

Press Release

USDA Begins Modernization of the National Finance Center

The NFC has received a \$52.3M TMF investment, the fund's largest investment in fiscal year 2026.

WASHINGTON — The U.S. Department of Agriculture has received the [largest Technology Modernization Fund \(TMF\) investment](#) in fiscal year 2026 to fund the modernization of the National Finance Center's (NFC) aging payroll system — a backbone service that distributes paychecks for roughly 605,000 federal employees across government.

USDA was awarded [\\$52.3 million from the TMF](#) to support the payroll modernization effort. USDA has already awarded a contract to begin the next phase of transforming NFC's payroll operations — a system that currently processes about \$4 billion in federal payroll every two weeks. This will be one of the largest payroll modernization efforts in modern history and is projected to save an estimated \$22 million in taxpayer dollars annually across the federal government.

“The people serving America's farmers, ranchers, and rural communities shouldn't have to rely on technology older than the Moon landing,” said Principal Deputy Chief Financial Officer Candice M. Kinn. “We're building a payroll system for the future — one that USDA and our federal customers can rely on for decades to come. Today is an important step — but it is only the beginning of the hard work. We now have an opportunity to fundamentally transform how this service is delivered. I am incredibly proud of what this team has accomplished and even more excited about what comes next.”

This critical investment in accuracy, security, and continuity for public servants nationwide follows months of coordination across USDA, NFC, and the Administration, with leaders praising the effort as a model for challenging legacy systems and pushing agencies toward more resilient, data-driven infrastructure. The TMF, administered by the General Services Administration, highlighted the project as a high-impact investment expected to save taxpayers millions through improved efficiency and reduced long-term maintenance costs.

As modernization efforts ramp up, USDA hopes the overhaul will not only safeguard continuity of pay for hundreds of thousands of federal employees but also serve as a blueprint for how agencies can replace critical aging systems at scale.