

9th Quarterly Report

Progress on Year 2000 Conversion



U.S. Office of Management and Budget

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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 focus will be on completing work on the remaining seven percent of mission critical systems that must be repaired, replaced, or retired; testing and assuring that Federal programs will be ready end-to-end; and preparing for the possibility of disruption by developing business continuity and contingency plans (BCCPs). The Office of Management and Budget (OMB), in cooperation with John Koskinen, Assistant to the President and Chair of the President's Council on Year 2000 Conversion, continue to work closely with all agencies to ensure that they are prepared to make a smooth transition through the Year 2000. In particular, John Koskinen continues to meet with the heads of selected agencies on a monthly basis in order to ensure continued management focus on the problem.

Fourteen agencies (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 National Science Foundation, the Nuclear Regulatory Commission, the Office of Personnel Management, the Small Business Administration, the State Department, the Social Security Administration, and the Department of Veterans Affairs) now report that all of their mission critical systems are 100 percent compliant.

Ten agencies (the U.S. Department of Agriculture, the U.S. Agency for International Development, the Department of Commerce, the Department of Defense, the Department of Energy, the Department of Health and Human Services, the Department of Justice, the National Aeronautics and Space Administration, the Treasury Department, and the Department of Transportation) still have a combined total of 410 mission critical systems that are not yet compliant, down from the 1,354 systems reported as non compliant in February. Of the remaining systems, 336 (82 percent) are still being repaired, 43 (10 percent) are being replaced, and 31 (8 percent) are being retired. Note that all agencies but the Department of Defense and U.S. Agency for International Development are 90 percent complete.

Since most agencies have completed work on their mission critical systems, OMB is now focused primarily on agencies/systems that are non-compliant, and thus this report does not contain a tier ranking of the agencies. Instead, the report contains information about the incomplete systems of all the ten agencies. These agencies will be reporting to OMB each month on each mission critical system that is not yet finished until all mission critical systems are compliant.

Of the 46 small and independent agencies that reported, 35 have completed work on their mission critical systems. Detail is provided in Table 1. While most small and independent agencies have made outstanding progress overall, a number of the small and independent agencies are behind on their work compared to the large agencies. OMB will be meeting with the Small Agency Council and with individual agencies as necessary in order to accelerate progress.

Agencies now estimate they will spend \$8.05 billion fixing the problem from Fiscal Year 1996 through Fiscal Year 2000, up from \$6.75 billion reported in February. This increase, totaling \$1.30 billion, is largely due to increased costs of \$1.05 billion for the Department of Defense. Defense's increased estimate reflects the fact that DoD drew down upon emergency funds appropriated by Congress for FY 1999 in February. OMB and the Congress continue to work closely with the agencies to ensure that they have adequate funding through reprogramming and allocations from the contingent emergency reserve.

New OMB Guidance

In support of its refined focus on completing work on their systems, developing BCCPs, and ensuring the readiness of Federal programs end-to-end, the Office of Management and Budget has issued several new guidance documents. First, "Business Continuity and Contingency Planning for the Year 2000," (issued May 13, 1999, M-99-16), directs all agencies, including small and independent agencies, to submit to OMB by June 15 their business continuity and contingency plans.

Second, "Assuring the Readiness of High Impact Federal Programs," (March 26, 1999, M-99-12) requires agencies to take a leadership role and work with their partners in ensuring the readiness of programs that are critical to public health, safety, and well-being. Agencies have been asked to publicly demonstrate program readiness before September 30, 1999. Table 2 describes progress in this area.

Third, "Reporting Continued Progress Addressing the Year 2000 Problem," (issued April 30, 1999, M-99-15) directs small and independent agencies to continue reporting until they have completed work on all their mission critical systems. Progress in this area is summarized in Table 1.

Finally, "Minimizing Regulatory and Information Technology Requirements," (issued May 14, 1999, M-99-17) directs agencies to take a common-sense approach to minimize regulatory actions or information technology changes to their internal systems that could undo Year 2000 fixes or create complications for agencies' systems for those of regulated entities.

Year End Issues

As part of their contingency planning, some agencies explored the possibility of making some payments to beneficiaries, contractors, and others in December that would otherwise be due in January. However, the Administration has determined that these actions are not necessary at this time, given the level of readiness of agency payment systems and agency business continuity and contingency plans. OMB will continue to review this matter with agencies throughout the remainder of this year.

The President's Council on Year 2000 Conversion, prompted by suggestions from its public and private sector partner organizations, evaluated the possible benefit of moving the holiday to Monday, January 3 from Friday, December 31. (When a Federal holiday falls on a Saturday, the previous Friday is usually taken as a holiday.) However, the Council determined that moving the holiday would be unwise, since it would require extensive reprogramming of systems to account for the change that would only add to the burden of Year 2000 work.

**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 systems are fixed.² In addition, OMB will meet with the Small Agency Council and with individual agencies as appropriate in order to ensure progress.

This report builds on previous reports by updating the following: agency progress on fixing mission critical and non-mission critical systems; estimates of costs; and recent Governmentwide activities to help address the problem in telecommunications, buildings, biomedical devices and laboratory equipment; and data exchanges with the States. However, this report also indicates a shift in focus. Now that 14 of the 24 large agencies have completed work on their mission critical systems and all but two will be done shortly, OMB will no longer be reviewing agency Y2K efforts by looking at overall progress on fixing systems. Instead, OMB and the agencies are now focusing on three priorities:

- When an agency will complete work on each of its remaining systems.
- Progress on business continuity and contingency planning.
- Readiness of Federal programs, particularly the 43 high impact programs listed in Table 2.

Accordingly, unlike previous reports, agencies have not been categorized into tiers based on their progress. Instead, this report indicates which agencies have not completed work on mission critical systems and describes those unfinished systems and when they are expected to be compliant. Agencies are focusing management attention on these systems by prioritizing and diverting resources in order to ensure that the work is finished in time.

Second, this report describes agency plans to demonstrate that 43 "high impact" Federal programs will function smoothly through the Year 2000 transition.(See Table 2.) These 43 programs were selected because of their potential direct effect on public safety, health, or well-being.³ Lead Federal agencies have been tasked to work with other Federal agencies, State and

¹ Except where noted, the summary data provided in this report refer solely to the 24 agencies.

² Second, "Reporting Continued Progress Addressing the Year 2000 Problem," (issued April 30, 1999, M-99-15) directs small and independent agencies to continue reporting until they have completed work on all their mission critical systems.

³ In March, OMB announced 42 programs, but has revised the list since then to bring the list to 43

local governments, the private sector, and others as necessary to jointly test and assure that the Federal program will work from end-to-end. Agencies have been asked to publicly demonstrate program readiness before September 30, 1999.

This report also includes information on a State-by-State basis about the readiness of ten key Federally-funded, State-run programs, such as Unemployment Insurance and Medicare. (See Table 3.) On March 26, 1999, OMB issued "Assuring the Readiness of High Impact Federal Programs," (M-99-12), which requires agencies to take a leadership role and work with their partners in ensuring the readiness of key public services and programs.

On May 13, 1999, OMB issued "Business Continuity and Contingency Planning for the Year 2000," (M-99-16) which directs all agencies, including small and independent agencies, to submit to OMB by June 15 their business continuity and contingency plans (BCCPs). Accordingly, more detailed information on agency progress on business continuity and contingency planning will be presented in the next quarterly report. All agencies, regardless of the readiness of their systems, are developing BCCPs to ensure program delivery in the event of a system failure or malfunction, whether within or outside of the agency.

It is also worth noting other recently-issued guidance, "Minimizing Regulatory and Information Technology Requirements," (issued May 14, 1999, M-99-17) which directs agencies to take a common-sense approach to minimize regulatory actions or information technology changes that could undo Year 2000 fixes or create complications for agencies' systems or for those of regulated entities.

The Administration continues to treat this challenge with the direct, high-level attention it deserves. The additional focus on the year 2000 problem by the President, Congress, and the public has resulted in agencies focusing management attention on the issue and taking a close look at their resource needs. The Year 2000 contingent emergency reserve has helped ensure that agencies have access to funds to facilitate their work.

OMB continues to work closely with the President's Council on Year 2000 Conversion. Specifically, OMB is closely overseeing efforts to assure that Federal programs will operate smoothly, while the Council is coordinating Federal efforts to reach out to and support efforts to address the Year 2000 problem in the private sector, in State and local governments, and internationally.

This report and all previous reports are available on OMB's web site at [www.whitehouse.gov/OMB], on the web site for the President's Council on Year 2000 Conversion [www.y2k.gov], and on the Federal CIO Council's web site [www.cio.gov].⁴

⁴ A list of key Federal year 2000 web sites may be found in Appendix B.

II. SUMMARY OF OVERALL PROGRESS

SUMMARY OF AGENCY PROGRESS

Fourteen agencies (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 National Science Foundation, the Nuclear Regulatory Commission, the Office of Personnel Management, the Small Business Administration, the State Department, the Social Security Administration, and the Department of Veterans Affairs) now report that all of their mission critical systems are compliant.

Ten agencies still have mission critical systems that are not yet compliant. These agencies are: U.S. Agency for International Development (4 mission critical systems), U.S. Department of Agriculture (15), Department of Commerce (5), Department of Defense (264), Department of Energy (11), Department of Health and Human Services (2), Department of Justice (17), National Aeronautics and Space Administration (2), Treasury Department (34), and the Department of Transportation (46). Descriptions about these unfinished systems are located in Section III.

Of a total of 6,190 mission critical systems, 5,780 -- or 93 percent -- are now compliant, up from 79 percent in February. These compliant systems include those that have been repaired or replaced as well as systems that were already compliant. The number of noncompliant mission critical systems is now 410, down from 1,354 in the last report. Of these, 87 (82 percent) are being repaired, 35 (10 percent) are being replaced, and 24 (eight percent) are being retired. (See Appendix A, Table 1.)

Of the 4,068 mission critical systems that originally needed to be repaired, 98 percent have completed renovation, up from 96 percent in the previous report; 97 percent have completed validation, up from 87 percent; and 92 percent have completed implementation and are fully compliant, up from 76 percent. (See Appendix A, Table 2.)

COST SUMMARY

Agencies now estimate they will spend \$8.05 billion fixing the problem from Fiscal Year 1996 through Fiscal Year 2000, an increase from \$6.75 billion in February 1999.⁵ (Expenditures from Fiscal Year 1996 - Fiscal Year 1998 of \$3508.1 billion, estimates of \$4538.3 billion through 2000. See Appendix A, Table 3.) This increase is primarily attributable to an increase of \$1.05

⁵ These estimates include the costs of identifying necessary changes, evaluating the cost effectiveness of making those changes (fix or scrap decisions), making changes, testing systems, and preparing contingencies for failure recovery. They include the costs for fixing both mission critical and non-mission critical systems, as well as fixing non-information technology products and systems such as air conditioning and heating. They include outreach activities to non-Federal entities. They do not include the costs of upgrades or replacements that would otherwise occur as part of the normal systems life cycle. They also do not include the Federal share of the costs for State information systems that support Federal programs.

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

SUMMARY OF OTHER PROGRESS

- All agencies are making good progress on their systems containing embedded chips. For the majority of agencies, this area will not have a significant effect on the delivery of their programs. Those few agencies (e.g., Defense and NASA) that use specialized, mission critical equipment that relies on embedded chips are working hard to find and fix any problems.
- Agencies have developed plans and are working with their partners to test programs end-to-end. OMB is monitoring these activities through monthly reports.
- A set of common assumptions to be used in initial business continuity and contingency plans (BCCPs) has been developed; agencies are preparing their plans accordingly and will submit them to OMB for review by June 15.
- The CIO Council Subcommittee on Buildings has found that nearly all Federal buildings face little or no risk of systems' failures and that work-arounds are available. Extremely limited Y2K issues have been identified in elevators, and those that have been identified do not affect operational performance.
- All agencies, to varying degrees, are independently verifying and validating their test results and other progress on their systems. Governmentwide, 97 percent of the mission critical systems being repaired have been validated as Year 2000 compliant.
- Governmentwide, domestic telecommunications systems are ready. Federal agencies with telecommunications systems overseas are more at risk, but are working to ensure that embassies and other overseas posts will have reliable communications.
- Most agencies are making good progress on fixing non-mission critical systems. In fact, several agencies, including the Nuclear Regulatory Commission, have finished work in this area. Several others are close to being finished.

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 National Science Foundation, the Nuclear Regulatory Commission, the Office of Personnel Management, the Small Business Administration, the State Department, the Social Security Administration, and the Department of Veterans Affairs. Had OMB continued to rate the progress of the agencies in this report by ranking them in tiers, as in previous reports, these fourteen agencies would have been rated in tier 3. OMB has not continued such ratings, however, because most agencies have completed their mission critical system work, and OMB is now focused on assuring that each non-compliant mission critical system becomes compliant.

The 10 large agencies with unfinished mission critical systems are: the U.S. Agency for International Development (4 mission critical systems), U.S. Department of Agriculture (15), Department of Commerce (5), Department of Defense (264), Department of Energy (11), Department of Health and Human Services (2), Department of Justice (17), National Aeronautics and Space Administration (2), Treasury Department (34), and the Department of Transportation (46). These four agencies will now be required to report to OMB on the 15th of each month on their progress on each unfinished mission critical system.

Detail on unfinished, mission critical systems to be replaced or repaired follows. Not all agencies provided information on their mission critical systems to be retired.

U.S. Agency for International Development

AID has seven mission critical systems, four of which are not yet finished. Of these four, two are new replacement systems, one is being repaired, and one is being retired.

- The Field Accounting System will complete implementation in early June 1999.
- The Payroll System is now scheduled to complete validation in May 1999 and implementation in June 1999.
- AID is accelerating renovation of its most important system, the New Management

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

- The remaining mission critical system, the Financial Accounting & Control System (FACS), is being replaced by functions contained in the Field Accounting System and the New Management System -- these functions will be fully implemented in June 1999. Once the new functions are implemented, this system will be retired.

In addition, during the previous quarter, AID completed implementation of two systems it was repairing, the Personnel systems and the Time & Attendance system. AID also completed replacement of the Loan Accounting and Information System by outsourcing the function to a private sector firm with Y2K compliant systems.

U.S. Department of Agriculture

Of 349 mission critical systems, 15 are not yet finished. Of these, 5 will be repaired and 5 will be replaced. USDA has contingency plans in place for all systems that are not compliant.

- The Laboratory Information Management System (LIMS) in the Animal and Plant Health Inspection Service (APHIS) acquires, implements and supports a management information system for laboratories in Iowa, Maryland, and New York. The LIMS system is expected to be fully implemented and in use by June 30, 1999.
- Also in APHIS is the Generic Database, which stores data used to analyze the spread and control of animal diseases. Field testing took place in April, and implementation will be completed by June 30.
- The Financial Accounting and Reporting System manages internal funds control and reporting. The completion date has been scheduled for October 1, 1999.
- The Cotton On-line Processing System monitors cotton inventories and price support loans. It also maintains electronic receipts and keeps track of benefits. The Department has approved a replacement strategy, and its completion is scheduled for July 1999.
- The Regional Office Administrated Programs is a multi-million dollar yearly operation which reimburses school funding authorities and sponsors who provide food service to children and adults. The Food and Nutrition Service has certified four of the systems five modules as compliant. The final module is scheduled to be complete on May 30, 1999.

Department of Commerce

Five of the Department's 473 mission critical systems are not compliant. All five systems

are awaiting replacement.

- The Patent and Trademark Office reports that the Classified Search and Image Retrieval (CSIR) system was not Y2K compliant by March 31, 1999. The CSIR provides patent examiners with the capability to electronically search and retrieve U.S. patent images from their desktop workstations. PTO indicates that the CSIR system will be compliant by June 30, 1999. This system is delayed due to the contractor's continued inability to place qualified staff on the task. A contingency plan was developed in August 1998 for this system.
- NOAA reports that the Aeronautical Charts Automated Distribution System has encountered procurement delays which are expected to delay the completion of the system until May 31, 1999. This system is expected to be finished with both validation and implementation by August 31, 1999.
- ESA reports that the National Trade Databank CD-ROM (Compact Disk-Read Only Memory) reader will not be compliant until June 1999, due to delays in the acquisition process for a commercial-off-the-shelf software product. However, an Internet version will be made available as a contingency plan.
- EDA reports that the Fund Accounting System (FAS) installation, modification and data conversion for the EDA version for the Commerce Administrative Management Systems (CAMS), which will be used to replace the FAS for grant financial accounting, is underway as of the May quarterly report. This installation is expected to be completed by June 30, 1999.
- The Operational Planning and Control System (OPCS), which provides grant application processing and tracking information, is in the final stages of testing and validation. Full implementation of OPCS is scheduled for June 30, 1999. EDA has a BCCP for both systems which has been tested recently (due to a fire) and demonstrated success in continuing operations.

In the February quarterly report, the National Technical Information Service (NTIS) reported that its systems, including the Fedworld World News Connection, were not funded for remediation until NTIS made a request to the Y2K emergency reserve. The renovation work was funded, and NTIS' systems are now 100 percent compliant.

Also in the February report, NOAA's Wind Profiler System was predicted to miss the March 31, 1999 compliance deadline. The Wind Profiler System did miss the March 31, 1999 deadline, but just by a few days. The Wind Profiler System was certified as compliant in the first week of April.

Department of Energy

Of the Department's 420 systems, 11 are not yet compliant. Of these, six systems remain to be replaced, two systems are to be repaired, and three systems remain to be retired. The eight systems to be repaired or replaced are spread across four locations: Los Alamos National Laboratory (LANL), Oak Ridge Operations, Sandia National Laboratories, and Savannah River Operations Office.

- At LANL the system being replaced is the Classified Locates (CLOCS). CLOCS is a new document management technology for the Laboratory Director's correspondence. The unclassified version of CLOCS was implemented as Y2K compliant earlier this year. The classified system must still be verified and validated and must complete end-to-end testing. The Department expects the system to be implemented as Y2K compliant by June 30, 1999.
- At the Oak Ridge facility, the Human Resources System Modernization effort (an effort to improve the way this facility manages its human resources) was to have been completed by delivery of a Y2K compliant COTS product -- CYBORG -- by Lockheed Martin Energy Systems. The CYBORG version was delivered and tested for Y2K compliance, and it was determined that the new version of the product did not handle leap year processing correctly. Lockheed Martin is working to repair their product. In addition to anticipating a revised product, Oak Ridge has been testing their most current version to see which parts of the program fail due to Y2K. To date, the leap year failure is the only documented error. The Y2K compliant version of CYBORG is to be delivered by Lockheed Martin for implementation by June 30, 1999.
- At Sandia National Laboratories, the Enhanced Badge Works system, which is the identification and access control system for the Lab, is not Y2K compliant, and implementation of a repaired, compliant system is not anticipated until August 31, 1999. However, the Badge Office has a well-documented contingency plan with triggers set to revert to a manual process if the Y2K compliant system is not ready on time.
- At the Savannah River Operations Office, the Nuclear Materials Stabilization Program Operations System, which controls the recovery of Plutonium and Uranium from irradiated targets, is scheduled to be finished by June 30, 1999.
- Also at the Savannah River Operations Office, the Defense Waste Processing Facility Process Control System, which helps monitor and control the conversion of high-level waste into a glass form for storage in steel containers, is scheduled to be finished by July 31, 1999.
- The Defense Waste Processing Facility Manufacturing Support System, also at the Savannah River Operations Office, which also helps monitor and control the conversion of high-level waste into a glass form for storage in steel containers, is scheduled to be finished by July 31, 1999.

- 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.
- At Sandia National Labs, the Access & Clearance System is scheduled to be retired by August 31, 1999, after a replacement system is installed.
- Also at Sandia National Labs, the Integrated Procurement System is scheduled to be retirement by October 1, 1999, after a replacement system is installed.
- DOE Office of Intelligence. The Office of Intelligence plans to retire one system, the Secure Automated Messaging Processor (SCAMP), by June 1, 1999, after a replacement system is installed.

The Department has completed and tested contingency plans for all these systems, including those to be retired. The Department has completed draft contingency plans for all other mission critical systems as of April 30. The Department has set August 30, 1999 as the deadline for finalizing contingency plans for all mission critical systems and for finalizing BCCPs for all sites.

Department of Health and Human Services

Two of HHS' 257 systems are not yet Y2K compliant. The first is the Payment Management System (PMS) operated by the Program Support Center (PSC). The PMS, as reported last quarter, is scheduled to complete implementation and to be fully compliant by the end of June 1999. The PMS provides centralized electronic funding and cash management service to all organizations receiving HHS grants -- including all 50 states. The PMS supports organizations funded by 10 other Federal agencies and 42 different subagencies. A fully documented PMS system contingency plan is contained in the PSC's BCCP. The PMS contingency plan will be triggered if the system is down for two days.

The second system not compliant, the Indian Health Service's Resource and Patient Management Systems (RPMS), was not reported in the last quarterly report to be late, but is currently scheduled to be compliant by the end of June 1999. The RPMS is the heart of the medical facilities information resource management activities for the IHS and its Tribal and Urban health programs. IHS provides care through direct facilities and through Tribal and Urban facilities. IHS anticipates roll-out of a Y2K compliant RMPS to the direct facilities by April 30, 1999, and the target date set for Tribal and Urban facilities is June 30, 1999.

In the February quarterly report, HCFA reported a concern that the Arkansas Part A Standard System (APASS) maintainer would not be able to deliver a Y2K compliant version by March 31, 1999 and that there were some other contractors experiencing delays in testing. These concerns were addressed, and as of April 23, 1999, all 75 of HCFA's external mission critical systems have been certified as compliant.

Department of Justice

In this quarterly report, Justice reports that a total of 17 of its 158 mission critical systems are not yet Y2K compliant. This is a significant increase from the previous quarterly report when Justice reported only eleven systems that were expected to miss the March goal. It is also an increase from the last monthly report when only 16 systems were reported as non-compliant. Schedule slippages and other delays reported by the Department are of significant concern.

- The FBI's legal attaché technical architecture is not scheduled for completion until December 1999. This system is essentially basic office automation for the FBI's overseas offices. It fell behind schedule partly due to a disruption in the acquisition plans for an FBI-wide information sharing initiative. Contingency planning appears to be limited to creating procedural (manual) work-arounds should compliance not be achieved by the end of the year.
- The Network for Information and Telecommunications Exchange in the Department's Office of the Inspector General is not scheduled for completion until December 1999, although recent efforts appear to be bringing the system forward somewhat ahead of that schedule. This system connects the personnel in the Office of the Inspector General who are located in Department offices across the country. A contingency plan has been developed and approved by an IV&V contractor.
- One Tax Division system, Phoenix Office Automation, formerly reported as compliant, will not be completed until September 1999. A contingency plan will be prepared for this system and should be completed this quarter.
- The Department states that the Financial Management System at the FBI, including the interface with Treasury, is on schedule for completion in mid-June. A contingency plan has been reviewed by the Justice IV&V contractor, and revisions were suggested.
- The Identification Automated System component of the FBI's Integrated Automated Fingerprint Identification System provides on-line arrest history responses to more than 65,000 law enforcement agencies throughout the National Crime Information Center network. The Department states that this system is on schedule for completion in mid-July. A contingency plan has been reviewed by the Justice IV&V contractor and revisions were suggested.
- The completion date for the Executive Office of United States Trustees' Automated Case

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 office automation system -- JCON II -- has been successfully piloted. Rollout began in March and is scheduled to be completed in July.
- The Executive Office of US Attorney's Phoenix office automation and Windows desktop system is scheduled to be completed in July. Contingency plans are in place.
- Justice Management Division's Debt Management System, which supports the collection and disbursement of all of the Department's financial litigation and collection activities, is being upgraded. Renovation, validation, and implementation are all scheduled for completion in June. An approved comprehensive contingency plan is in place.
- Justice Management Division's library system (DataLib), which is used to order legal publications, was to be replaced by a new system, but now will be renovated instead. The Department expected renovation, validation, and implementation to be completed in July. The Department stated that a contingency plan was to be completed in May, but this has not been confirmed by the Department.
- The Executive Office of US Attorney's legal information network (LIONS) is compliant and is scheduled for completion in July. An approved contingency plan is in place.
- The Executive Office of US Attorney's case management and tracking system (TALON) is compliant and scheduled for completion in July. An approved contingency plan is in place.
- The National Drug Intelligence Center interface to other law enforcement agencies, messaging systems, and open and closed databases is scheduled to be implemented in June. The Department has attributed slow progress to delays by the service provider.
- The Tax Division's Tax Doc case management systems will be used for various progress reports under the Government Performance and Results Act. Implementation is scheduled for September, and an approved contingency plan is in place.

National Aeronautics and Space Administration

As of May 15, 1999, all but two of NASA's 157 mission critical systems are compliant. The first system, which is one element of a ground support system, will be retired in August. The second system, the Solar and Heliospheric Observatory (SOHO) spacecraft, is completing repairs. In June 1998, ground controllers lost contact with SOHO causing NASA to focus all related resources on spacecraft recovery. Following completion of recovery activities in February, NASA

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.
- Three replacement systems, which have been successfully tested, are being installed in the Coast Guard's cutter fleet as port scheduling permits, no later than December. End-to-end testing of completed systems is ongoing and contingency plans are in place.
- The significant remaining challenge is in two communications-related systems, the Coast Guard Data Network and the Communications System 2000, which are still undergoing renovation or validation with indeterminate completion dates. End-to-end testing of completed systems is ongoing and contingency plans are in place.

The FAA has made significant progress in accelerating its completion schedule. Thirty-five mission critical systems did not make the March 1999 completion date, down from the 64 projected in the February report. Of these, 13 are expected to be completed in May, including the automated weather observation system, three radar-related systems, and a number of telecommunications support systems. The remaining 22 systems are expected to be completed in June. These include the HOST system, which is the backbone of the enroute air traffic control

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.

Treasury Department

Of Treasury's 328 mission critical systems, 34 are not Y2K compliant. Twenty-five of these systems are still being repaired or replaced, while nine are being retired. The Internal Revenue Service (IRS) has a total of 13 mission critical systems that missed the deadline. Of these, five are still being repaired and four are being replaced. Four are being retired. Customarily, IRS does not make system changes during the tax filing season. Consequently, systems related to tax filing did not undergo significant renovation during this period. In addition, IRS has a completed contingency plan that comprises several systems that support IRS critical business processes.

- The IRS' Appeals Automation Environment provides inventory and management information, which documents and tracks taxpayer appeals. The contingency plan will be completed by May 31, 1999, and the system has been scheduled for implementation on August 31, 1999.
- The IRS' Computer Assisted Publishing System (CAPS) provides product support to the Centralized Inventory and Distribution System for fulfilling taxpayer's Tax Forms orders. CAPS is 92 percent renovated and 82 percent implemented. The contingency plan for this system is contained within the IRS critical business processes contingency plan. The system is scheduled for completion by July 31, 1999.
- The IRS' Combined Annual Wage Reporting (CAWR) system generates reports concerning W-3/W-3G annual wage data. The contingency plan for this system is contained within the IRS critical business processes contingency plan. Completion for CAWR is scheduled before October 31, 1999.
- The IRS' Compliance Research Information System contains databases and an application which are required to support the identification and measurement of noncompliance among taxpayers. The system is scheduled for completion on June 30, 1999.
- The IRS' Excise Fuel On-line network (Ex-FON) is the existing system for the Dyed Diesel program. The system is an integrated case-processing and tracking system used by Dyed Fuel Compliance Officers and Group Managers. The contingency plan for this system is contained within the IRS critical business processes contingency plan. Ex-FON is currently 100 percent renovated and tested. Final implementation is scheduled for July 15, 1999.
- The IRS' Excise Tax Tracking System (ExTRAS) tracks cases related to working excise tax issues. EXTRAS is scheduled for completion by July 31, 1999.

- The IRS' Federal Unemployment Tax Act (FUTA) system compares FUTA data from States to the 94X returns filed by taxpayers. Cases are created for mismatches and correspondence is generated to taxpayers for reconciliation purposes. The FUTA system is scheduled for completion on July 31, 1999.
- The IRS' Inventory Delivery System (IDS) 3.0 is a decision support system under development for the Assistant Commissioner of Collections. The system analyzes cases to determine suitability for work with the Automated Collections System and Revenue Officers and provides a financial analysis profile of each case. A pilot will start on May 24, 1999 before the nationwide rollout in November of 1999. The nationwide rollout will be finished in November 1999, at which time the system will be considered compliant. The contingency plan for this system is contained within the IRS critical business processes contingency plan.
- The IRS' Mission Support system consists of many small, localized administrative and support applications. None of the systems are associated with the tax processing systems necessary to complete filing season activities. Mission Support has been scheduled for completion on July 31, 1999.
- The Electronic Data Exchange (EDI) system in the Financial Management Service (FMS) is a collection system maintained by one financial institution that converts paper remittances to electronic remittances which can be fed automatically into a Federal agency's accounts receivable system. FMS is meeting with the financial institution periodically to obtain updated status on their Year 2000 testing efforts. Adequate resources and funding have been devoted to meet the June 30, 1999 projected compliance date.
- The Plastic Card Network (PCN) in the FMS is a credit card service provided by a network of two financial institutions that accepts credit, debit, and charge accounts in exchange for goods and services provided by Federal agencies. FMS has conducted numerous meetings with senior vice presidents from the Plastic Card Collection Banks and has determined that the system should be compliant by September 1, 1999.
- FEDLINE performs end-of-day reconciliation between FMS and the Federal Reserve Bank (FRB) of New York for funds transfers. This system is compliant. However, FEDLINE cannot be implemented until the FRB completes testing of its telecommunications link. Testing is scheduled for completion in June 1999. The Department has not indicated when implementation is scheduled.
- CLAIMS processes and tracks claims of non-receipt, Automated Clearinghouse (ACH) reclamations and a variety of other check and ACH actions. The Courtesy Disbursement system is an adjunct of CLAIMS and is used in claims cases to issue replacement checks. Both systems are scheduled to complete validation testing and implementation by the end of May.

- The Firearms Licensing System (FLS) is in the Bureau of Alcohol, Tobacco and Firearms (BATF). This system processes Federal firearms licenses, Federal explosives licenses, letters, and electronic data for out-of-business dealers. It has fallen behind since the last quarterly report and is now scheduled for implementation in October 1999. This is a replacement system. A contingency plan is in place.
- The Alcohol and Tobacco Database System (A&T) in BATF is used to track smuggling and smugglers of alcohol and tobacco products. This is a replacement system. A&T is scheduled for production implementation in July 1999. A contingency plan is in place.
- The Federal Excise Tax (FET) system in BATF manages the collection of Federal excise taxes on alcohol, tobacco, and firearms. This is a replacement system. FET is scheduled for completion in October 1999. A contingency plan is in place.
- The Treasury Telecommunications System (TCS), located in the CIO/Corporate Systems Management Office, is a nationwide data network serving all Treasury bureaus and other Federal agencies. It is the largest secure, private, wide area network in the civilian U.S. Government. Approximately 91 percent of the scheduled remediations have been completed, and the necessary testing is expected to be finished by the end of May 1999. Completion of IV&V is scheduled for completion by September 1999. The Department has not indicated when the system is expected to be compliant. The Department stated that it expected its contingency plan to be completed by May.
- The Student Information System at the Federal Law Enforcement Training Center (FLETC) maintains student registration information and transcripts of training received from FLETC. Testing will be completed by the end of May. The Department has indicated that user testing is to begin June 14, 1999 and implementation is scheduled for early July of 1999. Contingency plans are in place.
- The Office of the Inspector General (OIG) is in the process of fixing the desktop systems, which includes upgrading network security, the desktop office suite software, and other components. The system is scheduled for completion by June 1999.
- The OIG's Management Information System (MIS) for Audit will soon be launched nationwide. The MIS application itself is compliant, but until implementation has been achieved nationwide, the system will be reported as non-compliant. The system is scheduled for completion by June of 1999.
- OIG's Messaging system must be upgraded. The application software, Microsoft Exchange, is being installed and is expected to be compliant by June 1999.
- The Secret Service is replacing three systems, PROTECT, MASCOT, and PROTAR, with the Protective Research Information Systems Management (PRISM). PRISM will

integrate the functionality of all three systems and add some additional functionality. The new system provides the capability to conduct free-form text searches as well as relational queries of data to assist the Secret Service in development of assessments in support of their protective mission. Testing has been completed, and implementation is scheduled for June 1999. Contingency plans are in place.

Department of Defense

The Department of Defense continues to make progress addressing its complex and challenging year 2000 problem. As of May, the Department reports that 87 percent of its 2,096 mission critical systems are year 2000 compliant -- an increase from 72 percent reported in February. Of the 264 non-compliant mission critical systems, 249 are being repaired, eight are being replaced, and seven are being retired. The Department is overseeing the progress of each of these systems through monthly reporting and regular steering committee meetings with the Deputy Secretary. In addition, the Department reports that 79 percent of its 6,319 non-mission critical systems are now compliant. The Department has also completed its replacement plan for biomedical equipment that is not year 2000 compliant and is evaluating its buildings and installations to assure they will be compliant.

Since December 1998, the Department has been doing operational evaluations of its core support functions. End-to-end evaluations of the core business functions of logistics, finance, communications, intelligence, personnel, medical, and others are being conducted by the Department and by the Services and will be completed by October. This is the largest and most comprehensive evaluation in the Department's history and will improve the level of confidence in the Department's ability to carry on operations regardless of Y2K. Nevertheless, the complex and interconnections of DoD's systems guarantees that Y2K will have an impact on DoD. Therefore, the Department is also focusing on continuity of operations and contingency planning. Using GAO guidelines, DoD promulgated common sense guidance that requires every system, mission, and function owner to develop and validate system and operational contingency plans. Contingency plans are already in place for virtually all of the mission critical systems that are not yet compliant.

The Department reports that 257 mission critical systems are not yet Y2K compliant. This does not include the 7 additional systems reported to be retired before January 1, 2000. Eight of those are replacement systems, and 249 are being repaired. The Department plans to make all of those systems compliant prior to the end of the year. For each of those systems, the Department is tracking the status of the system and when the system will be compliant and is putting in place contingency plans. The Department expects that 92 of those systems to be made compliant by the end of May, 142 by the end of June, 175 by the end of July, 206 by the end of August, and 233 by the end of September.

Of the 19 remaining systems, 10 are scheduled for completion in October, five are scheduled for November, and the final four are scheduled for December. Eight of these systems are developmental systems which will provide DoD with new capabilities, rather than fixes to systems upon which a Departmental mission currently depends. Therefore, failure of one of these eight systems is not likely to effect an important DoD mission. Also, five are systems where a Year 2000 fix has been validated, but because of the number of sites where the fix must be installed, the completion date for all sites will not be until the last quarter of 1999. Three of the systems are awaiting Commercial Off-the-Shelf (COTS) products to finish completion, two are systems where non-mission critical or non-Y2K factors have delayed counting them as completed; and the other one, the Defense Megacenters, or mainframe computing centers, have been delayed due to concurrent consolidation of the centers. Detail on these 19 systems follows below.

Four systems are expected to be finished in December:

- The Distributed Training Technology Project provides technology which will deliver distributed training to both active and reserve components and the communities they support. This is a new capability.
- PRIVATEER provides a permanent, integrated threat warning capability onboard Cyclone class Coastal Patrol Combatants and Mark V SOF support vessels. Due to vendor delays, implementation is not expected to begin until October.
- The Special Mission Radio System, a new capability, is currently being reassessed due to a discovery of a problem.
- The Single Chamber Anti-Jam Man-Portable Terminal is a lightweight, portable battery-powered satellite communications terminal that will provide tactical users with a secure, anti-jam, voice and digital communications capability. This is a new capability.

Five systems are expected to be finished in November:

- The Forward Area Air Defense Command and Control System will use a communications network to support the forward area air defense mission of a given Army force structure. This is a new capability.
- The Defense Megacenters are mainframe computers which provide information technology services to a variety of other DoD organizations. Progress, which has been affected by center consolidation efforts, is being closely monitored by the DoD steering committee.
- The Secret Local Area Network of the European Command must replace individual commercial-off-the-shelf components. This system is awaiting COTS for individual components.

- The Unclassified Local Area Network of the European Command is being replaced with a commercial-off-the-shelf product. After awaiting COTS products, this system is now in testing.
- The Space Mission Payload Assessment System, the mission critical portion of which is compliant, is awaiting a vendor-built wide-band capability.

The 10 systems expected to be finished in October are:

- The Contingency Theater Automated Planning System is a command and control system that is being replaced. However, to mitigate risk, the current system is being repaired as well. Testing will be completed this summer.
- All Source Analysis System Block II RWS is the major automated support system for the intelligence and electronic warfare functional area of the Army Battle Command System. This is a new capability.
- The Force XXI Battle Command Brigade and Below system will serve the Army's command and control for brigade and below tactical operations. This is a new capability.
- DeCA Interim Business System supports a variety of functions such as ordering, receiving, shelf stock replacement, physical inventory, and controls operations. This system is already fixed, but deployment, which began in September 1998, takes approximately one year.
- The Army Air Defense Systems Integrator is the air and missile defense fire direction system component of the Air and Missile Defense Planning and Control System. It is a new capability.
- The Standard Installation Division of Personnel - 3 System is an integrated military personnel management system which will replace the Standard Installation Division Personnel System, #16, but will offer additional capabilities.
- The Standard Installation Division Personnel System -2 is the Army standard unit level personnel record keeping, management, and reporting system. This system is being fixed as a contingency in the event that the new system, #15, is not implemented in time. Fixes to this system are already being implemented, but because it must be deployed at many sites, it cannot be considered fully compliant until the final installation is complete.
- The Abrams M1A2 SEP Tank System contains a non-operational software error in the clock set-up page on the commander's display. The correction will be fielded with another software fix as an efficiency measure.

- The Secure Mobile Anti-Jam reliable Tactical-Terminal is a segment of the Milstar communications system that will also provide world-wide anti-jam and low probability of intercept capability. This is a new capability.
- The EA-6B tactical mission support system is converting to a compliant operating system, DBMS, and compiler. It is awaiting COTS products.

SMALL AND INDEPENDENT AGENCIES

In the February report, OMB included information about 35 small and independent agencies. For the May 14, 1999 quarterly report, OMB requested that 46 small and independent agencies report on their Y2K progress. All 46 of these small and independent agencies will be asked to continue to report to OMB on a quarterly basis until they have finished their work. Once these agencies have demonstrated that their work is complete, they will no longer be asked to report to OMB.

In the February report, eight small and independent agencies state that their mission critical systems are currently Y2K compliant. These agencies are: the Defense Nuclear Facilities Safety Board, the Federal Trade Commission, the Legal Services Corporation, the National Credit Union Administration, the National Transportation Safety Board, the Railroad Retirement Board, the U.S. Commodity Futures Trading Commission, and the United States Arms Control and Disarmament Agency. In addition, the Federal Retirement Thrift Investment Board reported that it had no mission critical systems under its direct control. The Board's mission critical systems are maintained by the National Finance Center, which has certified that all are Y2K compliant.

Nine additional agencies are now reporting that their mission critical systems are compliant. These agencies are: the African Development Foundation, Export/Import Bank of the U.S., the Federal Deposit Insurance Corporation, the National Labor Relations Board, the Neighborhood Reinvestment Corporation, the Selective Service System, the U.S. Consumer Product Safety Commission, the U.S. Holocaust Memorial Council, the U.S. Internal Trade Commission.

The Defense Nuclear Facilities Safety Board is no longer required to report on its Y2K progress because the Board is not a regulatory agency. The Board provides advice to DOE on how best to address safety issues as the Department closes down its nuclear production facilities and cleans up nuclear waste. As such, it does not have programmatic responsibilities with Y2K implications. In addition, the United States Arms Control and Disarmament Agency has been absorbed into the State Department. Its mission critical systems will now be included in the overall State Department progress report.

Four additional agencies are now required to report due their receipt of funds from the Y2K emergency fund. The agencies are: the Architectural and Transportation Compliance Board, the Marine Mammal Commission, the Merit Systems Protection Board, the National Capital Planning Commission.

Table 1
Summary of Small and Independent Agency Reports
(cost in thousands)

Agency	No. MC Systems	Total Cost (FY96-FY00)	Progress	Concerns
African Development Foundation	4	400	Compliance for mission critical systems achieved in April. ADF enhanced and completed IV&V. Outsourcing of accounting system complete. BCCP completed in May.	Data exchange partners have been identified, but testing is not complete.
Architectural and Transportation Compliance Board	5	60	Non-mission critical systems compliant. IV&V in place.	Anticipated compliance for mission critical systems is September. BCCP will be completed in August.
Armed Forces Retirement Home	6	300	All non mission critical systems are Y2K compliant. Data exchanges with external partners have been tested.	Anticipated compliance for mission critical systems is September. In the February report expected compliance date was July. The agency does not plan to prepare a BCCP. The Open Systems Accounts Receivable that was identified as a system to be replaced has slipped from the original implementation date of March. It is anticipated that the system will be operational before September.
Corporation for National and Community Service	31	1,100	The Corporation is making progress on non-mission critical systems.	Anticipated compliance for mission critical systems is July. In the February report the expected compliance date was June. No date for completion of BCCP was furnished. Testing for a new mission critical management system and its associated data exchange functions are delayed until July due to earlier setbacks and a failed attempt at cross servicing with the National Science Foundation.
District of Columbia	25	2,200	Data exchanges are compliant.	Anticipated compliance for mission critical systems

Agency	No. MC Systems	Total Cost (FY96-FY00)	Progress	Concerns
Courts				is July. Delays in reaching compliance is a result of procurement activities. No date provided for the completion of the BCCP.
Equal Employment Opportunity Commission	9	6,700	IV&V expected to be completed in May.	Anticipated compliance for mission critical systems is September. Anticipated compliance for non-mission critical systems is June. BCCP is scheduled for completion in July.
Export/Import Bank of the United States	12	600	Compliance for mission critical systems achieved in March. The agency is making progress on ensuring data exchanges are compliant. BCCP is completed. IV&V was completed in April.	None.
Farm Credit Administration	27	1,700	IV&V is underway. BCCP is scheduled for completion in June.	Anticipated compliance for mission critical systems is June. Final configuration and implementation of the financial management production system will not be complete before June. The June date is the result of configuring and implementing the system.
Federal Communications Commission	29 ⁶	16,100	Twenty-six systems are now compliant. Progress is being made on non-mission critical systems. The BCCP will be completed in June. Data exchange compliance with outside partners is expected in June. IV&V contractor is in place.	Anticipated compliance for mission critical systems is August.
Federal Deposit	35 ⁷	104,700	Compliance for mission critical systems	None.

⁶The number of mission critical systems has been reduced by one. The system was removed since many of its functions are being absorbed into other systems.

⁷The total number of mission critical systems has decreased from 36 to 35 since the last report. Two mission critical systems were replaced by one new mission critical system.

Agency	No. MC Systems	Total Cost (FY96-FY00)	Progress	Concerns
Insurance Corporation			achieved in April. Compliance for non-mission critical systems achieved in April. Data exchange compliance was achieved in May. BCCP was completed in February.	
Federal Election Commission	16	800	Compliance for non-mission critical systems achieved in May. Data exchange systems were compliant in January.	Anticipated compliance for mission critical systems is November. The Commission is waiting for the award of an outsourcing contract in August that will help in reaching compliance.
Federal Energy Regulatory Commission	0 ⁸	2,300	46 of the 109 non-mission critical systems are compliant.	Non-mission critical systems are anticipated to be compliant by December. No dates provided for completion of the BCCP. FERC needs IV&V process.
Federal Housing Finance Board	5	340	Progress is being made on non-mission critical systems.	Anticipated compliance for mission critical systems is July. The Monthly Interest Rate Survey system will not be compliant until July. The system provides national and regional data on mortgage interest rates, mortgage terms, and house prices. BCCP is scheduled for July. Data exchange testing outside the agency is scheduled for completion in July.
Federal Labor Relations Authority	9	1,400	IV&V contractor in place.	Anticipated compliance for mission critical systems is July. BCCP is scheduled for completion in October.
Federal Reserve	103	48,500	Compliance for mission critical systems achieved in April. Progress being made	Anticipated compliance for non-mission critical

⁸The number of mission critical systems has decreased from 12 to 0 since the February report. The decrease in the number of systems is a result of the Commission reexamining the roles played by the 12 systems.

Agency	No. MC Systems	Total Cost (FY96-FY00)	Progress	Concerns
Board			on data exchanges, testing will begin in June BCCP completed in March.	systems expected in June.
Federal Retirement Thrift Investment Board	0	200	The National Finance Center, which maintains the mission critical systems, certified to the Board on 12/1/98 that all were Y2K compliant. Work is nearly complete on upgrading all of the Boards internal non-mission critical systems.	No mission critical systems under direct control of the Board. The Board does not plan to prepare a BCCP.
Federal Trade Commission	10	2,500	All agency data exchanges are compliant.	Anticipated compliance date is August for mission critical systems. Non-mission critical systems are anticipated compliant is September. The BCCP is scheduled for completion in August of 1999.
John F. Kennedy Center for the Performing Arts	3	330	All mission- critical systems are compliant except the Kennedy Center's building Automation System. The system will be shut down. The Center will perform the tasks manually until a suitable replacement can be implemented in 2000.	Anticipated compliance for mission critical systems is June 2000. A preliminary BCCP schedule is being refined and will be available in June.
Legal Services Corporation	8	410	Compliance for mission critical systems achieved in March. LSC interacts electronically with 258 grantee organizations. Each of the systems used to support the data exchanges are Y2K compliant.	BCCP will not be completed until August. The LSC telephone system is not Y2K compliant. New system proposals are now being evaluated. However, the system will not be replaced until September.
Marine Mammal Commission	15	100	Some IV&V is underway.	Anticipated compliance for mission critical systems is July. The agency does not plan to create a BCCP. The agency plans on placing all orders for equipment by June. There is a very short time frame for the completion of the mission critical systems.

Agency	No. MC Systems	Total Cost (FY96-FY00)	Progress	Concerns
National Archives and Records Administration	22	7,100	IV&V is underway.	Anticipated compliance for mission critical systems is August. Anticipated compliance for non-mission critical systems is December. BCCP will be completed in June. NARA is waiting for compliance certification letters on some facilities.
National Capital Planning Commission	10	370	IV&V in place. BCCP will be completed in June.	Anticipated compliance for mission critical systems is September.
National Credit Union Administration	7	34,600	Compliance for mission critical systems achieved in December 98. BCCP completed in April.	Anticipated compliance for no-mission critical systems is June. Data exchange testing will be completed in June.
National Gallery of Art	11	100	IV&V is underway.	Anticipated compliance for all mission critical systems is July. Additional information on the BCCP will be available in June.
National Labor Relations Board	29	14,200	Compliance for mission critical systems achieved in March. Data exchanges were compliant prior to March. BCCP will be completed in June.	NLRB has 26 phone systems that require additional evaluation and testing to ascertain Y2K compliance. NLRB expects only a few of the 26 phone systems to require replacement or repair. By August 31, 1999 NLRB will have completed evaluation and testing of all phone systems and will know exactly which systems require remediation.
National Mediation Board	6	100	IV&V plan in place. Data exchange testing completed in May.	Anticipated compliance for mission critical systems is June. BCCP will be completed in July.
National	2	0	Compliance for mission critical systems	Anticipated compliance for non-mission critical

Agency	No. MC Systems	Total Cost (FY96-FY00)	Progress	Concerns
Transportation Safety Board			achieved in March.	systems is June. No specified date for the completion of the BCCP.
Neighborhood Reinvestment Corporation	4	100	Compliance for mission critical systems achieved in April. Data exchange testing completed in May.	Exact date for completion of BCCP has not been determined.
Office of Administration- Executive Office of the President.	73 ⁹	34,500	Progress since the last report has improved greatly. More than 95% of EOP's hardware (excluding PCs) is now compliant. OMB systems, EOP telephones, the EOP Enterprise Server, and the EOP network were compliant by the March Governmentwide deadline.	Anticipated compliance for mission critical systems is October. A little more than 65% of the EOP's 2300 PCs are now Y2K compliant. BCCP will be tested in August, but not final until October. 25% of mission critical systems were either in the implementation phase or fully compliant as of March.
Office of the U.S. Trade Representative	5	1,200	BCCP will be in place by June. Data exchange systems have been modified for Y2K compliance.	Anticipated compliance for mission critical systems is August. Non-mission critical systems compliance is anticipated in September.
Overseas Private Investment Corporation	4	3,000	BCCP scheduled to be completed June. Data exchange partners identified and compliance confirmed.	Anticipated compliance for mission critical systems is July. Non-mission critical systems completion target date needed.
Peace Corps	16	16,200	The BCCP is completed. Data exchange compliance is anticipated in late May. The Financial Management system is under repair. The payroll system is being purchased from the National Finance Center in June.	Anticipated compliance for mission critical systems is June. The status of telecommunications and essential equipment is not known for 8% of the posts. The Corps is obtaining Y2K information from local vendors. If the information is not available new equipment will be purchased. Posts in 34 countries have not been able to determine if host

⁹The February quarterly report stated that there were 69 mission critical systems; the May quarterly report states that 8 classified NSC systems were added to the inventory bringing the total to 76 minus 3 systems which have been retired. This results in 73 total mission critical systems.

Agency	No. MC Systems	Total Cost (FY96-FY00)	Progress	Concerns
				country service providers will be compliant.
Pension Benefit Guaranty Corporation	13	4,550	The delay of the mission critical Performance Accounting system is the result of testing required to correct problems uncovered during user acceptance. BCCP will be updated and tested in June.	Anticipated compliance for mission critical systems is June. Building and facility services certification scheduled to be completed by September. Data exchange certification will not be completed until late July. The delay is a result of unanticipated delays with internal and external compliance of individual systems and the availability of external business partners.
Railroad Retirement Board	123	14,200	Compliance for mission critical systems achieved in January. The BCCP will be completed in June.	Anticipated compliance for non-mission critical systems by end of fiscal year. Additional coordination with external partners is needed.
Securities and Exchange Commission	52	14,600	Has identified and is working with partners to ensure compliance of electronic data exchanges.	Anticipated compliance for mission critical systems is August. Date needed for the completion of the BCCP.
Selective Service System	7	1,200	Compliance for mission critical systems achieved in March. BCCP anticipated completion is in June.	Some data exchange partners have agreed to convert to the Y2K compliant format. However, for the majority of partners, SSS will convert output data using a computation that will bring the data to year 2000 compliance.
Smithsonian Institution	18	9,100	BCCP anticipated completion is in June. Data exchange inventory with external partners underway.	Mission critical systems compliance is anticipated in December.
Tennessee Valley Authority	444	38,000	96% of TVA's mission critical items are compliant including 100% of its mainframe system software, telecommunications, facilities desktop and hydro generation systems. Seven fossil and eleven hydro generation	The last critical application will not be compliant until November.

Agency	No. MC Systems	Total Cost (FY96-FY00)	Progress	Concerns
			locations and all transmission substations are operating with dates in Year 2000 and will continue to do so through January. BCCP is complete. Integration testing confirms that TVA will be operationally ready for the Year 2000 by July.	
U.S. Commodity Futures Trading Commission	2	1,600	Compliance for mission critical systems achieved in March. Data exchange activities are anticipated to be compliant by June. BCCP is scheduled for completion in June.	Anticipated compliance for non mission critical systems is August. The delay is associated with the movement of specialized services to a new operating system.
U.S. Consumer Product Safety Commission	31	1,200	Compliance for mission critical systems achieved in April. IV&V will be completed by the end of June.	The BCCP is included in general plans for the maintenance and operation of mission critical systems.
U.S. Holocaust Memorial Council	77	1,700	Compliance for mission critical systems achieved in March.	Anticipated compliance for non-mission critical systems is August. The BCCP will be completed in July. As part of its evaluation process the Museum identified an additional 12 mission critical systems that were not included in original estimates.
U.S. Information Agency	55 ¹⁰	6,400	On October 1, 1999, USIA, with the exception of the International Broadcast Bureau (IBB), will be merged into the State Department. State will take over 15 USIA mission critical systems and is working with USIA to jointly manage Y2K efforts. IBB systems are being remediated. Desktop environment is	Anticipated compliance for mission critical systems is October. Only 27 of 55 mission critical systems are compliant. The BCCP will be complete in August. Non-mission critical systems will be completed by August. Data exchange processes will be compliant by August.

¹⁰The number of mission critical systems decreased by 2 since the last report due to the reductions in the number of retired and repaired systems.

Agency	No. MC Systems	Total Cost (FY96-FY00)	Progress	Concerns
			compliant. IV&V of compliant mission critical systems underway.	
U.S. International Trade Commission	5	1,200	Compliance for mission critical systems achieved in March.	BCCP will be completed in August.
U.S. Merit Systems Protection Board	1	210	IV&V process in place.	Anticipated compliance for mission critical systems is August. The BCCP will be not be completed until August. Anticipated compliance for non-mission critical systems is September. The headquarters voice mail system and Atlanta telephone system will be replaced in August.
U.S. Office of Special Counsel	11	100	Data exchange partners became compliant in May. Work continues on one remaining non-compliant mission critical system.	Anticipated compliance for mission critical systems is September. BCCP may not be in place until October 15.
U.S. Postal Service	141	478,000	USPS continues to make significant progress in its year 2000 readiness. The number of compliant mission critical systems has risen from 106 last quarter to 120 (85%) this quarter. Mail processing equipment has successfully undergone two in-plant tests with no significant problems noted. In addition, USPS continues its work on business continuity plans focused on potential disruptions to key business processes.	Anticipated compliance date is August. USPS provides a critical service to the current function and the contingency planning of many other organizations, both public and private. USPS is large and geographically distributed, making its Y2K compliance a substantial challenge. A significant amount of work remains before USPS can reach its anticipated August compliance date.

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 their partners to assure that Federal programs will work. The focus of this effort is not limited to whether or not specific systems work. Rather, this effort is intended to ensure that agencies take a comprehensive look at not just data exchanges, but how their programs function from end-to-end in order to ensure that key public benefits and services will not be disrupted. For example, agencies should focus not just on data exchanges, but on relationships with suppliers of key products and on providers of services.

Accordingly, lead Federal agencies were assigned to work with their partners – i.e., vendors, contractors, banks, service providers, or State and local governments – to test program delivery end-to-end. Forty-three¹¹ such programs are identified in Table 2. Programs were identified that, if disrupted, could have a direct effect on the public health, safety, or well-being of individuals. Agencies have also been asked to publicly demonstrate readiness of their programs before September 30, 1999.

The following table lists the key partners identified by the lead agency responsible for the program. “Date” indicates when the lead agency and its partners expect to have completed testing among themselves of their data exchanges and other interfaces. In addition, lead agencies and their partners are conducting other activities, including developing complementary business continuity and contingency plans, sharing key information on readiness with each other and with the public, and taking other steps as appropriate to ensure that their programs will function.

¹¹ OMB Memorandum 99-12 (March 26, 1999) identified a list of 42 high impact programs. Since issuance of that Memorandum, Justice’s National Crime Information Center (NCIC) 2000 has been added to the list. In addition, Transportation’s Maritime Search and Rescue program has been revised and is now the Maritime Safety Program.

**Table 2 -- Summary of High Impact Programs,
Partners, and Testing Dates**
All dates refer to 1999 unless otherwise noted.

NA means the Agency reports the information requested is not applicable.

NR means the information was not reported by Agency.

Ongoing means the Agency reports testing is ongoing, but they do not report a finish date.

Lead Agency	Program	Key Partners Identified	Date Testing Complete
DOC	Weather Service	FAA, US Air Force Weather Agency, US Navy Fleet Numerical Meteorological Center and Naval Oceanographic Office, National Ice Center, National Environmental Satellite, Data and Information Service, Atmospheric Environment Service's Canadian Meteorological Centre, WSI Corporation, PRC Corporation, United Airlines, Northwest Airlines	March
DOC	Patent and Trademark Processing	Foreign Intellectual Property Offices, Patent and Trademark Depository Libraries, Commercial Information Providers, Reed Technology and Information Services Inc., Government Printing Office, DOI - US Geological Survey, USDA - National Finance Center, Department of Treasury - Financial Management Service	July
DoD	Military Hospitals	Military Treatment Facilities, managed care support contractors, key pharmaceutical and medical suppliers, Defense Manpower Data Center	September
DoD	Military Retirement	Military Services, Department of Treasury, Federal Reserve Bank, Social Security Administration, Internal Revenue Service, numerous financial institutions	September
DOI	Bureau of Indian Affairs programs	Indian Tribes, Department of Education, Department of Justice, Agricultural and Range Land Management, Mineral Resources Management, other natural resources programs, Environmental and Cultural Resources Management, Real State Services, MMS, Treasury, OTFM	December
DOJ	Immigration	NA	NA
DOJ	Federal Prisons	State and local corrections officials	NA
DOJ	NCIC 2000	68 External Interface Checkout users	June
DOL	Unemployment Insurance	State Employment Security Agencies	November
DOT	Maritime Safety	42 Captains of the Port	NA
DOT	Air Traffic Control System	National Weather Service, airlines, support contractors, DoD	ongoing
Education	Student Aid	National Student Loan Data System, Central Processing System, Direct Loan Origination System, Pell Grant System	September

Lead Agency	Program	Key Partners Identified	Date Testing Complete
Energy (DOE)	Federal electric power generation and delivery	Army Corps of Engineers, Bureau of Reclamation, Tennessee Valley Authority and industry	August
FEMA	Disaster relief	Emergency Service Providers, Emergency Services Sector Working Group of the President's Council on Year 2000 Conversion	NR
HHS	Child Welfare	State and social service authorities	December
HHS	Low Income Home Energy Assistance Program	State agencies and local energy providers	December
HHS	Child Support Enforcement	State agencies, tribes	December
HHS	Medicaid	States	September
HHS	Medicare	Medicare Contractors	November
HHS	Organ transplants	United Network for Organ Sharing, organ procurement organizations, transplant centers, histocompatibility laboratories	August
HHS	Temporary Assistance for Needy Families	State agencies, financial institutions, tribes	December
HHS	Indian Health Services	American Indian Tribes, Alaska Native Organizations, Urban Indian Health Programs, Tribal Organizations	August
HHS	Child Care	State agencies, tribes, local child care providers	December
HHS	Disease monitoring and the ability to issue warnings	State public health agencies, State and Territorial public health laboratories, FDA, USDA	May
HUD	Community Development Block Grants	Treasury, Prospective Grantees, Grant Recipients	August
HUD	Public Housing	Treasury, Lock Box, Prospective Grantees, Grant Recipients, SSA, Owners/Agents, Housing Authorities, Tribally Designated Housing Entities	August
HUD	FHA Mortgage Insurance	Treasury, Federal Reserve, Lenders, Borrowers, Mortgagees, Fannie Mae, Check Writing Vendor	August
HUD	Section 8 Rental Assistance	SSA, Owners/Agents, Housing Authorities, Treasury, Lock Box	August

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 Life Insurance	Metropolitan Life Insurance Company	March
OPM	Federal Employees Health Benefits	The 285 participating Federal Employees Health Benefits Program Carriers	October
RRB	Retired Rail Worker Benefits	Social Security Administration, Department of Treasury, Health Care Financing Administration	September
SSA	Social Security Benefits	Financial Management Service, Treasury, Federal Reserve, USPS	August, 1998
State	Passport Applications and Processing	Mellon Bank, USPS, Government Printing Office, outside vendors	June
Treasury	Cross-border Inspection Services	Other Government agencies, States, other governments, the Trade Community, Banks and other commercial organizations	June
USDA	Food Stamps	States	NR
USDA	Special Supplemental Nutrition Program for Women, Infants, and Children	States	NR
USDA	Food Safety Inspection	States	NR
USPS	Mail Service	FAA, large commercial airlines, large trucking companies, postage meter manufacturers, Citibank, Emery	ongoing
VA	Veterans' Benefits	Financial Management Service (Treasury)	June
VA	Veteran's Health Care	VistA, Treasury, Department of Defense	March

V GOVERNMENTWIDE PROGRESS

BUSINESS CONTINUITY AND CONTINGENCY PLANNING

OMB has required all agencies, regardless of their progress on completion of systems, to prepare business continuity and contingency plans (BCCPs). BCCPs are necessary because there is still a possibility that, despite extensive testing, problems will occur in the millions of lines of code that were fixed, in overlooked embedded chips, or in commercial products. In addition, failures in the systems of external entities (such as data partners, service providers, or contractors) could affect an agency's operations.

All agencies are following GAO's guide, "Year 2000 Computing Crisis: Business Continuity and Contingency Planning."¹² Within this guidance, agencies have taken somewhat varied approaches to developing their BCCPs depending on the size, mission, and organization of the agency. In addition, agencies develop their own risk assessment based on the level of readiness of their systems, the likelihood of failure, the degree of impact on the agency's core functions, and other factors.

However, OMB identified a number of risk areas for which agencies should make common assumptions in OMB Memorandum 99-16, "Business Continuity and Contingency Planning for the Year 2000," (May 13, 1999). Specifically, agencies should assume for purposes of preparing their business continuity and contingency plans that electric power, natural gas, water service, waste treatment, financial services, transportation, public voice and data communications, the Internet, mail service, and the mass media will be available domestically, although it is possible that there will be localized disruptions in some areas. Each regional and field office should work closely with their local provider to assure that these assumptions are true for their local planning. The memo also identified a number of other risk areas each agency should address in their plans.

The purpose of this clarification is to ensure that agencies do not engage in emergency planning that is already being conducted by other entities within their organizations. Specifically, every agency is already required under other authorities to have plans in place to respond to any kind of emergency whether caused by weather, terrorists, or Y2K, that could damage local infrastructure, communications, or the agency building itself. Developers of agency BCCPs are coordinating closely with those who develop agency Continuity of Operations Plans, or COOP plans, to ensure that every contingency is planned for with minimal overlap.

Also in the May 13, 1999 memo, OMB directed agencies to submit their initial BCCPs to OMB no later than June 15, 1999. Since this detailed information is not yet available, OMB will summarize agency progress on BCCPs in the next quarterly report.

¹² See GAO report, a shared effort with the Year 2000 Committee of the CIO Council, "Year 2000 Computing Crisis: Business Continuity and Contingency Planning," July, 1998; GAO/AIMD-10.1.19. In addition, model BCCPs, including that of the Social Security Administration, were shared with other agencies as models.

GOVERNMENTWIDE INITIATIVES

Telecommunications Systems

GSA manages contracts under which telecommunications equipment and services are acquired for other Government agencies. GSA owns equipment that provides local telecommunication services to Federal agencies at consolidated locations throughout the United States. Also, GSA acquires telecommunications services and resells those services to other agencies. Like the private sector, Federal agencies are reliant upon commercial vendors and the information they supply regarding Year 2000 (Y2K) compliance of their telecommunications systems.

The Telecommunications Subcommittee of the CIO Committee on Y2K is chaired by GSA's Federal Technology Service (FTS). The Subcommittee is working with industry to ensure that the telecommunications services and systems provided to the Federal Government are Y2K compliant. All GSA Consolidated Systems, which provide local telecommunications services (including hardware, licensed proprietary software, and features such as voice mail) to Federal agencies nationwide have been renovated. In addition, in the Washington Metropolitan Area, the Washington Interagency Telecommunications Systems, which provides approximately 170,000 analog and digital lines supporting both data and voice applications to Federal agencies, was made Y2K compliant in July 1998.

The equipment supplied under the Federal Wireless Telecommunications Service has been certified compliant by GTE. All GSA-maintained, Governmentwide contracts for Wire and Cable Service; Electronic Commerce, Internet, and E-Mail Access; and Technical and Management Support contain Y2K compliance clauses.

A Web site, <http://y2k.fts.gsa.gov>, lists the compliance status of telecommunications equipment and has links to some sixty industry sites containing Y2K compliance information. The Web site was refreshed in early May and expanded to provide information and assistance to those outside the Federal government

Agencies are continuing to share important Y2K information through public conferences. On May 18, 1999, GSA-FTS sponsored the fourth biannual Government/Industry Forum on Y2K Compliance of Telecommunications Products and Services as a means to share information across government and industry. The Forum focused on Y2K readiness, test results and contingency planning.

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, testing, and replacing these chips is rather complex because of the large numbers of chips in use and because chip manufacturers do not closely track how these chips are programmed and used, extensive testing has indicated that this issue is not a significant risk for Federal buildings.

Findings to date indicate that elevators in Federal buildings are not at significant risk. Year 2000 issues identified with elevators are limited to monitoring functions only and do not affect operational performance. For the most part, the only problems to date have been found within energy management control systems and security systems.

However, even if any problems do arise, it is expected that Federal buildings will remain operational. Nearly all building systems allow for manual override capabilities for security, air, heating, and energy management systems. As a result, should any Y2K problems arise in building systems, GSA expects that this will impose a greater workload on building managers and on the individuals who maintain the building systems, but that any problems will remain largely invisible to building occupants.

GSA is making many of the Subcommittee's findings publicly available. First, GSA has established a public web site [<http://y2k.lmi.org/gsa/y2kproducts/>] that provides Y2K information for building systems. There are now over 14,000 products listed on this site, and approximately five percent of all products are identified as non-compliant. Another web site has been established which allows personnel from Federal agencies to determine the Y2K compliance status of Federally owned and leased facilities. This site is for Federal Government use only.

The Year 2000 Buildings Subcommittee of the CIO Council continues to meet every month and to exchange relevant information across the Federal Government. The focus for the remainder of the year will be on testing and contingency planning as well as interrelated areas, such as utilities and local government issues; two recent presenters included Y2K program officials from PEPCO and the District of Columbia. Information from Pepco is available at [www.pepco.com]. Additionally, a Governmentwide contingency plan for buildings is under development to prepare for unexpected system failures and utility outages. The Committee is working with all Federal agencies, regardless of whether the agency operates in GSA owned/managed space, space that is leased by GSA, or space that is owned/managed directly by the agencies.

Biomedical and Laboratory Equipment

This past quarter, the most important Biomedical Clearinghouse activities include a strategy for helping to ensure that adequate, Y2K-functional medical devices and scientific laboratory equipment will be available to serve the continued needs of patients. Because the FDA cannot by law recall a product before it fails, and because prevention is the best Y2K strategy, the agency continues to urge manufacturers to ensure that their products are Y2K compliant before product failure occurs. If the manufacturer voluntarily repairs or replaces non-compliant equipment prior to product failure, the FDA will not subject the manufacturer to a formal recall action.

The FDA is also increasing its scrutiny of Y2K vulnerable medical devices. After defining roughly 60 critical generic product areas early in June, FDA will proceed to identify specific devices with potentially important effects on public health and safety. Based on these efforts, FDA will develop a list of several hundred firms producing these critical devices. FDA then proposes to inspect a random sample of these companies. These inspections will ensure that manufacturers have taken action to (1) repair or replace non-compliant products and (2) validate the information on testing of upgrades supplied by manufacturers. The FDA also continues to monitor the status of biomedical equipment, to ensure that appropriate measures, such as issuance of early alerts of product failure, can be taken.

The FDA is also planning to issue a survey of manufacturer production process readiness, including consumable supply issues. The FDA is increasing inspections of manufacturing processes under the Quality Systems Regulations to validate the stated readiness of the manufacturers. Professional associations such as the American Hospital Association and the Health Industries Manufacturing Association are assisting the FDA to select the mailing list for this survey.

In addition, the FDA has begun adding a listing of compliant products to the Biomedical Equipment Clearinghouse [<http://www.fda.gov/cdrh/year2000.html>.] Based on user comments and a recommendation from the National Patient Safety Partnership, the FDA issued a letter to the 1,934 potentially Y2K-vulnerable manufacturers who supply products with electronic components, asking them to add their compliant products to a newly established listing. To date, 367 manufacturers have posted information about 3,480 Y2K compliant products. And to make finding specific manufacturer and product listings on the Clearinghouse easier for the user, the FDA has expanded user search capabilities.

Finally, in an effort spearheaded by GSA, Federal agencies are crafting a policy designed to prevent non-compliant medical and computer equipment from being donated to other organizations such as Tribal Governments, other countries, or schools and charitable organizations.

Other Information Sharing Initiatives

U.S. Federal Government Gateway for Year 2000 Information Directories

The U.S. Federal Government Gateway for Year 2000 Information Directories web site [<http://www.itpolicy.gsa.gov>], then click on the year 2000 icon] is managed and maintained by GSA on behalf of the CIO Council. It is intended to assist Federal agencies in addressing the Year 2000 problems and is routinely updated and enhanced to provide timely information. The web site was recognized in June 1998 and again in January 1999 by the Dow Jones Business Directory for the quality and wealth of information it provides. The site also provides links to various organizations' Y2K readiness disclosures and compliance statements that are being published in response to the recently enacted Y2K Information and Readiness Disclosure Act. A "Frequently Asked Questions" section was recently added using some of the most commonly asked questions that have been received to date. Finally, the site contains links to other important Year 2000 sites, including the President's Council on Year 2000 Conversion, the CIO Council Information Directory on Y2K, an International Directory containing links to other countries' sites, and an ongoing international virtual conference on Y2K.

Database of Compliant COTS Products

The Commercial, Off-the-Shelf (COTS) Products database, managed and maintained by GSA, is continuously updated with Y2K product compliance information. The average number of accesses to the database is 16,000 per week. It includes information from 780 vendors and 95 Federal agencies on 2,375 products. A total of 21 agencies have provided test data to the database, located at <http://y2k.policyworks.gov>.

WORK WITH THE STATES

Data Exchanges

Since October 1997, the Federal CIO Council and the National Association of State Information Resource Executives (NASIRE), have been working closely to ensure that data exchanges between the States and the Federal government will work. For some time, the Federal government and the States have been providing data on the status of their data exchanges to a single database. As of May 27, Federal agencies reported that 75 percent of data exchanges with the States are successfully bridged, tested by both parties, and/or are fully compliant.

At this time, given progress to date and the need to focus on critical systems, the Federal agencies and NASIRE have agreed to focus on assuring that high impact programs will work. Accordingly, the States have decided to no longer provide updates to the database. Instead, State programs will continue to work directly with Federal programs, and now Federal programs will update the database with status information that is mutually agreeable to both Federal and State partners.

Status of Ten Key, Federally Supported, State-run Programs

OMB has asked Federal agencies to ensure that all of their Federally funded, State programs will work. Of particular importance are ten, key programs,¹³ which are a subset of the high impact list. OMB is asking for additional information on these programs due to their importance. These programs are:

- Food Stamps.
- Child Nutrition Programs.
- Women and Infants with Children (WIC).
- Medicaid/MMIS (Medicaid Management Information System) & Medicaid/IEVS (Income Eligibility and Verification System).
- Temporary Aid for Needy Families (TANF).
- Child Support Enforcement.
- Low Income Housing Energy Assistance Program (LIHEAP).
- Child Care.
- Child Welfare.
- Unemployment Insurance.

The three Federal agencies responsible for these ten programs, USDA, HHS, and DOL, provided the information on the status of these programs, which is contained in Table 3. Dates in this table refer to the estimated completion date as provided by the States to the Federal agencies and refer to when the States expect testing of systems to be complete. Note that some estimates have been passed but no confirmation of completion has been received.

The LIHEAP column in Table 3 contains little information. However, the Administration for Children and Families (ACF) in HHS plans to begin on-site reviews of State systems (but not territories) by the end of the first week of June. Data should begin arriving in late June and should be complete by summer's end. In HHS' assessment, beneficiaries of LIHEAP are unlikely to be affected adversely by IT system problems, but site visits will ensure that appropriate contingencies are addressed by planning.

¹³ See Appendix B for program descriptions.

**Table 3 -- Readiness by State for
Ten, Key, Federally Supported, State-Run Programs**

NOTE:

C indicates that testing has been completed and the program is Y2K compliant.
NA indicates that the State reported that the data requested were not applicable to them.
UA indicates that data from States were unavailable or not clear.
NI indicates that no information was reported by the Agency.
NP indicates that the State or territory does not have such a program.

States and Territories	USDA ¹⁴			HHS ¹⁵							DOL ¹⁶
	Food Stamps	Child Nutrition Programs	WIC	Medicaid		TANF	Child Support Enforcement	LIHEAP	Child Care	Child Welfare	Unemployment Insurance
				MMIS	IEVS						
Alabama	June	Sept	Nov	Oct	Aug	Sept	Dec	July	Sept	Dec	April
Alaska	C	C	C	Sept	June	UA	UA	NI	UA	UA	C
Arizona	C	C	C	June	C	Aug 98	Dec 98	C	Aug 98	Feb 98	Aug
Arkansas	June	July	C	1998	1998	Feb	Feb	NI	Oct 98	Feb	Oct
California	July	C	C	June	1998	Sept	Nov	NI	NA	Dec 98	C
Colorado	C	C	C	June	June	June	June	NI	C	June	C
Connecticut	C	June	C	C	June	June	C	NI	C	June	Oct

¹⁴Data current as of 3/99.

¹⁵Data current as of 1/31/99. HHS has not yet verified State reported compliance or compliance dates through on-site assessment.

¹⁶Data current as of 3/31/99. Independent validation and verification of State reported compliance or compliance dates is not confirmed.

States and Territories	USDA ¹⁴			HHS ¹⁵							DOL ¹⁶
	Food Stamps	Child Nutrition Programs	WIC	Medicaid		TANF	Child Support Enforcement	LIHEAP	Child Care	Child Welfare	Unemployment Insurance
				MMIS	IEVS						
Delaware	C	Oct	C	June	C	1998	1995	July	1998	1995	May
District of Columbia	July	Sept	C	Sept	June	July	Oct	Oct	C	July	Oct
Florida	C	C	C	June	1998	Aug 98	Nov 98	NI	UA	Aug 98	C
Georgia	Sept	C	Dec	June	Sept	Sept	June	May	NA	NA	June
Guam ¹⁷	Sept	C	April	Dec	Dec	NI	NI	NI	NI	NI	NP
Hawaii	C	C	C	1998	1998	Nov 98	May	NI	Dec	July	Nov
Idaho	C	C	July	1998	1998	Oct 98	March	NI	Nov 98	Dec 98	C
Illinois	Aug	C	April	Sept	Sept	Sept	UA	NI	March	Oct	June
Indiana	June	Aug	Aug	June	June	July	July	July	July	April 96	C
Iowa	C	C	June	C	June	June	March	NI	March	March	C
Kansas	June	C	C	1998	June	May	June	C	C	C	C
Kentucky	C	C	C	June	C	C	Aug	C	July	Dec 98	C
Louisiana	June	Dec	July	Dec	Sept	Sept 98	Sept 98	NI	July	July 98	July
Maine	C	C	June	C	C	C	July	July	NA	April 98	C
Maryland	C	June	C	June	1998	Aug	June 98	NI	May 98	June	C
Massachusetts	C	C	C	June	June	June	Jan	NI	June	April	June

¹⁷Assessments should provide projected compliance dates for the programs with no information (NI) in August 1999.

States and Territories	USDA ¹⁴			HHS ¹⁵							DOL ¹⁶
	Food Stamps	Child Nutrition Programs	WIC	Medicaid		TANF	Child Support Enforcement	LIHEAP	Child Care	Child Welfare	Unemployment Insurance
				MMIS	IEVS						
Michigan	July	June	C	C	Aug	July	C	C	July	C	C
Minnesota	June	C	C	1998	June	April	April	NI	UA	July	Aug
Mississippi	June	C	C	C	Sept	C	June	NI	UA	C	C
Missouri	Sept	UA	Sept	1998	Sept	March	Oct 98	NI	Feb	April	April
Montana	April	C	C	July	June	June	Aug	C	June	June	Oct
Nebraska	C	C	June	1998	1998	July	June	NI	July	July	Sept
Nevada	C	C	C	Sept	Sept	Sept	Sept	NI	June	July	April
New Hampshire	Nov	C	June	Sept	Dec	Dec 98	Oct	NI	June	June	June
New Jersey	C	Oct	C	Sept	June	June	May	C	C	July	May
New Mexico	C	C	C	Sept	C	C	Oct	NI	C	C	July
New York	C	Aug	C	1998	June	Dec 98	Dec 98	NI	Nov 98	Jan	Aug
North Carolina	C	June	C	Aug	Aug	Sept	1997	June	May 96	C	Sept
North Dakota	July	C	Sept	Sept	Sept	1997	1997	NI	May 96	July	C
Ohio	Oct	C	June	June	June	May	May	NI	June 98	June 98	C
Oklahoma	Nov	May	Nov	June	Sept	Oct	Nov	NI	Oct	Oct	C
Oregon	C	C	C	Sept	Sept	April	June	NI	March	June	C
Pennsylvania	C	C	Sept	1998	1998	Nov 98	Oct	NI	Oct 98	Dec 98	C

States and Territories	USDA ¹⁴			HHS ¹⁵							DOL ¹⁶
	Food Stamps	Child Nutrition Programs	WIC	Medicaid		TANF	Child Support Enforcement	LIHEAP	Child Care	Child Welfare	Unemployment Insurance
				MMIS	IEVS						
Puerto Rico	July	C	June	C	C	July	June	July	June	June	May
Rhode Island	July	June	C	Sept	Dec	July	UA	NI	July	UA	July
South Carolina	July	July	C	June	Sept	June	Aug	July	Oct 98	Aug	C
South Dakota	C	July	July	June	C	C	C	C	C	C	C
Tennessee	C	July	C	Aug	C	C	Aug	NA	Aug	July	C
Texas	Aug	July	June	June	Sept	Aug	May	NI	Sept 98	UA	C
Utah	July	Oct	June	C	C	C	Oct	C	C	July	July
Vermont	June	June	C	June	June	June	June	June	Oct 98	Jan	July
Virgin Islands ¹⁸	June	UA	C	Dec	Dec	NI	NI	NI	NI	NI	C
Virginia	Sept	C	C	June	Sept	Sept	Aug	Sept	NA	Sept	C
Washington	C	C	C	June	June	March	Nov 98	C	March 98	Aug 98	C
West Virginia	C	June	June	C	C	C	C	C	C	C	C
Wisconsin	June	Aug	C	Sept	1998	C	C	NI	C	June 98	June
Wyoming	June	June	C	June	1998	UA	UA	NI	March	March	C

¹⁸Assessments should provide projected compliance dates for the programs with no information (NI) in August 1999.

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 results. Senior management in the agencies are now relying on IV&V testing to provide a double-check that their mission critical systems will, in fact, be ready. Agencies are relying on a combination of their Inspectors General, contractors, and, in some cases, independent experts from other agencies to verify agencies' testing results. Some agencies (e.g. NASA and the Department of Transportation) have applied more rigorous testing protocols to those systems that could have a direct impact on safety. While such rigorous testing slows progress, it nevertheless provides a higher degree of assurance that such systems will not fail.

EARLY PAYMENTS

As part of their contingency planning, some agencies explored the possibility of making some payments to beneficiaries, contractors, and others in December that would otherwise be due in January. However, the Administration has determined that such actions are not necessary at this time, given the level of readiness of agency payment systems and agency business continuity and contingency plans.

Nevertheless, agencies may still consider making early payments and may request authority from OMB to pay certain benefits early if certain criteria are met. These include demonstration that there will be substantial harm to individuals from not getting a timely payment, a likelihood that timely payments (either by normal program operation or through a contingency) will not be made, assurance that early payments made will be targeted only to those recipients who would be harmed, and that early payment will mitigate the harm. The agency must also be willing to make a public announcement of these decisions and to work with the Department of Treasury so that adequate cash management practices are maintained. OMB will continue to review this matter with agencies throughout the remainder of this year.

HOLIDAY ISSUE

The President's Council on Year 2000 Conversion, prompted by suggestions from its public and private sector partner organization, evaluated the possible benefit of moving the Federal holiday to Monday, January 3 from Friday, December 31. (When a Federal holiday falls on a Saturday, the previous Friday is usually taken as a holiday.) However, the Council determined that moving the holiday would be unwise, since it would require extensive reprogramming of systems to account for the change that would only add to the burden of Year 2000 work.

DISTRICT OF COLUMBIA

In early 1998, the District of Columbia determined that inadequate progress had been made in addressing its Year 2000 problems. By August 1998, the city had established an eight-person Year 2000 office led by a senior program manager and contracted with International Business Machines (IBM) Global Services Division to hire more than 100 technical and management personnel. Due to the late start and size of the project, the District is performing multiple tasks concurrently. There are more than 65 agencies participating in the District's Y2K plan. However efforts are being focused on eighteen mission critical agencies.

In total, the District has received \$81.8 million in total Federal resources. These funds are being used to assess, remediate and test systems, and develop contingency plans. During the final stages of publishing this report, OMB received a Y2K quarterly report from the District of Columbia. In general, the District has significant work remaining on its mission critical systems. However there was insufficient analysis and management oversight to ensure a complete report to us by the date of this publication. In the August quarterly report there will be an analysis of the District's Y2K progress, and information on those individual systems that remain under repair. In addition John Koskinen, Assistant to the President on Y2K, has agreed to begin meeting with Mayor Williams and the Heads of District agencies on a monthly basis to track progress on the District's mission critical systems.

INTERNATIONAL EFFORTS

The Department of State estimates that there are over 40,000 U.S. civilian government employees located overseas. While the bulk of these are employees of the State Department, Peace Corps, the U.S. Information Agency, or the U.S. Agency for International Development, a number of other agencies have some presence as well. These agencies are a diverse group and include the Departments of Commerce, Defense, Treasury, Agriculture, and Justice; the Social Security Administration; and the Library of Congress. These agencies are performing work of great value to the people of the United States such as supporting our nation's commercial activities overseas, working with the law enforcement agencies of other nations to apprehend criminals, and administering benefits to U.S. citizens living abroad. Unlike State Department employees, personnel of other agencies may not be located at the embassy or consulate.

In its most recent report, the President's Council on Year 2000 Conversion found that some nations, particularly those that are less developed, face a real possibility of failure or disruption in their telecommunications and utility infrastructures. While the Diplomatic Telecommunications Service--Program Office (DTS-PO) has taken the lead on ensuring that reliable telecommunications services are available at State Department facilities, they cannot ensure the continuity of telecommunications services provided by the host nation to U.S. government offices located away from the post or embassy. Similarly, posts, embassies, and government offices are subject to uncertainties in the provision of utility services such as electricity and water.

Recognizing the possibility of Year 2000 failures overseas, the Secretary of State in 1998 required that the Head of the State Department Mission in each nation create a Mission Year 2000 Committee to work with other U.S. Government agencies to assess the potential for failure of the host nation's infrastructure. A crucial concern for the State Department has been the development of contingency plans for all embassies and consulates that address the safety and security of staff and dependents, the integrity and security of facilities, and the continuation of core mission functions, including American citizen services. Such contingency planning includes all agencies represented at each post. Under the leadership of the State Department, each Committee has developed an assessment of its country risk and is helping each agency represented to develop a BCCP according to that risk assessment.

These plans are being reviewed and assessed by the Department and other agencies. Separately, the Foreign Affairs Interagency IRM Group (FAAIG), representing US agencies with an international presence, has also been developing plans and identifying resource requirement to address potential infrastructure failures. The results of each of these efforts will be compared and decisions made regarding final contingency plans and resource allocations later this summer.

The State Department is also leading an effort to assess the readiness for the year 2000 of countries worldwide. Embassies' reports on country readiness have been received by the Department and are under review. They will be the basis for discussions with other agencies represented abroad as well as for travel advisories to be issued later this year.

COSTS AND FUNDING

Agencies now estimate they will spend \$8.05 billion fixing the problem from Fiscal Year 1996 through Fiscal Year 2000. (Expenditures from Fiscal Year 1996 - Fiscal Year 1998 of \$3508.1 billion, estimates of \$4538.3 billion through 2000. See Appendix A, Table 3.) The FY 2000 costs are primarily for Y2K project offices to manage and monitor the transition into 2000 and undertake the completion of final contingency planning. In total, this is a \$1.30 billion increase from the March-reported estimate of \$6.75 billion.

Since March, the estimate for the Department of Defense has increased by \$1.05 billion and now totals \$3.65 billion. This increase is largely the result of incorporating the Department's emergency appropriations earmarked for Y2K in the FY 1999 Omnibus Appropriations Act (P.L. 105-277) into its estimates. The Act included \$1.1 billion in contingent emergency funding for unanticipated costs associated with Y2K in defense-related activities, of which \$935 million has been released to date (February 18, 1999). These funds have been used to address DoD Y2K requirements in FY 1999 that have been identified since the transmittal of the FY 1999 Budget. Two principal reasons for the growth of the DoD FY 1999 budget are: 1) an increase in the number of Y2k fixes DoD would be able to address, and 2) an underestimation of the cost to fix previously identified problems. In the first case, the additional \$935 million released to DoD has enabled the department to acquire products and services that otherwise might have affected readiness and modernization efforts. For example,

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 security, fire detection, and HVAC systems. In the second case, however, DoD found that in many of the efforts it did plan and budget for, it underestimated the cost.

In allocating these funds, the DoD Components gave priority to testing, operational evaluations, and contingency planning and contingency response for mission critical systems in accordance with congressional direction. This strategy increases DoD readiness by ensuring that the Department concentrates on (1) complex, end-to-end testing of DoD "business functions" and warfighter missions (i.e., executing the Nation's military strategy), and (2) comprehensive contingency planning for the entire national security community. This contingency planning provides for resolving emergencies from a system that is not Y2K compliant and includes provisions for the creation of crisis action teams for use in resolving such emergencies.

Non-Defense increases, which amount to approximately \$250 million, can be attributed to:

- Refinement of estimates as agencies move through validation and implementation phases and decide to increase testing and independent verification activities.
- Discovery that some systems need more work during independent validation.
- Development of continuity of business plans.
- Decisions to repair legacy systems in case those systems are not replaced on time and other contingency efforts.

To the extent that agencies encounter additional requirements, these estimates may continue to rise.

In order to address unanticipated costs associated with Y2K, the Omnibus Consolidated and Emergency Supplemental Appropriations Act for Fiscal Year 1999 (P.L. 105-277) included contingent emergency funding for Y2K computer conversion activities: \$2.25 billion for non-defense activities and \$1.1 billion for defense-related activities. P.L. 105-277 makes the Director of the Office of Management and Budget responsible for allocating non-defense funding and makes the Secretary of Defense responsible for allocating defense-related funds. (See Appendix A, Table 4 for detail on contingent emergency funding allocated to date.)

In order to determine how to best allocate all available non-defense funding for Y2K -- both base appropriations and emergency funding -- OMB has worked with agencies to evaluate Y2K requirements. First, OMB made certain that agencies received funding for activities that were requested in the President's Fiscal Year 1999 Budget, but that Congress directed be funded

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 total, \$496 million remains available for non-defense agencies to address emerging requirements (this total includes \$14 million that was allocated to the Department of Energy but was not transferred at the request of the House Appropriations Committee).

To date, the Department of Defense has allocated \$935 million of the \$1.1 billion made available for defense-related activities. Fifteen percent, or \$165 million, of Defense's fund remains in reserve for contingent needs.

Additional transfers from the contingent emergency reserve will be made in the future to ensure that all agencies have sufficient resources to achieve Y2K compliance and complete contingency planning. OMB has notified agencies that, as they identify unforeseen funding requirements, they should forward these requirements to OMB for evaluation.

Appendix A
Table 1
Progress on Status of Mission Critical Systems

	Total Number	Number Compliant	Percent of Total	Number Being Replaced	Number Still Being Repaired	Number Being Retired
Agriculture	349	334	96%	5	5	5
Commerce	473	468	99%	5	0	0
Defense	2096	1832	87%	8	249	7
Education	14	14	100%	0	0	0
Energy	420	409	97%	6	2	3
HHS	290	282	97%	0	2	6
HUD	57	57	100%	0	0	0
Interior	90	90	100%	0	0	0
Justice	220	203	92%	3	14	0
Labor	61	61	100%	0	0	0
State	59	59	100%	0	0	0
Transportation	608	562	92%	5	41	0
Treasury	328	294	90%	9	16	9
VA	318	318	100%	0	0	0
USAID	7	3	44%	1	3	0
EPA	57	57	100%	0	0	0
FEMA	47	47	100%	0	0	0
GSA	58	58	100%	0	0	0
NASA	157	155	99%	0	1	1
NRC	7	7	100%	0	0	0
NSF	17	17	100%	0	0	0
OPM	107	107	100%	0	0	0
SBA	42	42	100%	0	0	0
SSA	308	308	100%	0	0	0
TOTAL	6190	5783	93%	43	333	31

Appendix A
Table 2
Status of Mission Critical Systems Being Repaired

	Number of Systems	Assessment Percent Complete	Renovation Percent Complete	Validation Percent Complete	Implementation Percent Complete
Agriculture	266	100%	99%	99%	98%
Commerce	160	100%	100%	100%	100%
Defense	1511	99%	97%	94%	84%
Education	14	100%	100%	100%	100%
Energy	171	100%	99%	99%	99%
HHS	157	100%	100%	99%	99%
HUD	43	100%	100%	100%	100%
Interior	84	100%	100%	100%	100%
Justice	158	100%	97%	96%	91%
Labor	29	100%	100%	100%	100%
State	13	100%	100%	100%	100%
Transportation	309	100%	100%	99%	87%
Treasury	236	100%	97%	96%	93%
VA	318	100%	100%	100%	100%
USAID	5	100%	100%	60%	40%
EPA	29	100%	100%	100%	100%
FEMA	15	100%	100%	100%	100%
GSA	23	100%	100%	100%	100%
NASA	102	100%	100%	99%	99%
NRC	4	100%	100%	100%	100%
NSF	10	100%	100%	100%	100%
OPM	80	100%	100%	100%	100%
SBA	42	100%	100%	100%	100%
SSA	289	100%	100%	100%	100%
TOTAL	4068	100%	99%	97%	97%

Appendix A
Table 3
Agency Year 2000 Cost Summary¹⁹ (in millions)

	1996	1997	1998	1999	2000	TOTAL
Agriculture	2.5	15.7	61.5	91.9	10.2	181.8
Commerce	2.6	12.4	35.6	67.4	6.6	124.6
Defense	22.9	388.0	1199.4	1944.1	103.7	3658.1
Education	0.1	1.4	19.6	18.7	4.3	44.1
Energy	1.0	20.0	84.6	97.2	15.7	218.5
HHS ²⁰	7.2	32.2	190.9	421.3	165.2	816.8
HUD	0.7	6.9	20.8	26.3	11.3	66.0
Interior	0.2	2.8	10.6	101.4	0.7	115.7
Justice	1.6	7.7	33.9	118.7	1.7	163.6
Labor ²¹	1.7	4.8	13.2	30.9	9.3	59.9
State	0.5	49.3	63.1	67.5	6.8	187.2

¹⁹ These estimates do not include the Federal share of costs for State information systems that support Federal programs. For example, the Agriculture total does not include the potential 50 percent in Federal matching funds provided to States for Food and Consumer Services to correct their Y2K problems.

²⁰ HHS' FY 2000 costs will likely be between \$165 million and \$500 million. The \$165 million shown reflects the Administration's budget request. HHS' total FY 2000 Y2K cost estimate to OMB, however, includes over \$300 million in potential costs of implementing HCFA contingency and business continuity plans -- reaching a total of \$476 million in their May 99 quarterly report to OMB.

²¹ Revised figures correct certain definitional inconsistencies in past reporting by fiscal year.

Transportation ²²	0.4	11.2	122.0	192.7	19.5	345.8
Treasury ²³	8.1	200.2	592.7	510.5	254.7	1566.2
VA	4.0	22.0	70.0	94.0	13.0	203.0
AID	1.1	3.0	21.8	18.8	3.2	47.9
EPA	0.8	5.3	11.5	18.6	1.0	37.2
FEMA	3.8	4.4	3.0	8.3	0.5	20.0
GSA	0.2	0.8	8.7	48.4	0.0	58.1
NASA	0.1	6.2	34.2	15.8	0.9	57.2
NRC	0.0	2.4	4.0	3.9	0.0	10.3
NSF	0.0	0.1	0.6	0.2	0.0	0.9
OPM	1.7	2.1	9.2	3.6	0.3	16.9
SBA	1.7	3.3	2.7	2.4	0.5	10.6
SSA	2.2	13.3	13.9	7.1	3.0	39.5
TOTAL	65.1	815.5	2627.5	3909.7	632.1	8049.9

²² Does not include \$72 million in non -Y2K costs for HOST computer replacement, of which \$52 million was provided from the Information Technology Systems and Related Expenses account, the Y2K emergency fund.

²³ Does not include \$91.7 million in non-Y2K costs funded from the Information Technology Systems and Related Expenses account.

Appendix A
Table 4
Status of Y2K Contingent Emergency Funding in FY 1999 ²⁴
(budget authority, in millions of dollars)

Large Agencies	Funding	Small Agencies	Funding	Other
Agriculture	46.2	Access Board	0.1	Legislative Branch
Commerce	57.9	African Development Foundation	0.1	District of Columbia
Defense	935.0	Commodity Futures Trading Commission	0.4	DC Courts
Education	3.8	Corp for National and Community Service	0.8	
Energy ²⁵	37.5	EXOP/Office of Administration	29.8	
HHS	323.9	EXOP/USTR	0.5	
HUD	12.2	Export Import Bank	0.4	
Interior	80.3	FCC	8.5	
Justice	84.4	Federal Labor Relations Authority	0.2	
Labor	17.8	FTC	2.6	
State	64.9	Marine Mammal Commission	0.0	
Transportation	192.8	Merit Systems Protection Board	0.1	
Treasury	602.2	NARA	6.7	
USAID	10.2	National Capital Planning Commission	0.4	
FEMA	7.4	Office of Special Counsel	0.1	
GSA	48.4	OPIC	2.1	
SBA	4.8	RRB	0.4	
OPM	2.4	SEC	8.2	
		Selective Service System	0.3	
		Smithsonian	4.7	
		National Gallery of Art	0.1	
		US Holocaust Memorial Council	0.9	
		USIA	9.6	
Large Agency Total	2532.1	Small Agency Total	77.0	Other Total
Total, Emergency Releases 1768.0				

²⁴ For agencies that appear in Appendix A, Table 3, emergency funding is included within cost estimates (except where emergency funding has been directed for non-Y2K costs, as specified in footnotes 22 and 23). For other agencies, funding would address costs beyond those specified in Table 3.

²⁵ Includes \$13.65 million that was allocated to the Department of Energy but was returned to the emergency fund.

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 electronic benefits transfer (EBT) cards to ensure that they have access to food. The critical automated systems that are involved in the transfer of Federal funds to States and include systems that enable the States to issue coupons or EBT cards, monitor eligibility, track EBT expenditures, and process data for reporting purposes. USDA administers the Food Stamp Program through the Food and Nutrition Service (FNS), which distributes funds to the States. State agencies administer the program at State and local levels, including determination of eligibility and allotments.

Child Nutrition Programs

Child Nutrition Programs include the National School Lunch Program, the School Breakfast Program, the Special Milk Program, the Child and Adult Care Food Program, the Summer Food Service Program, and the Nutrition Education and Training program. All of these programs are administered by the Food and Nutrition Service at the USDA. These programs assist State and local governments in providing healthful, nutritious meals to children in public and non-profit private schools, child care institutions, adult day care centers, and summer recreational programs.

Special Supplemental Nutrition Program for Women, Infants, and Children

Popularly known as WIC, this program provides supplemental food, health care referrals, and nutrition counseling, for low-income pregnant, breast-feeding, and non-breast-feeding postpartum women, and to infants and children who are found to be at nutritional risk. More than 7 million people receive WIC benefits each month. The U.S. Department of Agriculture, through the Food and Nutrition Service (FNS), administers Federal grants to States. In turn, most State WIC programs provide vouchers that participants use at authorized food stores; 46,000 merchants nationwide accept WIC vouchers. Often, local organizations cooperate in providing the food and health care benefits. Federal systems support electronic benefits transfer of grants. State systems track expenditures and reconcile available funds.

Medical Assistance Program (Medicaid)

Title XIX of the Social Security Act is a Federal-State matching entitlement program that pays for medical assistance for certain vulnerable and needy individuals and families with low incomes and resources. This program, known as Medicaid, became law in 1965 as a jointly funded cooperative venture between the Federal and State governments ("State" used herein includes the Territories and the District of Columbia) to assist States furnishing medical assistance to eligible needy persons. Medicaid is the largest source of funding for medical and

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 guidelines established by Federal statutes, regulations and policies, each State: (1) establishes its own eligibility standards; (2) determines the type, amount, duration, and scope of services; (3) sets the rate of payment for services; and (4) administers its own program.

States use primarily two classes of systems for administering the Medicaid program. The first system is the Integrated Eligibility System (IES) which is used to determine whether an individual applying for Medicaid meets the eligibility criteria for participation. The second system is the Medicaid Management Information System (MMIS) which is used in claims processing and payment delivery for services rendered.

Temporary Assistance for Needy Families (TANF)

On August 22, 1996, President Clinton signed into law "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996," a comprehensive bipartisan welfare reform plan that dramatically changed the nation's welfare system into one that requires work in exchange for time-limited assistance. The Temporary Assistance for Needy Families (TANF) program replaces the former Aid to Families with Dependent Children (AFDC) and Job Opportunities and Basic Skills Training (JOBS) programs, ending the federal entitlement to assistance. In TANF, states and territories operate programs, and tribes have the option to run their own programs. States, territories, and tribes each receive a block grant allocation with a requirement on states to maintain a historical level of state spending known as maintenance of effort. The total federal block grant is \$16.8 billion each year until Fiscal Year (FY) 2002. The block grant covers benefits, administrative expenses, and services. States, territories, and tribes determine eligibility and benefit levels and services provided to needy families.

Child Support Enforcement Program

The goal of the Child Support Enforcement (CSE) Program, which was established in 1975 under Title IV-D of the Social Security Act, is to ensure that children are financially supported by both their parents. The CSE Program recognizes the importance to children of access to their noncustodial parent and includes grants to help States establish programs that support and facilitate noncustodial parents' visitation with and access to their children. The CSE program is usually run by state and local human services departments, often with the help of prosecuting attorneys, other law enforcement agencies, and officials of family or domestic relations courts. The Child Support Enforcement Program provides four major services: locating noncustodial parents, establishing paternity, establishing child support obligations, and enforcing child support orders.

Low Income Home Energy Assistance Program

LIHEAP is a federal block grant program that assists eligible low-income households in meeting their home energy needs. The Federal Government does not provide energy assistance benefits directly to individuals. Energy assistance is provided through LIHEAP grants made to the 50 States and the District of Columbia, Indian tribes and tribal organizations, and insular areas. LIHEAP funds can be used for the following types of energy assistance: heating assistance, cooling assistance, energy crisis intervention, and low-cost residential weatherization and other energy-related home repairs

Child Care Program

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL. 104-93) combined existing child care programs with different target populations into one block grant program with a single set of eligibility criteria and requirements. In 1999, the Child Care and Development Fund (CCDF) made available \$3.2 billion to States and Tribes. Tribes received approximately \$63 million for FY 1999. These funds support activities, authorized under the Child Care and Development Block Grant Act of 1990, to improve the quality of child care and to provide financial assistance to low-income families seeking child care so they can work or attend training or education programs.

Child Welfare Program

With an annual budget of over \$4 billion, the Children's Bureau works with State and local agencies to develop programs to assist America's children and their families. The Children's Bureau administers nine state grant programs and six discretionary grant programs. State Grant Programs include grants for foster care, adoption assistance, independent living for older foster children, family preservation and support services, child welfare services, prevention of medical neglect/disabled infants, and programs designed to improve the investigation and prosecution of child abuse and neglect cases.

Unemployment Insurance (UI) ²⁶

The Unemployment Insurance program is a Federal-State partnership which serves approximately 10 million unemployed workers annually. Direct program operations are the responsibility of 53 State Employment Security Agencies (SESAs) which determine claimant eligibility, issue payments, and provide assistance to workers and employers in accordance with the laws passed by the 50 States, Puerto Rico, the Virgin Islands, and the District of Columbia. The Department of Labor oversees the administration of the program nationwide. Automated systems in the SESAs process benefits and taxes, maintain wage histories, and interface with many other automated systems.

²⁶ DOL and the SESAs have successfully met the unemployment insurance (UI) system's first major Year 2000 challenge.

Appendix C
Key Federal Web Sites on the Year 2000

Site	URL	Select
President's Council on Year 2000 Conversion	http://www.y2k.gov	Version
Federal CIO Council	http://cio.gov	Documents
Year 2000 Information Directory	http://www.itpolicy.gsa.gov	Year 2000 Directories
FDA--Biomedical Devices and Laboratory Equipment	http://www.fda.gov/cdrh/year2000.html	Year 2000
Small Business Administration	http://www.sba.gov	Y2K
Year 2000 Compliant COTS Products	http://y2k.policyworks.gov	Year 2000 Information Directory
GSA Telecommunications Information	http://y2k.fts.gsa.gov	Year 2000
Year 2000 Status Vendor Product Database	http://globe.lmi.org/lmi_pbs/y2kproducts/	Continue
Governmentwide Consumer Information	http://www.consumer.gov	Year 2000 Issues