The National Finance Center and Hurricane Katrina

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Scope of Operations at the NFC in New Orleans

- **National Finance Center (NFC)**
  - Government-wide payroll/personnel for 600,000 employees
  - Government-wide Human Resource services
  - Government-wide Health Benefits Programs for 2M enrollees
  - Disbursements and Collections
  - Data Center Services
  - At time of Katrina, over 1,140 employees

- **CFO Controller Operations Division**
  - Financial services to USDA agencies (2.5 million payments annually), accounting reconciliations, and USDA financial reporting
  - At time of Katrina, almost 300 employees

- **CFO Financial Systems Division**
  - USDA corporate consolidated financial & administrative systems
  - At time of Katrina, almost 70 employees
Business Continuity Approach – Prepare!

- **Planning**
  - Business Impact Analysis
  - Disaster Recovery Plan
  - Business Continuity Plan

- **Practice (Drills)**
  - NFC
  - USDA
  - Government-wide
  - Historical “near misses”
Hurricane Katrina

- **Friday, Aug 26**
  - Activated DR structure
  - Put advance teams on alert
- **Saturday, Aug 27**
  - Deployed advanced teams
  - Shipped tapes
  - Completed payroll
- **Sunday, Aug 28**
  - Shutdown data center and facility
  - Disaster declaration
- **Monday, Aug 29**
  - Began COOP operations
COOP Concept of Operations

- Subscription service (data center, workstations, bulk print and mail)
  - Philadelphia: data center and 101 data center staff seats
  - Grand Prairie: 150 business operations seats
- Plans all geared to loss of New Orleans facilities
Realities of Katrina

- Implications larger than anyone imagined
  - Long-term situation
- Immediate focus:
  - Service delivery to customers
  - Accountability and caring for employees
  - Fiscal accountability
- Challenge: balance service delivery and personal needs of employees
Management Oversight Priorities

- Incorporate local efforts into Departmental and Government-wide efforts
- Keep long-term, big picture in focus
- Find ways to add value while allowing those on the line to keep things moving:
  - Policies
  - Resources
  - Contracting
  - Financial
  - Liaison
  - Monitoring and Reporting
Locating and Deploying Staff

- Local telecommunications infrastructure mostly inoperable
- Pre-planned, out-of-town contact numbers functioning
- No single data base for locating people in shelters
- Travel impacted by roads and gas shortages
- Family issues had to be addressed
Expanding Capabilities to Meet Long-Term Deployment

- **Duration of COOP means more seats needed**
  - Trailers acquired in Atlanta
  - USDA sites used in D.C., Kansas City, Rosslyn, and Alexandria
  - Customer sites in Birmingham and Fairfax leveraged

- **Secure connectivity and postal mail were two key infrastructure challenges to achieve**
First Job, First

- Critical data center resources recovered
- Essential services restored
- Payroll made timely while migrating 60,000 new payees (565,000 total)
- Financial systems returned online
Settling In for the Long Haul

- Subscription service required sharing of resources after 6-week recovery period
- Essential services required dedicated resources
- Impact of Katrina implied 6 months not 6 weeks
- Customer dedicated connectivity key issue
- Decision made to build out in “cold site”
Focus on Service Delivery

- Resuming all services requires that all resources (human, technical, and other) be available
- Service delivery focus is for Agency customers, payees, vendors, and employees
- Give employees the challenge and the tools and stay out of their way
New Orleans Critical to a Timely Return to Full Service

- Returning to full service required a full staff
- Deployed status had limited seat availability, some security concerns, was costly, and came at a personal sacrifice to many
- The New Orleans facility had the infrastructure to address business needs and support the additional population
Reconstitution in New Orleans

- Housing, family issues, telecommunications, postal services, and local infrastructure had to be addressed
  - Security
  - Logistics
  - Habitation necessities
  - Health care
- Family & friends, FEMA trailers, and cruise ships addressed most housing needs
It’s Nice to Have Friends

- USDA Secretary Johanns and entire USDA family strongly supported COOP needs and the employees
- Tremendous outreach by Federal colleagues, local Government, local organizations, and people in deployed locations
  - Food, clothing, education opportunities, friendship, and other assistance
It’s Nice to Be Prepared

- Managers and involved staff built the plan
- Same managers and staff practiced the plan
- Live and desktop drills under varying scenarios honed the mental and technical readiness
- We know our customers rely on our mission delivery in order to sustain theirs
Lessons Learned - Governmentwide

- Consolidated information source needed to support decision-making
- Central clearinghouse for needs and resources
- Designation of essential services and associated rights is needed
- Handbook to guide Federal Agencies through extraordinary authorities
- Single coordination point for Federal efforts and issues
Lessons Learned - NFC

- Communications are always the challenge
  - Planned communications channels are a real aid

- Well-drilled plan allowed for the basics to be accomplished with little intervention
  - Allowed management to focus on exceptions and surprises
Lessons Learned - NFC

- Subscription service not an right model for essential service provider
- Administrative support a key aspect of support for long-term deployed staff
- For long-term deployment, coordination of outreach efforts targeting employees becomes an essential task
Lessons Learned - NFC

- Some organizations benefit from close proximity with one another
- Must revalidate plan assumptions, plan contents, and business requirements annually
- Cannot assume infrastructure items will be there for you
Working to Mitigate Future Risks

- Data Center equipment remain at subscription service location until new primary facility is selected
- New AWS alternatives being explored
- All business operations have been reassessed based on experiences
- Lessons learned have been incorporated into revised DR and COOP plans
People, Planning, & Practice

- People who understand & believe in DR and COOP make it happen
- Plans have to account for your threats, the business requirements for COOP, and the people side of things
- Practice is the best teacher
  - Practice on a regular schedule (top priority) and against changing scenarios. Capture the valuable lessons from each exercise
The Post-Katrina World

- Circumstances of living in a post-K world are a challenge for employees and agency
- Housing scarce and expensive
- Medical services limited
- Slow pace of recovery a daily reality
- Communities have changed
Realities in a Post-K World

- Employee population shift must be understood and appreciated

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The Post-Katrina World

- Significant loss of institutional knowledge is not easily replaced
- Backlogs associated with non-essential services creates a long-term issue
- Recruitment into the area proving difficult
- Recruiting within the area is spotty
- Being one of the few survivors in the “East” is a hardship on employees
Epilog

- Facing the most devastating natural disaster to impact the United States, the employees of NFC set aside their personal concerns and focused on delivering for their customers.

- Given such an event, the best came out of people, far and wide, and we are all better because of it.
Questions???

Please ask questions important to you.