9th Quarterly Report
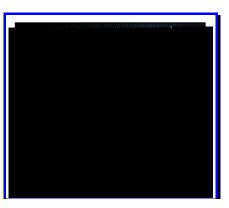

Progress on Year 2000 Conversion

U.S. Office of Management and Budget

Data received May 14, 1999
Issued June 15, 1999

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EXECUTIVE SUMMARY

Federal agencies report that 93 percent of their mission critical systems are now compliant, an increase from 79 percent reported in February. While this is good progress toward fixing the Year 2000 problem, work is far from complete. During the remainder of the year, the

Progress on Year 2000 Conversion
Report of the U.S. Office of Management and Budget
as of May 14, 1999

I.   INTRODUCTION

This report is the ninth in a series of quarterly reports to Congress on the
Administration's progress in fixing the year 2000 ("Y2K") computer problem in Federal
agencies. This report summarizes data received on May 14, 1999 from the 24 agencies that make
up the Federal Chief Information Officers' (CIO) Council.[1] It also summarizes data from 46
small and independent agencies. The Office of Management and Budget (OMB) has requested
that all small and independent agencies report on their status each quarter until all of their

local governments, the private sector, and others as necessary to jointly test and assure that the

II. SUMMARY OF OVERALL PROGRESS

billion in expenses from the Department of Defense. Approximately $250 million is for non-defense agencies' unforeseen requirements.

SUMMARY OF OTHER PROGRESS

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III.   AGENCY PROGRESS

Overall, agencies have made significant progress since the last report. Fourteen of the 24 large agencies have completed most or all of their mission critical systems. In addition, all agencies are working on business continuity and contingency plans which are to be sent to OMB by June 15.

LARGE AGENCY PROGRESS

The following 14 agencies report that 100 percent of their mission critical systems are now compliant: the Department of Education, the Environmental Protection Agency, the Federal Emergency Management Administration, the General Services Administration, the Department of Housing and Urban Development, the Department of the Interior, the Department of Labor, the

System; completion of renovation is now scheduled for May 1999, and validation and

are awaiting replacement.

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·   A new system at the Sandia National Laboratories, the Human Resource Information System, is in the process of being certified as Y2K compliant. The new system is a replacement and is expected to be Y2K compliant and fully tested by June 6, 1999. A contingency plan is in place and has established triggers.

·   Also a new system at the Sandia National Laboratories, the Payroll system, is in the process of being certified as Y2K compliant. The new system is a replacement and is expected to be Y2K compliant and fully tested by June 6, 1999. A contingency plan is in place and has established triggers.

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Management System, which tracks bankruptcy cases, has yet to be determined, and the apparent contingency plan is to revert to manual tracking.

· The Environment and Natural Resources Division's implementation of the Justice-wide

began Y2K remediation. Renovation and validation of the SOHO, has been completed, and implementation is planned for the end of June 1999. Overall, NASA's end-to-end testing plans are comprehensive and ongoing, and its business continuity and contingency planning is nearing completion.

Department of Transportation

Of the 608 mission critical systems at the Department of Transportation, 46 are not compliant. This consists of a single system in the Bureau of Transportation Statistics, 10 systems in the Coast Guard, and 35 in the Federal Aviation Administration.

· The Airline Database system in the Bureau of Transportation Statistics is expected to be completed in June. End-to-end testing of completed systems is ongoing and contingency plans are in place.

The 10 Coast Guard systems are:

· The Differential Global Positioning System is expected to be completed in June. End-to-end testing of completed systems is ongoing and contingency plans are in place.

· The Command and Control Personal Computer System is expected to be completed in September. End-to-end testing of completed systems is ongoing and contingency plans are in place.

· Three systems supporting short range aids to navigation are expected to be completed in September. End-to-end testing of completed systems is ongoing and contingency plans are in place.

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system, as well as the remaining weather and telecommunications systems. End-to-end testing of completed systems has been extensive and is ongoing. Business continuity and contingency planning is ongoing as well.

· The IRS' Federal Unemployment Tax Act (FUTA) system compares FUTA data from

Of the 19 remaining systems, 10 are scheduled for completion in October, five are

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Agency	No. MC Systems	Total Cost (FY96-FY00)	Progress	Concerns

Agency	No. MC Systems	Total Cost (FY96-FY00)	Progress	Concerns
				country service providers will be compliant.

IV   HIGH IMPACT PROGRAMS

On March 26, 1999, OMB issued "Assuring the Readiness of High Impact Federal Programs," (M-99-12) which requires Federal agencies to take a leadership role and work with

**Table 2 -- Summary of High Impact Programs,
Partners, and Testing Dates**

Lead Agency	Program	Key Partners Identified	Date Testing Complete

Lead Agency	Program	Key Partners Identified	Date Testing Complete
OPM	Federal Retirement Programs	Treasury's Financial Management Service, Federal Reserve Board, USPS, Telecommunication Partners, National Association of Retired Federal Employees	September
OPM	Federal Employees' Group		

Buildings Systems

GSA, through its Public Buildings Service, and as chair of the Year 2000 Buildings Subcommittee of the CIO Council's Year 2000 Committee, has spearheaded the effort to find and correct problems with buildings across government. Many products or systems in buildings, such as those that control or interact with security systems, elevators, or heating and air conditioning systems, contain embedded chips. These chips could include a date function that helps run the system -- for example, to time maintenance procedures or to regulate temperature. If this date function is not Y2K compliant, then the chip may not work. Although the process of identifying,

Other Information Sharing Initiatives

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VALIDATION AND VERIFICATION EFFORTS

Validation involves multiple phases of testing, including a combination of testing of individual components (unit testing), testing of entire systems (integration or systems testing), and in some cases, testing of a string of interdependent systems, including those outside of the organization (end-to-end testing). Governmentwide, 97 percent of mission critical systems have been validated, an increase from 87 percent reported in the previous report. No system is deemed to be compliant until it has been thoroughly tested.

In addition, all agencies are required to independently verify and validate (IV&V) testing

DISTRICT OF COLUMBIA

Recognizing the possibility of Year 2000 failures overseas, the Secretary of State in

DoD has been able to retain extra contractor services to help remediate software bugs, perform tests, and develop contingency plans. Additionally, DoD has been able to replace components of non-mission critical but essential devices with embedded chips, such as those for building

from the Y2K contingent emergency reserve. These activities totaled approximately $590 million. Additionally, OMB has approved the release of approximately $1.178 billion in emergency funding for unforeseen requirements that can not be accommodated within agencies' FY 1999 appropriated levels. In total4lo96 (million rmainas vailable(fornon-defenese ag)9(encie2)]TJ˝T*˝ı˝0 T

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Appendix A
Table 3
Agency Year 2000 Cost Summary[19] (in millions)

	1996	1997	1998	1999ary

Appendix A
Table 4

Appendix B
Descriptions of Ten Key, Federally Supported, State-run Programs

Food Stamps

     The Food Stamp Program provides low-income households with coupons or with

health-related services for America's poorest people. In 1996, it provided health care assistance
to more than 36 million persons, at a cost of $160 billion dollars. Within broad national
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