carahsoft

Fiscal 2023 Omnibus Appropriations

Top Line Budgets and IT/Cyber Items of Interest

Prepared by

Efrus Federal Advisors LLC

12/27/22

$1.7 Trillion Fiscal 2023 Omnibus by Appropriations Subcommittee

Appropriation Bills	Amount	Increase
Agriculture and Related agencies	$25.5 billion	$0.4 billion
Commerce, Justice, Science	$84.2 billion	$6.7 billion
Defense	$797.7 billion	$69.3 billion
Energy, Water and Related agencies	$54.7 billion	$1.1 billion
Financial Services and General Government	$27.6 billion	$2.1 billion
Homeland Security	$60.7 billion	$3.2 billion
Interior, Environment and Related agencies	$38.9 billion	$0.9 billion
Labor, HHS and Education	$207.4 billion	$10.4 billion
Legislative Branch	$6.9 billion	$1.0 billion
Military Construction and Veterans Affairs	$152.2 billion	$26.6 billion
State and Foreign Operations	$59.7 billion	$3.6 billion
Transportation, HUD and Related agencies	$87.3 billion	$6.3 billion

Fiscal 2023 Omnibus Appropriation by Agency

Agency	$ Agreement	$ Increases over FY22 Enacted
Defense	797.7B	69.3B
Veterans Affairs	134.7B	22.5B
*VA IT	5.78B	
*EHR	1.76B	
Transportation	106.3B	3.4B
Education	83.5B	3.4B
State	61.8B	3.8B
Housing and Urban Development	60.2B	6.5B
Homeland	50.7B	3.2B
Energy	46.2B	1.4B
Justice	38.6B	3.3B
NASA	25B	1B
Agriculture	21.95B	129M
Labor	15.1B	700M
Interior	14.7B	600M
Treasury	14.2B	
Health and Human Services	12.5B	98.9M
Internal Revenue Service	12.3B	
Commerce	11.1B	1.2B
National Science Foundation	8.8B	1.2B
Food and Drug Administration	3.53B	226M
CISA	2.9B	400M
House	1.85B	132.5M
Senate	1.15B	55M

Carahsoft Confidential & Proprietary

Omnibus Appropriations:

Agriculture & Federal Drug Administration

- **$5,000,000** for FDA Medical Device Cybersecurity;
- **Cybersecurity:** Any premarket applications for cyber devices, such as software or internet-connected medical devices, would have to include information asserting they meet cybersecurity minimum requirements set by the FDA. The requirements would include plans to address postmarket vulnerabilities and processes to ensure the devices are secure.
- The agreement remains concerned about IT systems within Rural Development and provides an increase of **$25,000,000** to continue making improvements and retiring legacy systems. This increase shall be used to update or retire the following systems: Unifi/SURPASS, Hyperion Reports, and PLAS. Furthermore, the agreement directs the Department to provide a report listing the programs that still require paper applications and the estimated cost to develop online portals, as well as monthly updates on making improvements to the systems listed above and any other IT development.

Omnibus Appropriations:

Commerce, Justice, Science

- **Artificial Intelligence (AI):** The agreement provides up to **$686,000,000** to support AI-related NSF grants and interdisciplinary research initiatives
- **Nonrecurring Expenses Fund:** The agreement includes **$35,000,000** for the Department of Commerce Nonrecurring Expenses Fund to support cybersecurity risk mitigation efforts at the Department.
- **Justice Information Sharing Technology (Including Transfer of Funds):** The agreement includes **$138,000,000** for Justice Information Sharing Technology. The agreement provides resources required for immediate DOJ cybersecurity response needs and to modernize the Justice Security Operations Center and supports efforts to strengthen DOJ cybersecurity and supply chain workforce development.
- **Unmanned Aerial Vehicle (UA / Challenges and Credentialing):** The agreement provides no less than the fiscal year 2022 enacted level for NIST's UA V research challenges and credentialing program. Within the funding provided, NIST shall continue to partner with academic institutions to execute UA V prize-based challenges and to establish the measurements and standards infrastructure necessary for credentialing remote pilots.
- **Fishery Data Modernization:** NMFS is encouraged to implement the recommendations identified at the Fisheries Information Management Modernization Workshop in 2019, in particular a Cloud Data Science Platform, a NMFS-wide cloud-based data science, management, and publishing platform.

Omnibus Appropriations:

Department of Defense Plus Ups

- Acquisition, Logistics, and Oversight
  - $12M commercial off the shelf supply chain risk management tools

- Information Technology Development Program increases:
  - $7M - digital twin development
  - $5M - warfare mission analysis in cyber contested environment 5,000
  - $5M - cyber supply chain risk management
  - $5M- supply chain illumination to counter emerging threats
  - $12.5M- supply chain adaptation of artificial intelligence and robotics
  - $10 Million zero-trust environment for semi-conductor technology

Omnibus Appropriations:

Department of Energy

- **Chief Information Officer:** The agreement provides not less than **$125,000,000** for cybersecurity and cyber modernization across the Department.
- The agreement provides up to **$10,000,000** for the IM Office of Architecture, Engineering, Technology, and Innovation to expand low-code application development across the Department and establish a Low-Code Platform Factory that improves the efficiency of custom application development, improves cybersecurity posture, reduces operation and maintenance costs associated with legacy applications, and empowers Department personnel who are closest to problems to create solutions, selecting low-code application development options that are most appropriate for each mission need pursuant to IM's market research.
- The agreement includes not less than **$135,000,000** for Artificial Intelligence and Machine Learning across the Office of Science Programs.
- The agreement includes not less than **$15,000,000** and up to **$45,000,000** for the development of advanced memory technologies to advance artificial intelligence and analytics for science applications by a U.S.-based manufacturer of memory systems and memory semantic storage.
- **Cybersecurity, Energy Security, and Emergency Response:** The agreement provides **$200,000,000** for Cybersecurity, Energy Security, and Emergency Response (CESER).

Omnibus Appropriations:

Financial Services and General Government

- **Treasury: Cybersecurity Enhancement Account:** The bill provides **$100,000,000** for the Cybersecurity Enhancement Account. The importance, complexity, and broad impacts of the Bureau of the Fiscal Service's systems to its Federal customers and American taxpayers is seen in everything from timely monthly payments to veterans and Social Security recipients to the collection of tax revenue and the sale of marketable securities that finance the government. Given this critical role, the Department is expected to prioritize investments that strengthen cyber resiliency and support the implementation of Zero Trust Architecture and acceleration of cloud adoption within the Fiscal Service.
- **Business Systems Modernization:** The agreement notes the IRS received **$1,464,500,000** in the American Rescue Plan Act (P.L. 117- 2) which included, among other objectives. the furtherance of integrated, modernized. and secure IRS systems. Additionally, the Inflation Reduction Act (P.L. 117-169) provided an additional **$4,750.700,000** for business systems modernization. The IRS is urged to use unobligated funds from the American Rescue Plan for Customer Account Data Engine 2, Enterprise Case Management System, Web Applications, taxpayer assistance systems, cybersecurity, and data protection.
- **Office of the National Cyber Director Salaries and Expenses:** The bill provides **$21,926,000** for the Office of the National Cyber Director. 18 Memory Safety.-A significant portion of cybersecurity vulnerabilities today, including those exploited to gain unauthorized access to systems, relate to memory safety. The Office of the National Cyber Director is encouraged to investigate memory safety within the Federal Government and to brief the Committees no later than 180 days after enactment of this Act on its findings.
- **Surplus Computers:** The General Services Administration would be authorized to transfer surplus computers to nonprofit refurbishes for repair and distribution to students, veterans, seniors, and others, similar to the House-passed H.R. 3544 (see BGOV Bill Summary).
- **TikTok Ban:** TikTok, the video streaming social media application owned by ByteDance Ltd., a Chinese-based company, would be banned on federal government devices.

Omnibus Appropriations:

Financial Services and General Government

- The GSA Administrator, in consultation with the Office of Management and Budget and, as appropriate, other federal agencies, is directed to identify, define, and produce a prioritized list of the common challenges or needs across agencies that would benefit from shared technical solutions or ways to make data more accessible and interoperable across one or more agency IT systems, including specific examples and recommendations and report to the Committees no later than 180 days after enactment of this Act.
- **Information Technology Strategic Plan:** Congress has made significant investments in the Technology Modernization Fund and the Federal Citizens Services Fund at the General Services Administration (GSA), in the Information Technology Oversight and Reform Fund at 0MB, and in the U.S. Digital Service. The Federal Government must maximize the impact of these funds by developing a strategic spend plan that prevents duplication efforts, prioritizes spending, and guarantees coordination among agencies. OMB is directed to provide the Committees with a detailed strategic plan for use of the funds no later than 60 days after enactment of this Act.
- **Technology Modernization Fund:** The bill provides **$50,000,000** for the Technology Modernization Fund for technology related modernization activities.
- The bill provides **$385,708,000** for salaries and expenses of Office of Personnel Management (OPM). Within the amount provided, **$190,784,000** is a direct appropriation and **$194,924,000** is a transfer from OPM trust funds. These amounts support 34 new full-time equivalents for Retirement Services and **$19,373,000** for information technology modernization.
- **Information Technology Modernization:** The agreement recognizes the importance of IT systems modernization and performance to fulfilling SBA 's mission. The agreement notes SSA's authority to utilize a working capital fund to help SBA implement IT modernization projects that comply with the intent of Congress in the Federal Information Technology Acquisition Act to eliminate waste, fraud. and abuse in Federal IT enterprise programs.
- **Disaster Loan Assistance Portal:** SBA is encouraged to migrate the Disaster Loan Assistance Portal to the cloud to improve the user experience by making it more user-friendly, accessible, and intuitive.

Omnibus Appropriations:

Department of Homeland Security

- **Continuous Diagnostics and Mitigation (CDM):** The agreement provides **$331,896,000** for CDM, as requested. CISA is directed to continue evaluating the use of automation to replace manual software patch remediation methods, as described in House Report 117- 396.
- **Prioritizing the Acquisition of Innovative and Emerging Technologies and Capabilities:** New technologies, including artificial intelligence (AI)/machine learning (ML) tools and autonomous capabilities, are critical for improving mission performance and personnel effectiveness.
- **Department of Defense (DOD) Cybersecurity Requirements:** The Coast Guard shall brief the Committees within 120 days of the date of enactment of this Act, on its compliance with DOD information network requirements.
- **Data Security Vulnerability Improvements:** Not later than 180 days after the date of enactment of this Act, the Secretary shall submit a report that examines existing security vulnerabilities of Federal Civilian Executive Branch (FCEB) government IT systems. The report shall include an examination of emerging technologies that could improve the government's data security and protection, such as data shielding and immutable logging of suspect activity; instant threat and anomaly detection mechanisms; and user behavior analytics.
- **Program Extensions until 9/30/23:**
  - The E-Verify program to determine employment eligibility, along with several other immigration authorities.
  - The Homeland Security Department’s authority to deploy capabilities, known as the EINSTEIN system, to help agencies

Omnibus Appropriations:

Labor, Health and Human Services, Education

- **Cybersecurity:** The agreement provides **$100,000,000** for information technology cybersecurity in the Office of the Chief Information Officer and HHS-wide to strengthen the Department's cybersecurity posture. These funds provide for continuous monitoring and security incident response coordination for the Department's computer systems and networks. The increase is expected to support the advancement of existing, and adoption of new, security technologies to protect the Department's information from the evolving number and complexity of cyber threats. The agreement directs the Department to identify ways to mitigate increasing cybersecurity threats that pose risks to HHS critical functions, services, and data, and provide a report with these recommendations to the Committees no later than 120 days after enactment of this Act.
- **Cybersecurity:** The agreement provides **$265,000,000**, an increase of **$40,000,000** above the fiscal year 2022 enacted level, to strengthen cybersecurity at NIH
- **Artificial Intelligence/Machine learning (AI/ML):**The agreement provides **$135,000,000** to support NIH's efforts to build capacity to leverage machine learning to accelerate the pace of biomedical innovation. This includes **$50,000,000** for AI/ML-focused investments and other ML-focused initiatives and **$85,000,000**, an increase of **$15,000,000**, for the Office of Data Science Strategy (ODSS).
- **ARPA-H:** The measure would establish the Advanced Research Projects Agency for Health (ARPA-H) within NIH. The agreement would specifically exempt ARPA-H from the policies and requirements of the NIH as necessary for the new agency to foster novel, breakthrough medical research and promote high-risk, high-reward innovation

Omnibus Appropriations:

Veterans Affairs

- **Securing Medical Devices:** The agreement encourages the Department to ensure the security of all networked medical devices and to implement security and remediation best practices to address potential medical device cyberattack risks.
- **Improving Personal Cybersecurity for Veterans:** The agreement encourages the Department to help improve personal cybersecurity among veterans by increasing digital and media literacy through education and resources, including protection against cyber threats and influence campaigns
- Direct the VA to take additional steps to monitor its spending on major IT projects and report to Congress on cost increases and schedule delays
- The agreement requires VA police officers to wear body-worn cameras.

Omnibus Appropriations:

Transportation, Housing and Urban Development

- **FAA Cybersecurity:** The agreement includes the requested increase of **$24,926,000** and 26 new positions for cybersecurity.
- **Unmanned Aircraft Systems (UAS) Research:** The agreement includes **$22,077,000** for UAS research. Of this amount: (1) **$12,000,000** is directed to support the expanded role of the UAS COE in areas of UAS research, including cybersecurity, agricultural applications, beyond visual line of sight technology, studies of advanced composites and other non-metallic engineering materials not common to manned aircraft but utilized in UAS, the STEM program, and to continue efforts with the UAS safety standards for U AS and to develop and validate certification standards for such systems;
- **Small UAS Procurements:** For any acquisition of small UAS using funds provided by the FAA, including those to Federal grant recipients, the FAA should require certification of review of the Department of Homeland Security [OHS] industry alert, and any subsequent and relevant UAS guidance, and completion of a risk assessment that considers the proposed use of the foreign-made UAS.
- **Cybersecurity Initiatives:** The bill provides **$48,100,000** for DOT departmental cyber security initiatives, to remain available until September 30, 2024.
- **Major Modernization Project Priorities:** The agreement includes **$20,800,000** in DME funding for the following projects, which it designates as major modernization projects: FHA IT modernization, PIH IT modernization, network enterprise zero trust solution, electronic special needs assistance programs [esnaps], and financial management modernization [LOCCS]. The agreement does not fully fund the request for the network enterprise zero trust solution but supports HUD's efforts to initiate this work and develop a comprehensive roadmap for moving toward a zero-trust architecture. Not more than **$2,080,000** of this amount may be obligated until the plan required by the bill is approved. Considering the current balances and state of progress in FHA's single-family IT systems, the funds for FHA IT modernization are provided to complete the automated underwriting system. The House and Senate Committees on Appropriations expect the Department to continue to prioritize progress on FHA's single-family IT systems in fiscal year 2023 and expects HUD to provide sustained executive-level attention to advancing and completing FHA catalyst for single-family mortgages.

Omnibus Appropriations:

Department of State

- **Bureau of Intelligence and Research:** The agreement includes funding above the prior fiscal year for the Bureau of Intelligence and Research, including for information technology (IT) modernization, which shall be made available following consultation with the Committees on Appropriations.
- **Consular Operations:** Not later than 90 days after the date of enactment of the Act, the Secretary of State shall submit a report to the Committees on Appropriations detailing steps taken to address visa and passport processing backlogs, including the expansion of interview waivers, implementation of new technology, and increases for staffing.