

FACT SHEET

Report on the Year 2000 Computer Problem in Local Governments and School Districts

On January 1, 2000, many computer systems will malfunction or produce incorrect information because computers have typically represented years with only two digits ("97" to represent 1997). As a result, unless made compliant, these computers may interpret the year 2000 as 1900.

This study assesses the status of Commonwealth local governments and school districts in addressing the Year 2000 problem. Much of the information in this report is based on responses to a questionnaire we sent to 3,822 counties, townships, cities, boroughs, local authorities, intermediate units, and school districts in June 1998, of which 2,078 (54%) were returned. The study also provides updated information on Year 2000 (Y2K) efforts in state agencies.

Findings:

- A. Only 58% of Survey Respondents Have Attempted to Identify if They Have a Y2K Problem.** We asked local governments and school districts if they had attempted to determine whether any of their computer systems or microchip devices might have a Year 2000 problem, and only 58% responded that they had made such an attempt. Most of the "inactive" entities were boroughs and second-class townships, 54% of which reported that they do not own or operate even a desktop (PC) computer. However, several large entities, including at least 5 counties, 4 first class townships, and 13 school districts, also reported that they had not yet attempted to identify if they had a potential Y2K problem.
- B. Awareness of Potential Problems With Microchip-Controlled Devices Is Scant.** Local governments and school districts appear largely unaware of the potential Y2K problem with "intelligent" devices that use date-sensitive microchips. Such devices can be found in traffic control systems, HVAC systems, phone systems, fuel keycard systems, generators, water treatment plants, and security systems. Despite the pervasiveness of microchip-controlled devices, only 24 percent of survey respondents reported that they own or operate such a device. Several respondents reported that they had not even considered this a potential issue until receiving the questionnaire.
- C. Most Responding Entities Believe Their Computers Will Be Ready, But Many Are Unaware of the Status of Their Service Vendors.** Sixty-nine percent of the 434 organizations that own or operate a mainframe or midrange computer anticipate their systems will be fully Y2K compliant by the end of 1999. Of the remainder, 22% did not respond to the question, 5% responded "don't know;" and 3% anticipate they will not be fully Y2K compliant. Thirty-two percent of respondents reported that they contract with service vendors to provide critical computer-related services, but less than half (45%) of these respondents reported that they have received verbal or written assurances that their vendors' systems will be Y2K compliant by the end of 1999. Estimated Y2K costs varied widely, ranging from \$50 (a second-class township) to \$35 million (a school district).
- D. State Government Provides Some Assistance to Local Governments and School Districts Seeking to Identify and Resolve Their Y2K Problem.** PA, like most state governments, has not provided significant dedicated funding to help local governmental entities identify and resolve their Year 2000 problems. Instead, the Commonwealth has focuses on informational campaigns and training to increase awareness of the problem, including 24 workshops and seminars for local governments and businesses scheduled across the state in September 1998. The PA Department of Education has also undertaken several awareness efforts and has made \$2.4 million available specifically for the purpose of helping school districts address the Year 2000 problem.
- E. Almost All Pennsylvania State Agencies Under the Governor's Jurisdiction Are Ahead of Schedule in Resolving Their Year 2000 Problems.** Of the 46,004 computer programs identified by state agencies as affected by the Year 2000 problem, 36,392 (79%) have been corrected, tested, and implemented. An additional 7,160 (16%) have been corrected or both corrected and tested, but not yet implemented. The Department of Community and Economic Development is the only agency far enough behind schedule that they have been directed to develop a Year 2000 contingency plan.