

FY23 Budget Performance Review

Commissioners of the Land Office

Lead Administrator: Secretary Elliot Chambers

Lead Financial Officer: Karen Johnson, CPA

Agency Mission

Managing Assets to Support Education

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

Division or Program Number and Name

Program 1 - Agency Operations Administration - Division 1000001. Executive branch of the agency responsible for the administration, management, internal audit. And records management function of the Land Office.

Program 1 - Agency Operations Real Estate Management - Divisions 1000002, 1200001, and 2000001. Responsible for the management of surface leases, land sales, and land management of the Land Office. Fund 2000001 is used with the agency's Revolving Fund (200) to fund Soil Conservation projects to maintain and improve agency surface (land) assets.

Program 1 - Agency Operations Financial Services - Division 1000003. Responsible for all accounting, financial reporting, purchasing, budgeting, and investing functions of the Land Office.

Program 1 - Agency Operations Minerals Management - Division 1000004. Responsible for the subsurface assets for the School Land Trust and maximizes return on mineral assets. Division 1400001 is used with the agency's Revolving Fund (200) to fund well site clean up, plug abandoned wells, etc. to restore and improve Trust lands assets.

Program 1 - Agency Operations Legal Administration - Division 1000009. Responsible for advising and counseling Commissioners, Secretary, and agency personnel on legal matters. Division 1900001 used in the Agency's Revolving Fund (200) when legal fees are awarded or paid with a legal settlement. These fees are deposited as revenues to pay current legal fees or fund future legal matters.

Program 1 - Agency Operations Commercial Real Estate - Division 1000022. Responsible for management of the agency's commercial real estate investment properties including acquisition, sale, and property management. Fund 2200001 is used with the agency's Revolving Fund (200) for expenditures related to overseeing Commercial Real Estate (CRE) Investment acquisitions and fund property management and maintenance items related to CRE investments.

Program 1 - Agency Operations Information Technology - Division 8800001. Responsible for agency computer support, IT security, and IT services.

FY'22 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
1000001	Administration	\$1,355,778		\$200,000			\$1,555,778
1000002	Real Estate Management	\$1,633,674					\$1,633,674
1000003	Financial Services	\$1,417,048					\$1,417,048
1000004	Minerals Management	\$1,491,766					\$1,491,766
1000009	Legal	\$990,374					\$990,374
1000022	Commercial Real Estate	\$339,118					\$339,118
8800001	Information Technology	\$1,151,518		\$200,000			\$1,351,518
2000001	Soil Conservation			\$400,000			\$400,000
2200001	Commercial Real Estate - Maintenance			\$300,000			\$300,000
1900001	Legal Settlements			\$200,000			\$200,000
1100001	Commercial Real Estate Projects			\$350,000			\$350,000
1200001	Real Estate - Special Projects			\$350,000			\$350,000
1400001	Minerals Special Projects			\$200,000			\$200,000
2200001	Special One Time Legislated Funding for CRE Project					\$6,000,000	\$6,000,000
Total		\$8,379,276	\$0	\$2,200,000	\$0	\$6,000,000	\$16,579,276

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable for each department:

FY'21 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
511	Carryover FY11 Appropriated Budget	\$200,000					\$200,000

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable:

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What changes did the agency make between FY'21 and FY'22?

1.) Are there any services no longer provided because of budget cuts?

All agency services are still provided.

2.) What services are provided at a higher cost to the user?

No additional cost to users. Fees will be reviewed in the upcoming year to ensure costs to perform services are covered.

3.) What services are still provided but with a slower response rate?

All services are being provided at the same rate for the same service fee.

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?

Any pay raises by the agency not legislatively required were due to promotion, additional assignment of duties or new hires coming off of probationary period.

FY'23 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
1000001	Administration	\$1,355,778	\$0	\$200,000	\$0	\$1,555,778	0.00%
1000002	Real Estate Management	\$1,633,674	\$0	\$0	\$0	\$1,633,674	0.00%
1000003	Financial Services	\$1,417,048	\$0	\$0	\$0	\$1,417,048	0.00%
1000004	Minerals Management	\$1,491,766	\$0	\$0	\$0	\$1,491,766	0.00%
1000009	Legal	\$990,374	\$0	\$0	\$0	\$990,374	0.00%
1000022	Commercial Real Estate	\$339,118	\$0	\$0	\$0	\$339,118	0.00%
8800001	Information Technology	\$1,151,518	\$0	\$200,000	\$0	\$1,351,518	0.00%
2000001	Soil Conservation	\$0	\$0	\$400,000	\$0	\$400,000	0.00%
2200001	Commercial Real Estate - Maintenance	\$0	\$0	\$300,000	\$0	\$300,000	0.00%
1900001	Legal Settlements	\$0	\$0	\$200,000	\$0	\$200,000	0.00%
1100001	Commercial Real Estate Projects	\$0	\$0	\$350,000	\$0	\$350,000	0.00%
1200001	Real Estate - Special Projects	\$0	\$0	\$350,000	\$0	\$350,000	0.00%
1400001	Minerals Special Projects	\$0	\$0	\$200,000	\$0	\$200,000	0.00%
		\$0	\$0	\$0	\$0	\$0	-100.00%
Total		\$8,379,276	\$0	\$2,200,000	\$0	\$10,579,276	-36.19%

1. Please describe source(s) and % of total of "Other" funding for each department:

FY'23 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	0
Request 1:	No additional requests for FY -2023	
Request 2:		
Request 3:		
Request 4:		
Request 5:		
Top Five Request Subtotal:		\$0
Total Increase above FY-21 Budget (including all requests)		\$ -
Difference between Top Five requests and total requests:		\$0

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?

Not Applicable as the agency has no federal employees.

How would the agency be affected by receiving the same appropriation for FY '23 as was received in FY '22? (Flat/ 0% change)

No Change.

How would the agency handle a 2% appropriation reduction in FY '23?

The agency would delay planned infrastructure IT purchases, look for cost savings and efficiency opportunities, and may not fill personnel vacancies.

Is the agency seeking any fee increases for FY '23?

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1 Currently under review. Agency can increase fees through the rule-making process and approval of the Commissioners.	None	No

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

Description of request in order of priority	Appropriated Amount (\$)	Submitted to LRCPC? (Yes/No)
Priority 1 Any capital or technology would be funded by unappropriated sources	n/a	no

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Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 22 budgeted	FY 21	FY 20	FY 19	FY 18
	No Federal Funds						

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?

N/A

2.) Are any of those funds inadequate to pay for the federal mandate?

N/A

3.) What would the consequences be of ending all of the federal funded programs for your agency?

N/A

4.) How will your agency be affected by federal budget cuts in the coming fiscal year?

N/A

5.) Has the agency requested any additional federal earmarks or increases?

N/A

FY'22 Budgeted FTE

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
1000001	Administration	2	3	7	0	9	1
1000002	Real Estate Management	5	11	4	0	13	2
1000003	Financial Services	3	4	7	0	9	2
1000004	Minerals Management	5	6	6	0	10	2
1000009	Legal	1	0	5.5	0.5	2	3
1000022	Commercial Real Estate	3	0	3	0	2	1
8800001	Information Technology	2	2	3	0	3	2
Total		21	26	35.5	0.5	48	13

FTE History

Division #	Division Name	2022 Budgeted	2021	2020	2018	2013
1000001	Administration	10.0	7.0	9.0	6.0	6.0
1000002	Real Estate Management	15.0	14.0	18.0	18.0	18.0
1000003	Financial Services	11.0	10.5	11.0	11.0	10.0
1000004	Minerals Management	12.0	8.0	8.0	8.0	8.0
1000005	Royalty Compliance	0.0	7.0	7.0	8.0	7.0
1000006	Records Management	0.0	3.0	4.0	4.0	0.0
1000009	Legal	5.5	5.0	5.0	5.0	4.0
1000022	Commercial Real Estate	3.0	3.0	0.0	0.0	0.0
8800001	Information Technology	5.0	5.0	5.0	5.0	4.0
Total		61.5	62.5	67.0	65.0	57.0

Performance Measure Review

Program Name	FY 21	FY 20	FY 19	FY 18	FY 17
Agency Operations - Measure 1 <i>Beneficiary Distributions</i>	\$ 116,099,836	\$ 126,969,109	\$ 131,852,046	\$ 137,642,491	\$ 137,473,478
Agency Operations - Measure 2 <i>Permanent Trust Investments - portfolio</i>	\$2.7 Billion	\$2.27 Billion	\$2.35 Billion	\$2.26 Billion	\$2.26 Billion
Agency Operations - Measure 3 <i>Preservation of Land Assets - Soil Conversation Capital Projects</i>	71 Projects \$442,623	26 Projects \$192,891	27 Projects \$145,361	29 Projects \$176,734	35 Projects \$183,504
Agency Operations - Measure 4 <i>Commercial Real Estate Investments</i>	\$ 144,301,500	\$ 99,751,000	\$ 79,111,604	\$ 66,109,779	\$ 52,170,560
Agency Operations - Measure 5 <i>Oil and Gas Royalty Revenue</i>	35,114,729	\$ 30,452,570	\$ 61,448,005	\$ 62,698,947	\$ 66,792,689

Revolving Funds (200 Series Funds)

Please provide fund number, fund name, description, and revenue source	FY'19-21 Avg. Revenues	FY'19-21 Avg. Expenditures	June '21 Balance
Fund number: Fund name			
200 Agency Revolving Fund , Title 64 Section 1011	\$591,500	\$484,062	\$2,175,217
210 CLO Multi-Year Education Distribution, Stabilization Fund (Five Year Rolling Average), Title 64 Section 1069	\$5,942,261	\$5,942,261	\$131,618