

**FY 2025 Budget Performance Review
410 - Commissioners of the Land Office**

Version Original
Lead Administrator: Secretary Dan Whitmarsh

Date submitted 10/2/2023
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 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. 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 - Divisions 1000004 and 1400001 Responsible for the subsurface assets for the School Land Trust and maximizes return on mineral assets.

Program 1 - Agency Operations Royalty Compliance - Divisions 1000005. Responsible for reviewing royalty payment and lessee production for accuracy and compliance.

Program 1 - Agency Operations Legal Administration - Divisions 1000009, 1900001. 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 - Divisions 1000022, 2200001. Responsible for management of the agency's commercial real estate investment properties including acquisition, sale, and property management.

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

FY'24 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
1000001	Administration	\$1,330,017		\$250,000			\$1,580,017
1000002	Real Estate Management	\$1,492,558					\$1,492,558
1000003	Financial Services	\$1,235,512					\$1,235,512
1000004	Minerals Management	\$561,969					\$561,969
1000005	Royalty Compliance	\$424,201					\$424,201
1000009	Legal	\$734,480					\$734,480
1000022	Commercial Real Estate	\$340,749					\$340,749
8800001	Information Technology	\$583,935		\$605,000			\$1,188,935
1100001	Commercial Real Estate Projects			\$100,000			\$100,000
1200001	Real Estate - Special Projects			\$250,000			\$250,000
1400001	Minerals Special Projects			\$175,000			\$175,000
1900001	Legal Settlements			\$900,000			\$900,000
2000001	Soil Conservation			\$400,000			\$400,000
2200001	Commercial Real Estate - Maintenance			\$250,000			\$250,000
							\$0
							\$0
Total		\$6,703,421	\$0	\$2,930,000	\$0	\$0	\$9,633,421

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:

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FY'23 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
51311	Carryover FY23 Appropriated Budget	\$232,000					\$232,000 \$0 \$0
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:							

What changes did the agency make between FY'23 and FY'24?

- 1.) Are there any services no longer provided because of budget cuts?**
All basic agency services are being provided by the agency despite the 20% budget reduction; however, the budget cuts have 1) reduced the distributable income by approximately \$350k. CLO rent has been reduced to cover expenditures only 2) five crucial FTE vacancies were not filled hampering agency staff's ability to respond to internal and external requests timely or completely, work on special projects, evaluate processes and potential revenue streams, and ensure proper internal controls.
- 2.) What services are provided at a higher cost to the user?**
Actual Costs do not affect agency users, however, operational efficiencies, customer service, and ability to provide timely and accurate reporting are affected by limits on personnel.
- 3.) What services are still provided but with a slower response rate?**
Reporting and customer service, both internally and externally, are often delayed due to limitations on staff.
- 4.) Did the agency provide any pay raises that were not legislatively/statutorily required?**
The agency did provide limited, targeted, pay raises for specific personnel related to promotions or additional duties. A 3% across the board increase was given in February 2022 to provide inflationary relief to staff. All increases were deemed necessary for personnel retention.

FY'25 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
1000001	Administration	\$1,625,554	\$0	\$250,000	\$0	\$1,875,554	18.70%
1000002	Real Estate Management	\$1,541,876	\$0	\$0	\$0	\$1,541,876	3.30%
1000003	Financial Services	\$1,277,533	\$0	\$0	\$0	\$1,277,533	3.40%
1000004	Minerals Management	\$580,737	\$0	\$0	\$0	\$580,737	3.34%
1000005	Royalty Compliance	\$473,658	\$0	\$0	\$0	\$473,658	11.66%
1000009	Legal	\$789,259	\$0	\$0	\$0	\$789,259	7.46%
1000022	Commercial Real Estate	\$352,876	\$0	\$0	\$0	\$352,876	3.56%
8800001	Information Technology	\$802,115	\$0	\$605,000	\$0	\$1,407,115	18.35%
1100001	Commercial Real Estate Projects	\$0	\$0	\$100,000	\$0	\$100,000	0.00%
1200001	Real Estate - Special Projects	\$0	\$0	\$250,000	\$0	\$250,000	0.00%
1400001	Minerals Special Projects	\$0	\$0	\$175,000	\$0	\$175,000	0.00%
1900001	Legal Settlements	\$0	\$0	\$900,000	\$0	\$900,000	0.00%
2000001	Soil Conservation	\$0	\$0	\$400,000	\$0	\$400,000	0.00%
2200001	Commercial Real Estate - Maintenance	\$0	\$0	\$250,000	\$0	\$250,000	0.00%
Total		\$7,443,608	\$0	\$2,930,000	\$0	\$10,373,608	7.68%

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

FY'25 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Chief Internal Auditor position request (FTE)	\$127,500
Request 2:	Re-Appropriate Expired Budgeted Cash from FY19 and FY21 to modernize agency	\$612,687
Request 3:		
Request 4:		
Request 5:		
Top Five Request Subtotal:		\$740,187
Total Increase above FY-24 Budget (including all requests)		\$ 740,187
Difference between Top Five requests and total requests:		\$0

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

No

How would the agency be affected by receiving the same appropriation for FY '25 as was received in FY '24? (Flat/ 0% change)

Because the agency has remained at the 20% budget cut from FY 2023, should the Supplemental and operating requests not be funded, the agency will struggle to provide basic services. Efficient and quality levels of customer service will not be met. The agency will continue to experience high turnover because personnel are overextended and not being properly compensated.

How would the agency handle a 2% appropriation reduction in FY '25?

Any additional reduction would further limit the current agency staff to be able to provide timely and complete agency services, prolong agency modernization project, and affect efficient operations of the agency.

Is the agency seeking any fee increases for FY '25?

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1 No fee increases requested	\$0	N/A
Increase 2		
Increase 3		

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 Technology - Digitization of agency documents (i.e., surface leases, o&g leases, human resources)		No
Priority 2 Technology - Upgrade, modernization, and training of GIS system and agency software tools and database applications		No
Priority 3		

Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 24 budgeted	FY 23	FY 22	FY 21	FY 20
	No Federal Funding						

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?	None
2.) Are any of those funds inadequate to pay for the federal mandate?	None
3.) What would the consequences be of ending all of the federal funded programs for your agency?	None
4.) How will your agency be affected by federal budget cuts in the coming fiscal year?	None
5.) Has the agency requested any additional federal earmarks or increases?	None

FY 2024 Budgeted FTE

Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
1000001	Administration	2	8	0	5	3	2
1000002	Real Estate Management	5	10	0	13	1	1
1000003	Financial Services	3	7	0	5	3	2
1000004	Minerals Management	2	3	0	4	1	0
1000005	Royalty Compliance	1	3	0	3	1	0
1000009	Legal	1	5	0	2	3	1
1000022	Commercial Real Estate	2	1	0	1	2	0
8800001	Information Technology	2	3	0	3	1	1
Total		18	40	0	36	15	7

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FTE History by Fiscal Year

Division #	Division Name	FY 2024 Budgeted	FY 2024 YTD	FY 2023	FY 2022	FY 2021	FY 2016
1000001	Administration	10.0	10.0	10.0	11.0	10.0	9.0
1000002	Real Estate Management	15.0	13.0	15.0	15.0	14.0	16.0
1000003	Financial Services	10.0	10.0	10.0	11.0	10.5	12.0
1000004	Minerals Management	5.0	5.0	5.0	7.0	8.0	8.0
1000005	Royalty Compliance	4.0	4.0	5.0	5.0	7.0	8.0
1000009	Legal	6.0	5.0	6.0	6.0	5.0	5.0
1000022	Commercial Real Estate	3.0	3.0	3.0	4.0	3.0	3.0
8800001	Information Technology	5.0	5.0	5.0	5.0	5.0	5.0
Total		58.0	55.0	59.0	64.0	62.5	66.0

Performance Measure Review

Program Name	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Agency Operations - Measure 1 Beneficiary Distributions	\$125 M	\$122 M	\$116 M	\$126.9 M	\$131.8 M
Agency Operations - Measure 2 Permanent Trust Investments - portfolio	\$2.53 M	\$2.31 M	\$2.62 M	\$2.23 M	\$2.35 M
Agency Operations - Measure 3 Preservation of Land Assets/ Soil Conversation - Acres impacted	25,276	18,502	10,136	10,055	9,628
Agency Operations - Measure 4 Commercial Real Estate Investments Income Generated	\$6.3 M	\$7.1 M	\$4.8 M	\$4.5 M	\$3.6 M
Agency Operations - Measure 5 Clean up mineral well sites - Number of wells plugged on sites	5	0	0	8	0
Agency Operations - Measure 6 Improve Employee turnover rate - turnover rate	14%	27%	28%	21%	7%

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Revolving Funds (200 Series Funds)

<i>Please provide fund number, fund name, description, and revenue source</i>	FY'21-23 Avg. Revenues	FY'21-23 Avg. Expenditures	June '23 Balance
Fund number: Fund name			
200 Agency Revolving Fund , Title 64 Section 1011	\$1,383,839	\$1,170,775	\$2,800,647
210 CLO Multi-Year Education Distribution, Stabilization Fund (Five Year Rolling Average), Title 64 Section 1069	\$1,827,270	\$2,618,203	\$5,591,520

FY 2024 Current Employee Telework Summary

List each agency location, then report the number of employees associated with that location in the teleworking categories indicated. Use "No specified location" to account for remote employees not associated with a site. Use actual current employees (headcount), not budgeted or actual FTE.

Full-time and Part-time Employees (#)

Agency Location / Address	City	County	Full-time and Part-time Employees (#)			Total Employees
			Onsite (5 days onsite, rarely remote)	Hybrid (2-4 days onsite weekly)	Remote (1 day or less weekly onsite)	
Field Staff - Home offices located throughout the state	various OK	various OK	0	0	8	8
Oklahoma City / 204 N Robinson	Oklahoma City	OK	8	38	0	46
						0
						0
						0
Total Agency Employees						54