



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**

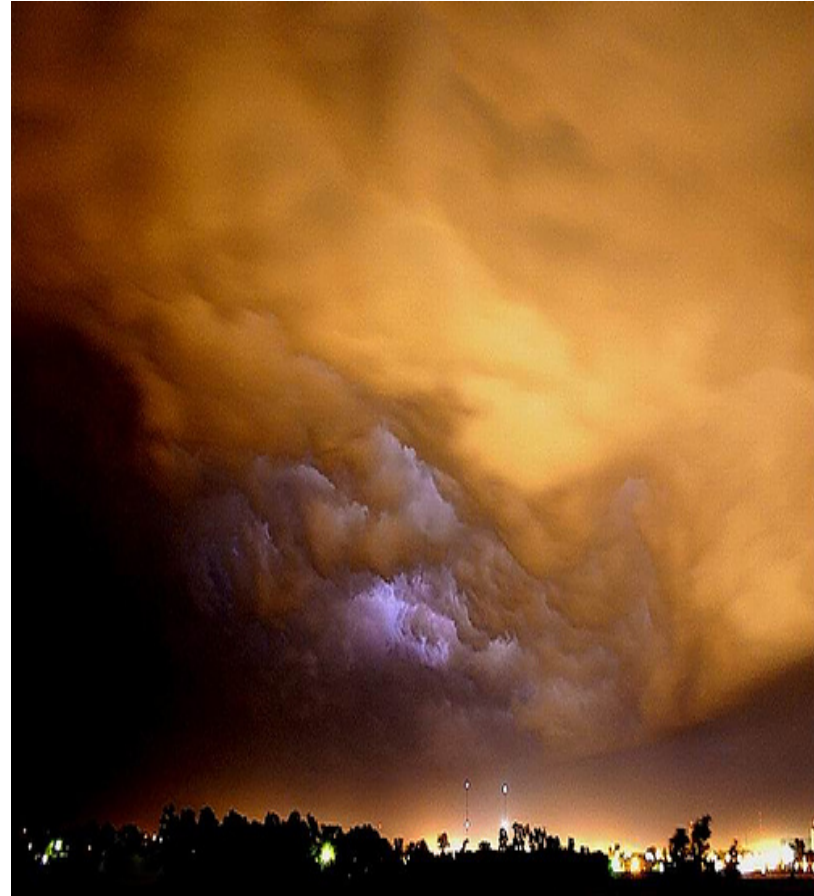
- **Business Impact Analysis**
- **Disaster Recovery Plan**
- **Business Continuity Plan**

- **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**

Parish	Before K	After K
Orleans	639	303
St. Bernard	291	51
St. Tammany	301	514
Jefferson	202	242
Other LA	33	87
Mississippi	<u>52</u>	<u>57</u>
	1,518	1,254

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.