

Memoranda 98-14 (Comprehensive Plans and Associated Funding Requirements for Achieving Year 2000 Computer Compliance)

August 13, 1998

M-98-14

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Jacob J. Lew
Director
SUBJECT: Comprehensive Plans and Associated Funding Requirements for Achieving Year 2000 Computer Compliance

This Memorandum asks Departments and agencies that are subject to year 2000 (Y2K) quarterly reporting requirements (see list at [Attachment A](#)) to provide OMB with their comprehensive plans and associated funding requirements for achieving Y2K compliance. Departments and agencies that are not subject to Y2K quarterly reporting should submit the requested information if Y2K conversion costs are projected to exceed those assumed in the FY 1999 Budget. The requested plans are due to OMB no later than Tuesday, September 1st.

These plans will augment the August Quarterly Reports on progress in addressing Y2K compliance and will be used by OMB to assess FY 1999 Y2K funding requirements in light of evolving congressional action on the pending FY 1999 appropriations bills. The plans may also be used in the context of responding to congressional reporting requirements that may emerge as the appropriations process moves forward.

The following guidelines should be followed in developing the Y2K plans:

- Total Y2K activities and associated funding requirements reported should be consistent with Department-level cost information submitted in the August Quarterly Report.
- Activities and associated funding requirements reported should reflect a *comprehensive* assessment of Y2K needs, including procurement, personnel, contracts, work in support of the President's Year 2000

Conversion Council, and business continuity and contingency planning.

- All agencies listed at [Attachment A](#) must complete [Attachments B](#) and [C](#). FY 1999 funding requirements (expressed in terms of budget authority) are to be reported by agency/bureau/account. (These Attachments are available electronically from your OMB representative.) The level of detail provided should be consistent with the detail provided in agency congressional budget justification materials. In addition, agencies will submit an object classification schedule following the guidance included in OMB Circular No. A-11, Section 35.1 - 35.5, measured in budget authority. The totals reported on the object class schedule should tie to those reported on Attachments B and C.
- In completing [Attachment C](#), agencies should identify, for each budget account, Y2K compliance funding requirements by type of activity (e.g., renovation, business continuity and contingency planning, implementation).

Information that agencies provide in response to this Memorandum will be evaluated by OMB using the following criteria:

- The funding requirement is directly attributable to Y2K conversion, including computer systems and embedded chips.
- The funding requirement reflects known, not speculative needs.
- Estimated costs of activities to ensure systems compliance are limited to the amounts necessary to develop or implement plans to ensure that systems are made compliant.
- Activities and associated funding requirements reported reflect a comprehensive assessment of Y2K needs, including procurement, personnel, contracts, work in support of the President's Year 2000 Conversion Council, and business continuity and contingency planning.

Hard copy and electronic responses to this Memorandum should be provided to your OMB representative by c.o.b. on Tuesday, September 1, 1998. Questions concerning this memorandum should be addressed to your OMB representative.

Attachments

Attachment A

Department of Agriculture
Department of Commerce
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services
Department of Housing and Urban Development
Department of the Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of the Treasury
Department of Veterans Affairs
Environmental Protection Agency
National Aeronautics and Space Administration
Social Security Administration
Agency for International Development
Central Intelligence Agency
Federal Emergency Management Agency
General Services Administration
National Science Foundation
Nuclear Regulatory Commission
Office of Personnel Management
Small Business Administration
Federal Communications Commission
Federal Housing Finance Board
National Archives and Records Administration
National Labor Relations Board
Office of Administration, Executive Office of the President
Peace Corps
Tennessee Valley Authority
U.S. Postal Service
U.S. Trade Representative, Executive Office of the President

Attachment B

Y2K Plans/Funding Requirements

Agency:

Bureau:

Account: Account Type (choose one):

Discretionary: _____

Mandatory: _____

FY 1999 Request (BA in millions):

(Amount assumed in the FY 1999 Budget)

Projected Total FY 1999 Funding Requirement:

(Department total should tie to August Quarterly Report)

Change (Projected less Request):

Y2K activities assumed to be funded within the FY 1999 Budget request:

[Provide narrative explanation]

Y2K requirements that have arisen since transmittal of the FY 1999 Budget for which additional funding is required:

[Provide narrative explanation]