

**STATEMENT OF THE
CHIEF FINANCIAL OFFICER
VALERIE HOLT**

ON

**YEAR 2000: THE READINESS OF SOAR
AND OTHER INFORMATION SYSTEMS
UNDER THE CFO**

**AT THE
HEARING OF THE**

**COMMITTEE ON FINANCE AND
REVENUE**

MONDAY, NOVEMBER 15, 1999

10 A.M.

Good morning, Chairman Evans and Members of the Finance Committee. I am Valerie Holt, Chief Financial Officer (CFO) of the District of Columbia. I am accompanied here today by: Henry Debnam, Deputy CFO for Information Technology; Natwar Ghandi, Deputy CFO for Tax and Revenue, and Anthony Pompa; Deputy CFO for Financial Operations and Systems.

We are here to discuss the issue of Y2K readiness, especially as it relates to the CAPPs and SOAR systems and the city's real property assessments. These are certainly topics of significant importance and major concern for the OCFO. We have an enormous technology agenda. While our major enterprise systems for financial management, payroll and pension administration, and tax administration are in various stages of being upgraded to state of the art computer systems, we also must insure that they are Y2K prepared. And the window for meeting these Y2k implementation goals is very narrow and extremely tight.

The OCFO's Y2K effort has required an investment of over \$8.0 million in equipment and contractor support, as well as thousands of staff hours to address the technical and administrative details necessary for success. Again, the time line is short and the margin for error is near zero.

Yet, we are making good progress. In total, the OCFO has 13 mission critical business processes and 77 mission critical applications. Of this

number, 31 applications were retired and 46 have been remediated. The remediation phase is 100% complete.

The OCFO also has identified and remediated or replaced 1,080 end user computing units (personal computers and servers) with Y2K compliant units. You should be aware that the OCFO is 100% compliant for end user computing and that several units of non-technology equipment have also been examined and made Y2K ready as necessary. In total, 268 units were completed by August 1999.

The most important Y2K project we have undertaken, is the OS/390 Migration---the installation of all production systems in a Y2K Ready Environment. We are proud to inform you that this project was completed on schedule on November 1, 1999, and that all of the OCFO's systems are in a Y2K ready environment. The systems include the:

- Financial Management System (FMS)
- System of Accounting & Reporting (SOAR)
- Unified Payroll Personnel System (UPPS)
- Pensioners Automated Payroll System (PAPS)
- Comprehensive Automated Personnel & Payroll System
- Business Tax Information System (BTIS)
- Individual Income Tax System (IITS)
- Real Property Tax Income System (RPTIS)

The OCFO has also employed a multi-tiered strategy to ensure that the current configuration is Y2K ready. We have obtained:

- Certificates of Readiness from vendors
- Third Party Verifications
- IV&V for end user computing equipment and applications and for non-information technology functions
- Application Code Scans
- Consultant Discussions
- IBM
- OAO
- CAP Gemini
- Y2K October
- Independent Migration Expert, Tom Cosgrove.

While we have migrated to a Y2K ready environment, the OCFO will undergo a Phase 2 migration in January. This additional phase will take the OS/390 to the highest level of software release and will provide the system with the most efficient levels possible for performance and maintenance.

This discussion of the success of the OS/390 migration would not be complete without reviewing the status of the application code scans. All OCFO applications, both mainframe and PC-based, have been scanned for re-mediation errors. Overall, the number of errors detected are below industry standards. While the CAPPs and Soar systems are under

evaluation, no significant issues have been identified so far. Yet, final reports on the scans are due today.

You should also be aware that the OCFO has put in place a number of contingency plans. These plans are necessary for all mission critical functions in order to assure that critical transactions can, and will, be processed, should the need arise. The Phase 1 contingency planning is 100% complete. The OCFO has developed 20 contingency plans that include key business process workarounds.

Phase II contingency planning encompasses implementation and testing for mission critical functions. Phase II was completed on November 5, 1999. The areas included in Phase II are:

- Payroll and Pension Administration
- Procurement and Vendor Payment
- Revenue Administration

While we have completed much in order to be ready Y2K prepared, the OCFO has some additional important Y2K tasks to complete. One such task is the development of a Disaster Recovery Program and in July 1999 we issued a contract for one. The test programs were completed last week, and the maintenance procedures are during the last week of this month.

The OCFO must also complete our “Clean Management” plan. This process is necessary to insure that the applications, tools and data resident on the

OS/390 are not contaminated. This effort requires continuous interaction between SHARE staff and the owners of the SHARE application.

The OCFO has accomplished most of the necessary Y2K milestones. We have met our goals with the resources primarily provided by the U.S. Office of Management and Budget and with the dedicated and technically talented efforts of the OCFO staff and outside consultants. The Council and the public should be assured that we will continue our efforts over the next 46 days to assure that the OCFO is Y2K ready and that our services to employees, vendors, pensioners, and the public will proceed with little if any interruption.

