

OPM 99-71

DATE: November 3, 1999

TO: All State Agency Payroll Managers

FROM: Jim Hazeldine
Deputy Administrator for Programs

RE: Y2K Agency Payroll Contingency Plan

Attached is the Y2K Agency Payroll Contingency Plan for state government. The plan is being distributed to all governmental entities that use the OPM Agency Payroll System and all colleges and universities that submit payroll claims to the Office of State Finance.

As stated in the plan, we are confident that our respective agency computer systems are prepared for the millennium change. We have been operating with new or remediated systems since June, 1999; however, contingency planning is a must to meet any potential Y2K problems.

The plan has been placed on the OPM website at www.state.ok.us/~OPM.

If you have any questions regarding this plan, please contact the appropriate person listed on Appendix B, page 17 of this plan.

cc: Mark Meadors, Office of State Finance
Jerry Scribner, Oklahoma State Treasurer's Office

PAYROLL Y2K CONTINGENCY PLAN

**Office of Personnel Management
Office of State Finance
Office of State Treasurer**

November 9, 1999

TABLE OF CONTENTS

	Page
Introduction	1
Payroll System Flow Chart	2
Pre-January 1, 2000 Contingency Planning	3
Preparing January 1, 2000 Payrolls	4-5
Contingency Plans	6-13
Appendix A (Rejected Contingencies)	14-16
Appendix B (Contingency Planning Staff Contacts)	17

Payroll Y2K Contingency Plan

Office of Personnel Management (OPM)
Office of State Finance (OSF)
Office of the State Treasurer (OST)

OPM, OSF, and OST share the same state agency customers. They also share the same computer hardware to run their respective systems. ONENET is the primary communications vehicle for state agencies to connect to these respective systems. It is, therefore, logical that the Y2K contingency plans for certain of these systems be approached in a collective manner. It is not the intent of this plan to address minor disruptions in service, nor does this plan address any contingency for disruptions due to electricity failures. Any execution of remedial steps in this plan will require the agreement of the Secretary of Human Resources, the Secretary of Finance, and the State Treasurer or their designees.

We are confident that the computer systems producing employee pay checks are prepared for the turn of the century. The OPM State-Wide Agency Payroll System has been completely remediated, tested and is operational. This Y2K compliant system was implemented in June, 1999. Minor problems (none involving employee pay) were identified in only a few of the hundreds of computer programs included in this system, and these have been corrected. The OPM maintained State-Wide Benefits System is a relatively new system (1993) that was made Y2K compliant during development. The state's mainframe systems have been verified as Y2K compliant or non-date sensitive. The OSF and OST programs have been remediated and implemented.

The Payroll Y2K Contingency Plan was prepared through the cooperative efforts of OPM, OSF and OST. Managers and MIS leaders from each respective agency had input into its preparation. The chart on the next page illustrates the data flow that generates a pay warrant or Electronic Funds Transfer (EFT).

Pre-January 1, 2000 Contingency Planning

Prior to January 1, 2000, two contingencies will be implemented in order to provide back-up payrolls in the event of equipment or Y2K programming failures.

Primary Contingency

- A. During the week of December 27, 1999, OPM will copy production data into the test environment and run production payrolls for January, 2000, using the December 1999 data.
1. OPM shuts down payroll system to all user access at close of business, December 27, 1999.
 2. OSF shuts down payroll system on December 28 after cut-off.
 3. OSF sends Year-to-Date data to OPM on December 29.
 4. Since these contingency payrolls will be based on the prior months data, agencies will be required to calculate over/under payments and subsequently adjust payrolls.

Secondary Contingency

- B. OST will preserve December 1999 payroll files from each agency's regular payroll and run payroll from that information. In the event that there is a post January 1, 2000 failure, checks will be processed based on December 1999 payroll information. Each agency will track all changes in January, 2000 while the system is not operational.

January 1, 2000
Preparing Y2K Payrolls

In order to determine the need to implement any Y2K Contingency Planning measures, it will be necessary to run live payrolls on January 1, 2000. Three agencies have agreed to generate payrolls on January 1, 2000. The Department of Mental Health and Substance Abuse Services will generate that agency's biweekly payroll. The Office of Personnel Management and State Treasurer's Office will generate the longevity payroll for their respective employees.

The payrolls will be run under real business conditions. The payroll and data processing staff for these three central agencies will be at work on January 1, 2000 to check the systems and run the payrolls. Payroll support staff for DMH/SAS, OST, and OPM will initiate the payroll preparation process starting at 9:00 a.m. on January 1, 2000. The OSF data center will be staffed on January 1, 2000.

The chart on Page 5 indicates major agency activities to produce those three live payrolls on January 1, 2000.

January 1 Live Payroll Generation

	-OPM-	-OSF-	-OST-
9:00 a.m.	DMH/SAS, OPM, and OST payroll staffs, submit their payroll. The system will be closed for all other users that date.	Internal testing and standard activities performed.	Internal testing and standard activities performed.
11:00 a.m.	DMH/SAS, OPM, and OST payroll staffs finish submissions		
11:30 a.m.	OPM Payroll MIS staff process information received		
1:00 p.m.	OPM submits DMH/SAS, OPM, and OST payrolls to OSF	Posting claims cut-off. Updating, creating and validating.	
1:30 p.m.	OPM on stand-by	Submits payroll file to Treasurer	
2:00 p.m.		OSF on standby	Begins printing checks
3:00 p.m.	Notification of system progress to OPM Administrator	Notification of system progress to OSF Director	Notification of system progress to State Treasurer

Contingency Plans

This section addresses contingency plans to be implemented in the event of programming, systems, and mechanical failures. The plans are the product of careful review by the three agencies of all possible failures and the most effective contingencies to address those failures. Appendix A indicates the contingencies that were considered and rejected. Appendix B indicates key agency personnel responsible for insuring contingencies are implemented if needed.

A. OPM Y2K Payroll System Fails

Primary Contingency: Take production data into test environment and run production payrolls for January, 2000 during the week of December 27, 1999.

Primary Contingency Leaders: Glenda Gesell (OPM)
Carol Sims (OSF)
Garry McCoy (OST)

- Tasks Required:
- (1) Agencies notified of system shut-down first week in December.
 - (2) OPM shuts down access to Payroll System at close of business on December 27.
 - (3) OPM, OSF, OST take production data into test environment and run January 2000 payrolls December 28 and 29.

A. OPM Y2K Payroll System Fails

Secondary Contingency: OST preserves December 1999 payroll files from each agency's regular payroll and runs payroll from that information. Each agency will track all changes in January 2000 while the system is not operational.

Secondary Contingency Leader: Garry McCoy (OST)

- Tasks Required:
- (1) Save print files
 - (2) Copy print files (modified) into normal print files
 - (3) Print checks at 100% of December 1999 net pay
 - (4) Send checks to agencies for distribution
 - (5) Agencies must reconcile differences at a later date

B. ONENET, Statewide Enterprise Network, or SNA Network Down

Primary Contingency: Set up terminals for user agencies at OPM/OSF offices. (Non-Higher Education Agencies.)

Primary Contingency: Process agency data via magnetic media (Higher Education Agencies)

External Certification: See attached report on Y2K status and contingencies for three networks.

Non-Higher Education Agencies

Contingency Leader: Gene Hobbs (OSF)
Jean-Marc Hache' (OPM)
Lisa McKeithan (OSF)

Tasks Required: (1) Set up ten (10) terminals at the OSF data center for agencies having access problems at their site. Terminals will have direct connect to DEC, IBM, and SUN computers.
(Completed)

(2) Fourteen (14) personal computers set up in training room in OSF data processing program development offices. (Completed)

(3) Four (4) terminals set up at OPM offices for direct system access. (Completed)

(4) Agencies to notify contingency leaders if unable to connect to system.

Higher Education Agencies

Contingency Leader: Lisa McKeithan (OSF)

Tasks Required: (1) Higher education agency notifies contingency leader if unable to connect to the system.

(2) Payroll data will be processed via magnetic media.

State Enterprise Network

George Floyd
Office of State Finance
522-3156

Mr. Floyd stated that the State Enterprise Network is not date dependent. There are no Y2K concerns nor contingencies needed. The hardware was recently upgraded and spare parts are available in the event of a hardware failure.

Systems Network Architecture (SNA) and OSF Mainframe

Gene Hobbs
Office of State Finance
521-4777

SNA

Mr. Hobbs stated that if the SNA connection goes down, they will provide 12 terminals at the data center for direct connect. If an agency has problems, they also have 14 PC's set up and programmer terminals to provide agencies access to the system. They have checked out all the hardware/software and everything is in compliance. They are prepared to back the system up with tapes.

OSF Mainframe Failure

If the whole mainframe goes down, everyone would need to go manual. There is no contingency for a mainframe failure.

ONENET Failure

Bill Shafer
Office of State Finance
521-2804
815-1408

Mr. Shafer stated there are several back-ups for ONENET. These include: battery, generator, AT&T connection, cable company connection. They would be able to redirect the traffic through another telephone company. Due to the traffic volume, vast number of users and connections, they react to these situations on a daily basis.

C. Telecommunications and Electrical Failure

Primary Contingency: There are no back-up resources available if there is a power failure for the Capitol Complex. ONENET and Centrex will have back-up generators for their operations.

Contingency Status: There is no viable contingency in the event of electrical failure. For a telecommunications failure, the primary contingencies for failures

A and B will be implemented.

OG&E has informed the Governor's Year 2000 Task Force that they foresee no service interruptions. There currently is no long term power outage/disaster recovery situation for the Capitol Complex.

Contingency Leaders: Jim Hazeldine (OPM)
Jerry Scribner (OST)
Mark Meadors (OSF)

- Tasks Required: (1) Contingency leaders notified by respective DP staffs on January 1, 2000 of telecommunications or electrical failure.
- (2) Contingency leaders notify respective agency heads.

D. OSF Mainframe Down

Primary Contingency: There is no state-wide contingency for mainframe failure due to Y2K reasons. The computer has been tested with production programs with post Y2K dates. OSF has implemented all changes recommended by IBM to make the hardware Y2K compliant. IBM has certified that the mainframe is Y2K compliant.

Contingency Leaders: Jim Hazeldine (OPM)

Jerry Scribner (OST)
Mark Meadors (OSF)

- Tasks Required:
- (1) Contingency leaders notified by respective DP staffs or OSF Data Center on January 1, 2000 of mainframe failure.
 - (2) Contingency leaders notify respective agency heads.

E. OSF Payroll Accounting System Fails

Primary Contingency: OST Preserves December 1999 payroll from each agency's regular payroll and generates warrants from that information. (Each agency will track all changes in January 2000 while system is not operational.)

Contingency Leader: Garry McCoy (OST)

- Tasks Required:
- (1) Save print files
 - (2) Copy print files (modified) into normal print files
 - (3) Print checks at 100% of December 1999 net pay
 - (4) Send checks to agencies for distribution
 - (5) Agencies must reconcile differences at a later date

F. Treasurer's Warrant Processing Fails

Primary Contingency: Preserve December, 1999 payroll files from each agency's regular payroll and run payroll from that information. Each agency will track all changes in January, 2000 while the system is not operational.

Contingency Leader: Garry McCoy (OST)

Task Required: OST converted to a new check printing system in September and will keep the old system in

place as a back-up until the new system has successfully operated in calendar year 2000. The old system has been remediated and declared Y2K compliant by the vendor.

G. User Agency LAN Down

Primary Contingency: Set up terminals for user agencies at OPM/OSF offices. (Non-Higher Education Agencies)

Primary Contingency: Process agency data via magnetic media (Higher Education Agencies)

External Certification: See attached report on Y2K status and contingencies for three networks.

Non-Higher Education Agencies

Contingency Leader: Gene Hobbs (OSF)
Jean-Marc Hache' (OPM)
Lisa McKeithan (OSF)

- Tasks Required:
- (1) Set up ten (10) terminals at the OSF data center for agencies having access problems at their site. Terminals will have direct connect to DEC, IBM, and SUN computers.
 - (2) Fourteen (14) personal computers set up in training room in OSF Data Processing Program Development offices.
 - (3) Four (4) terminals set up at OPM offices for direct system access.
 - (4) Agencies to notify appropriate contingency leader if unable to connect to system.

Higher Education Agencies

Contingency Leader: Lisa McKeithan (OSF)

- Task Required:
- (1) Higher Education agency notifies contingency leader if unable to connect to the system.
 - (2) Payroll data will be processed via magnetic media.

H. Colleges Internal Payroll System Fails

Primary Contingency: OST preserves December 1999 payroll files from each agency's regular payroll and runs payroll from that information. Each agency will track all changes in January 2000 while the system is not operational.

Higher Education Agencies

Contingency Leader: Garry McCoy (OST)

Contingency Team Members:

- Tasks Required:
- (1) Save print files
 - (2) Copy print files (modified) into normal print files
 - (3) Print checks at 100% of December 1999 net pay
 - (4) Send checks to agencies for distribution
 - (5) Agencies must reconcile differences at a later date

I. Bank Cannot Take Electronic Funds Transfer (EFT)

Primary Contingency: OST will convert EFT items to paper checks.

Contingency Leader: Garry McCoy (OST)

- Tasks Required:
- (1) For input files from OSF and agencies that require OST to print the paper warrants, develop routines that will change EFT records to "print" records; run through normal check printing processes.
 - (2) For input files from OSF and agencies for whom OST does not print paper warrants, develop routines that will change EFT records to non-EFT records; run through normal processes. Notify the affected state

warrants

agency(s) that they will need to print
for the EFT items.

Appendix A

Contingencies Considered and Rejected

The following contingencies were considered and rejected by the Committee:

A. OPM Y2K Payroll System Fails

1. Manually prepare checks

Rationale: Volume of work involved, bookkeeping problems; better contingencies available.

2. Print January payroll checks in December

Rationale: Programming changes cannot be made. YTD problems will be created, not cost effective, security issues, resources not available, better contingencies are available.

B. ONENET, Statewide Enterprise Network, or SNA Network Down

1. Manually prepare checks

Rationale: Volume of work involved, bookkeeping problems; better contingencies available.

2. Redirect agencies to use dial-up access.

Rationale: Dumb terminals will be direct connect. No need for dial-up access.

C. Telecommunications and Electrical Failure

1. Print January payroll checks in December

Rationale: Programming changes cannot be made. YTD problems will be created, not cost effective, security issues, resources not available, better contingencies are available.

2. Run on another system or off-site processing

Rationale: Extremely expensive; cannot be done with existing resources.

D. OSF Mainframe Down

1. Run biweekly payrolls in December

Rationale: Better contingencies available.

2. Print certain January checks in December

Rationale: This cannot be done without massive programming changes. Resources are not available.

3. Manually process payrolls using state work force

Rationale: Volume of work involved, bookkeeping problems; better contingencies available.

E. OSF Payroll Accounting System Fails

1. Print January payroll checks in December

Rationale: This cannot be done without massive programming changes. Resources are not available.

2. Off-site warrant print programs and signature available

Rationale: Extremely expensive; not enough time for volume of work.

F. Treasurer's Office Systems Fail (Warrant Processing and Printing)

1. Print January payroll checks in December

Rationale: Programming changes cannot be made. YTD problems will be created, not cost effective, security issues, resources not available, better contingencies are available.

G. Agency LAN Down

1. Redirect agencies to use dial-up access

Rationale: Use of dumb terminals will negate this contingency.

H. Colleges and Agencies Cannot Send/Receive Data

1. Authorize HE to print net pay checks

Rationale: Security issues and better contingencies available.

2. Print January payroll checks in December

Rationale: Security issues and better contingencies available.

Appendix B

Contingency Planning Staff Contacts

- OPM: Main Number - 521-2177
Plan Implementation: Jim Hazeldine - 521-6303
Data Processing: Glenda Gessell - 521-6316
Payroll Support: Carol Barton - 521-6290
- OSF: Main Number - 521-2141
Plan Implementation: Mark Meadors - 522-6162
Data Processing: Lisa McKeithan - 521-3772
Payroll Support: Carol Sims - 521-6160
- OST: Main Number - 521-3191
Plan Implementation: Jerry Scribner - 522-4250
Data Processing: Garry McCoy - 522-4244