

FY2015 IT Plan Highlights
333 OSC – ONGARD Service Center

Executive Summary:

1. The ONGARD Service Center (OSC) is a Taxation and Revenue Department (TRD) division that was formed through a Joint Powers Agreement by TRD, the State Land Office (SLO) and the Energy, Minerals and Natural Resources Department (EMNRD) in September 1990. Collectively, the agencies are referenced as the Tri-Agencies. The Tri-Agencies share a vision to move the current ONGARD system to a modern architecture to minimize the risk of interrupting the \$1.72 billion revenue stream.
2. The OSC and associated system supports the collection of approximately 30% of the annual revenue (i.e. FY12 actual \$1.72 billion) for the State of New Mexico.
3. In FY2013 the price of oil and gas resources moderated downward as compared to the prior record; setting fiscal year and combined (tax and royalty) amounts at a 10% decline of \$1.56 billion. ONGARD revenues for recent prior fiscal years were: FY2012 \$1.72 billion; FY2011 \$1.37 billion; FY2010 \$1.27 billion; FY2009 \$1.68 billion and FY2008 \$1.8 billion.
4. This share of state revenue and the continued aging of the 20+ year old computer system provided a strong impetus to move forward with the ONGARD Modernization Project; now that the economic outlook has improved. In the 2012 Legislative session, an appropriation of \$6 million was granted to begin that work.
5. The funding allowed the ONGARD team to complete efforts to modernize and stabilize the ONGARD application With the DoIT mainframe platform upgrade in June 2013.
6. Accomplishments for the ONGARD Modernization project include the development of test and use cases (for the top 40 business processes); implementation of a robust mainframe testing environment that includes test, development, staging and production areas; implementation of a code analysis tool to facilitate rapid development; four successful mainframe regression test cycles for ONGARD; and the successful migration of all ONGARD code to the upgraded DoIT zOS 1.11 mainframe platform.
7. The project certification for the Initiation Phase was received for a few ONGARD Modernization projects including: API Number Expansion; Lateral (horizontal) Drilling specs and design; ONGARD Business Process Analysis (main focus on “to-be” model); development of an ONGARD Release Process; and improvement of print services.

Agency Vision:

Continue to stabilize and modernize the ONGARD application and associated Tri-Agency business processes to allow continued collection of revenues associated with the oil & gas revenue stream to New Mexico.

Agency Description:

1. The ONGARD Service Center is the organization responsible for maintaining and enhancing the ONGARD application in service to the three New Mexico state agencies: State Land Office, the Taxation and Revenue Department, and the Energy Minerals and Natural Resources Department. The OSC is staffed by 13 full-time positions which are housed in the State Land Office Building. At the present time, OSC has eleven full-time employees and two vacancies.
2. The creation of the OSC was based upon an operational model for centralized database and software application support, with decentralized operations management within the Tri-Agencies.
3. In order to meet OSC’s mission to provide efficient service to the three ONGARD user agencies, the OSC has the following responsibilities:
 - Maintain the integrity, security and efficient access to the ONGARD databases;
 - Maintain and enhance ONGARD applications in response to requests submitted by the Tri-Agencies;
 - Recommend, design, and develop improvements to the ONGARD system and to the infrastructure that supports the system;
 - Plan and manage new DoIT certified projects related to ONGARD as funded by the legislature.
4. The ONGARD system supports the TRD’s ability to administer the tax programs identified as: Severance Tax; Conservation Tax; Emergency School Tax; Ad Valorem Production Tax; Natural Gas Processor Tax, Advance Payment Tax and Ad Valorem Equipment Production Tax.
5. By statute, taxes from approximately 1,300 oil and gas operators are submitted, with an average of 610 returns monthly with the majority of the tax information being filed through electronic means.

Major IT Accomplishments of FY2013:

- Migrated ONGARD to new DoIT mainframe platform without system disruption.
- Developed test and use cases for top 40 ONGARD business processes for ongoing validation testing.
- Ran full regression test using test and use cases; execute test cycle three times; and transfer knowledge to ONGARD staff.
- Completed setup of ONGARD mainframe production testing environment.
- Reduced system conditions and logic that forces data corrections.
- Eliminated REXX code in ONGARD.

- Completed mainframe JCL standardization.
- Reduce unused ONGARD code in system libraries.
- Implemented code understanding tool to assist in system development.
- Cleaned up database maintenance routines and upgraded regular Database Administrative processes.
- Upgraded ONGARD to Enterprise COBOL and recompiled all programs.
- Supported State Land Office LIMS system RFP development; RFP was issued on August 16, 2013.
- Eliminated physical servers and virtualized all servers except those required for tape backup.
- Completed ONGARD Server Disaster Recovery Plan.
- Upgraded Microsoft SQL servers to Microsoft SQL 2008 R2.
- Completed FY2013 Security Assessment.

Infrastructure Services – Plans to Convert:

DoIT mainframe Xerox (Solimar/Elixer) print services that are utilized for printing notices and other customer forms

IT Strategic Goals:

Goal 1: Modernize the ONGARD system and as necessary replace the existing system with functionality required for the next 5-10 years. Complete work on system stabilization to ensure that operational issues are minimized during the timeframe required for an upgrade of ONGARD

Projects:

- ONGARD Modernization
- ONGARD Print Services upgrade
- ONGARD Business Process Analysis

Goal 2: Justify and obtain adequate funding for the maintenance of the ONGARD system and upgrade the annual operating budget to facilitate ongoing maintenance of the system without having to obtain an appropriation every five to ten years to compensate for inadequate annual operating budget on an ongoing basis.

Joint Funding Opportunities:

Economic modeling database for revenue forecasting - TRD/DFA/LFC Economist forecasting & revenue modeling team

Staffing Gaps and Recruitment:

- Database Administration - Mainframe DB2, SQL Server
- Business Analysts
- ONGARD System Trainer
- ONGARD Tester