	2024	2025
Civilian CFO Act Agencies	10,728	11,210	12,325
Department of Agriculture	230	239	233
Department of Commerce	460	458	420
Department of Education	218	261	268
Department of Energy	765	731	971
Department of Health and Human Services	915	1,043	1,120
Department of Homeland Security	2,997	2,995	3,152
Department of Housing and Urban Development	57	112	99
Department of Justice	1,083	1,052	1,162
Department of Labor	79	80	79
Department of State	569	736	686
Department of the Interior	161	161	205
Department of the Treasury	966	1,064	1,225
Department of Transportation	399	399	472
Department of Veterans Affairs	669	655	952
Environmental Protection Agency	37	37	65
General Services Administration	104	132	113
National Aeronautics and Space Administration	217	201	185
National Science Foundation	308	296	294
Nuclear Regulatory Commission	39	39	40
Office of Personnel Management	50	89	117
Small Business Administration	21	33	35
Social Security Administration	301	314	361
U.S. Agency for International Development	83	82	72
Non-CFO Act Agencies	549.0	613.4	674.3
Access Board	0.8	0.9	0.9
African Development Foundation	2.4	3.1	3.8
American Battle Monuments Commission	0.8	1.7	2.0
Armed Forces Retirement Home	0.3	0.3	0.3
Chemical Safety and Hazard Investigation Board	0.7	0.8	0.8
Commission on Civil Rights	0.6	0.6	0.6
Commodity Futures Trading Commission	12.9	14.1	18.1
Consumer Financial Protection Bureau	29.3	30.0	30.5
Consumer Product Safety Commission	3.8	3.2	3.6
Corporation for National and Community Service	6.8	8.3	7.5
Council of the Inspectors General on Integrity and Efficiency	1.1	0.8	0.8
Court Services and Offender Supervision Agency	4.0	4.0	4.0
Defense Nuclear Facilities Safety Board	3.3	3.8	3.6
Denali Commission	1.0	1.0	1.0
Election Assistance Commission	2.3	2.3	9.1
Equal Employment Opportunity Commission	9.7	9.6	9.6
Export-Import Bank of the United States	4.4	5.3	6.3
Farm Credit Administration	4.0	4.0	4.4
Federal Communications Commission	20.9	22.1	28.4
Federal Deposit Insurance Corporation	97.5	115.0	122.9
Federal Election Commission	8.0	8.2	8.7
Federal Energy Regulatory Commission	24.9	28.4	30.7
Federal Labor Relations Authority	0.4	0.4	0.4
Federal Maritime Commission	0.2	0.6	0.2
Federal Mediation and Conciliation Service	1.6	1.7	1.7
Federal Retirement Thrift Investment Board	28.6	28.6	31.7
Federal Trade Commission	19.4	19.4	18.9
Institute of Museum and Library Services	0.7	0.9	0.9
International Development Finance Corporation	7.9	8.9	10.7
International Trade Commission	6.3	7.6	7.8
Merit Systems Protection Board	0.5	0.5	1.5

Table 15–2. ESTIMATED CIVILIAN FEDERAL CYBERSECURITY SPENDING BY AGENCY—Continued
(In millions of dollars)

Organization	2023	2024	2025
Millennium Challenge Corporation	1.7	2.4	2.6
National Archives and Records Administration	10.1	9.8	20.7
National Council on Disability	0.5	0.5	1.1
National Credit Union Administration	13.2	17.4	17.4
National Endowment for the Arts	3.4	5.1	2.6
National Endowment for the Humanities	1.1	1.6	1.4
National Gallery of Art	4.0	4.1	4.4
National Labor Relations Board	3.8	3.8	4.7
National Mediation Board	2.1	2.2	2.3
National Transportation Safety Board	5.3	6.8	7.4
Nuclear Waste Technical Review Board	0.4	0.7	0.5
Occupational Safety and Health Review Commission	1.1	1.2	1.2
Office of Government Ethics	0.7	0.7	0.9
Office of Special Counsel	1.1	1.1	1.3
Peace Corps	12.3	12.3	20.3
Pension Benefit Guaranty Corporation	27.0	32.9	28.3
Postal Regulatory Commission	1.5	2.5	2.2
Presidio Trust	0.7	0.7	0.7
Privacy and Civil Liberties Oversight Board	2.0	2.1	2.1
Railroad Retirement Board	1.9	3.4	4.2
Securities and Exchange Commission	67.5	70.0	70.0
Selective Service System	0.5	0.5	0.5
Smithsonian Institution	15.6	15.6	15.9
Surface Transportation Board	2.8	2.9	3.5
Tennessee Valley Authority	48.8	63.4	60.2
Trade and Development Agency	1.3	1.3	1.3
U.S. Agency for Global Media	6.0	6.0	10.7
U.S. Army Corps of Engineers	4.0	2.4	10.2
United States AbilityOne Commission	0.3	0.3	0.3
United States Holocaust Memorial Museum	2.8	3.0	3.0
United States Institute of Peace	0.6	0.7	0.7
Total	11,277.0	11,823.7	12,999.7

Table 15–3. NIST FRAMEWORK FUNCTION CIVILIAN CFO ACT AGENCY FUNDING TOTALS
(In millions of dollars)

NIST Framework Function	2024	2025
Identify	3,172	3,553
Protect	1,140	1,243
Detect	4,875	5,179
Respond	1,365	1,563
Recover	317	296
Sector Risk Management & Human Capital	341	491
Total	11,210	12,325

This analysis excludes Department of Defense spending.