



OKLAHOMA
COMMISSIONERS
OF THE LAND OFFICE

Commissioners of the Land Office

FY 2027 Budget Hearing Presentation

Submitted by: Dan Whitmarsh, Secretary of the Land Office

Dan Whitmarsh

Secretary of the Land Office



The Commissioners of the Land Office (CLO) manages 736,000 square acres of surface land and 1.1 Million acres of mineral rights for the benefit of the State's public education beneficiaries. The agency manages nine (9) State Trusts with the largest trust being the Common School Trust (K-12) and currently funds 506 school districts. Six Trusts are for the benefit of thirteen (13) higher education institutions. In FY2025, CLO distributed \$114.47 Million to the Common School Trust and \$41.62 Million to the Higher Education Trusts for a total distribution of \$156.09 Million. The agency generates its own revenue and does not pull from the General Fund.

Founded in 1906 this agency, now encompasses the following divisions: Agriculture/Real Estate, Commercial Real Estate Management, Minerals Management, Royalty Compliance, Information Technology (IT), Legal, Financial Services, and Administration.

Agency Vision, Mission and Core Values

Vision:

Preserve the “sacred trust”, maximizing the return on School Land assets to grow both the Permanent Trust and distributable income for the benefit of future and current beneficiaries.

Mission:

Managing Assets to Support Education

Core Values:

- Be good stewards of the land, minerals, and investments the agency manages
- Actively manage Trust assets, ensuring every dollar owed to beneficiaries is paid timely and accurately
- Create and maintain an investment policy consistent with Oklahoma Constitutional mandates
- Keep records of preservation to ensure accuracy and transparency
- Create efficiencies in operations, hiring and retaining professional and qualified staff



Accomplishments

Top accomplishments for FY 2025 – FY 2026

- 1) Record-breaking distributions to educational beneficiaries totaling \$156.09 Million, a 7.5% increase over last year's record-breaking amount of \$145.01 Million.
- 2) Significant increase of Invasive Woody Species (IWS) projects, completed and in progress, since the creation of a forestry department impacting 1,135 acres of School Trust land.
- 3) Received the Certificate of Achievement Award from the GFOA for the Agency's Annual Comprehensive Financial Report (ACFR) for the sixth consecutive year.
- 4) Mineral Lease bonus received \$16.1 Million, the highest amount since 2018.
- 5) Total market value of financial investments surpassing \$3 Billion.



Analysis of Agency Challenges

	Challenge Description	Current Actions (Briefly describe how the agency is currently addressing the challenge.)	Planned Actions (Briefly describe how the agency plans to address the challenge going forward.)
1	Invasive Woody Species (IWS)	The agency hired a Forester and has a more aggressive plan to combat IWS	Drastically expand number of acres being treated
2	Lessee Improvements and Appraisals (SB951)	Promulgation of rules	Implement rules and provide adequate staffing
3	Other Agency Minerals Program	Evaluating cost vs benefit of providing the service	Report finding of evaluations to Commission
4	SB1514 (2024)	Updating Royalty Compliance procedures to identify problems at a quicker pace	Increase staffing and explore technological improvements



Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2025 (Actual \$ Savings)	FY 2026 (Projected \$ Savings)	FY 2027 (Projected \$ Savings)
<i>Investment Consultant</i>	<i>Adjusted contract to accurately reflect services required</i>	<i>Annual Contract Rate</i>	<i>\$0</i>	<i>\$93,300</i>	<i>\$93,300</i>
<i>Reduced legal hours</i>	<i>Amount of legal time spent reduced due to increased collection efficiencies</i>	<i>Hours</i>	<i>500 hours \$29,000</i>	<i>500 hours \$30,000</i>	<i>500 hours \$31,000</i>
<i>IT Contracts</i>	<i>Switching vendors, negotiating prices and products, or right-sizing the products offered</i>	<i>Annual Contract Rates</i>	<i>\$30,000</i>	<i>\$50,000</i>	<i>\$50,000</i>

* Hours, FTE, square feet, etc.



Agency Goals and Key Performance Metrics

Goal		Metric	FY 25 Target	FY 25 Actuals	FY 26 Target
1	Increase revenue to beneficiaries	Annual distributions	\$135.5M	\$156.09M	\$137M
2	Grow the corpus value of permanent trust fund assets	Annual investment reports – 4% annual growth	\$2.85B	\$3.03B	\$3.15B
3	Preserve and improve the land leased for agriculture through soil conservation program	Number of surface acres impacted	4,000	2,988	8,000
4	Monetize non-producing commercial and investment real estate tracts	Number of parcels	2	2	2
5	Invasive Species (IWS projects)	Number of surface acres impacted	0	101	2,000
6					
7					
8					



Projects for FY 2026

- 1) Doubling of Invasive Woody Species (IWS) Removal Efforts, 2000+ acres targeted.
- 2) Implementation of SB951, the CLO lessee and appraisal bill designed to improve the quality of School Trust lands.
- 3) CLO Efficiency Act: Remove obsolete and duplicative language in Title 64, as well as adding clarifying language to improve agency operations.
- 4) Issue a Request for Proposal (RFP) for an Investment Consultant for the agency's \$3 Billion investment portfolio.
- 5) Examine the Other Agency Minerals Program and ensure agency resources are properly utilized.



Projects for FY 2027

- 1) Establish a clear succession plan to ensure smooth staff transitions, protect institutional knowledge, and maintain organizational continuity.
- 2) Evaluate IT infrastructure, both hardware and software.
- 3) Update the current land sale auction process to a hybrid format—combining online bidding with traditional in-person auctions. Implementing this change will require new legislation to authorize the hybrid model, improve accessibility, increase bidder participation, and modernize the overall sale process.
- 4) Evaluate and modernize Other Agency Minerals services.
- 5) Update digital well data to include items such as API/PUN information.

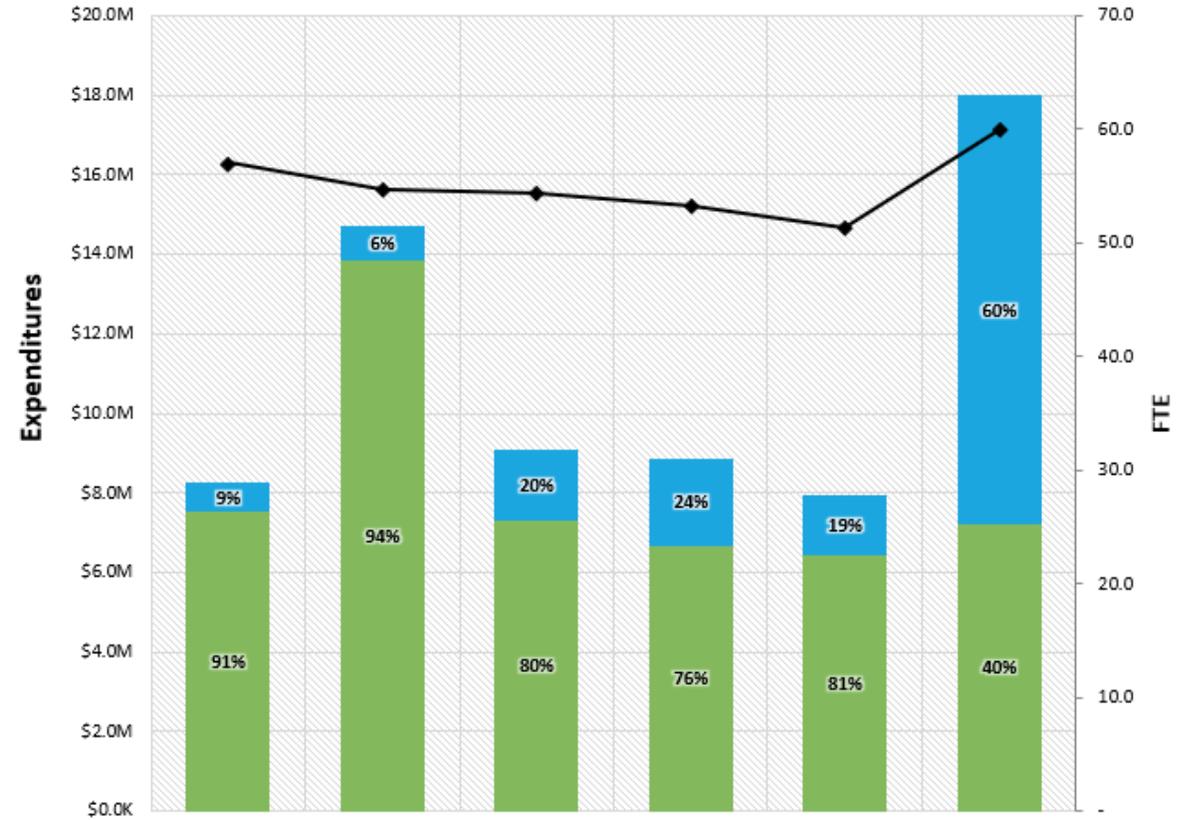


Total Historic Actual Expenditures (FY 2021-25) and Current Year Budget (FY 2026)

Explanation of Changes and Trends

- FY 2022 the agency received a one-time appropriation (\$6M) related to the agency's assistance in relocating State Agencies in Tulsa to a new building.
- FY26 Revolving budget includes an additional \$1M for Invasive Woody Species (IWS) projects.
- FY26 Appropriated includes \$500k of carryover from FY25.
- To maintain stable beneficiary distributions following last year's \$156M record payout, \$6.4 million has been budgeted in the FY26 Stabilization Fund (Fund 210) to support a potential special distribution, if needed.

Historic Actual Expenditures and Current Year Budget



Estimated Impact of Federal Funding Changes

<i>Program Name</i>	<i>Federal Agency</i>	<i>Description of expected change (s) (i.e. change in state match, admin costs, program requirements or client eligibility, etc.)</i>	<i>Actual FY 25 Total Federal Funding Received (\$)</i>	<i>Projected FY 26 Total Federal Funding To Be Received (\$)</i>	<i>Estimated FY 27 Total Federal Funding To Be Received (\$)</i>
No Changes Expected			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$

** Only list programs with federal funding that are expected to change. Refer to the agency's Federal Funds Schedule in the Budget Request document.*



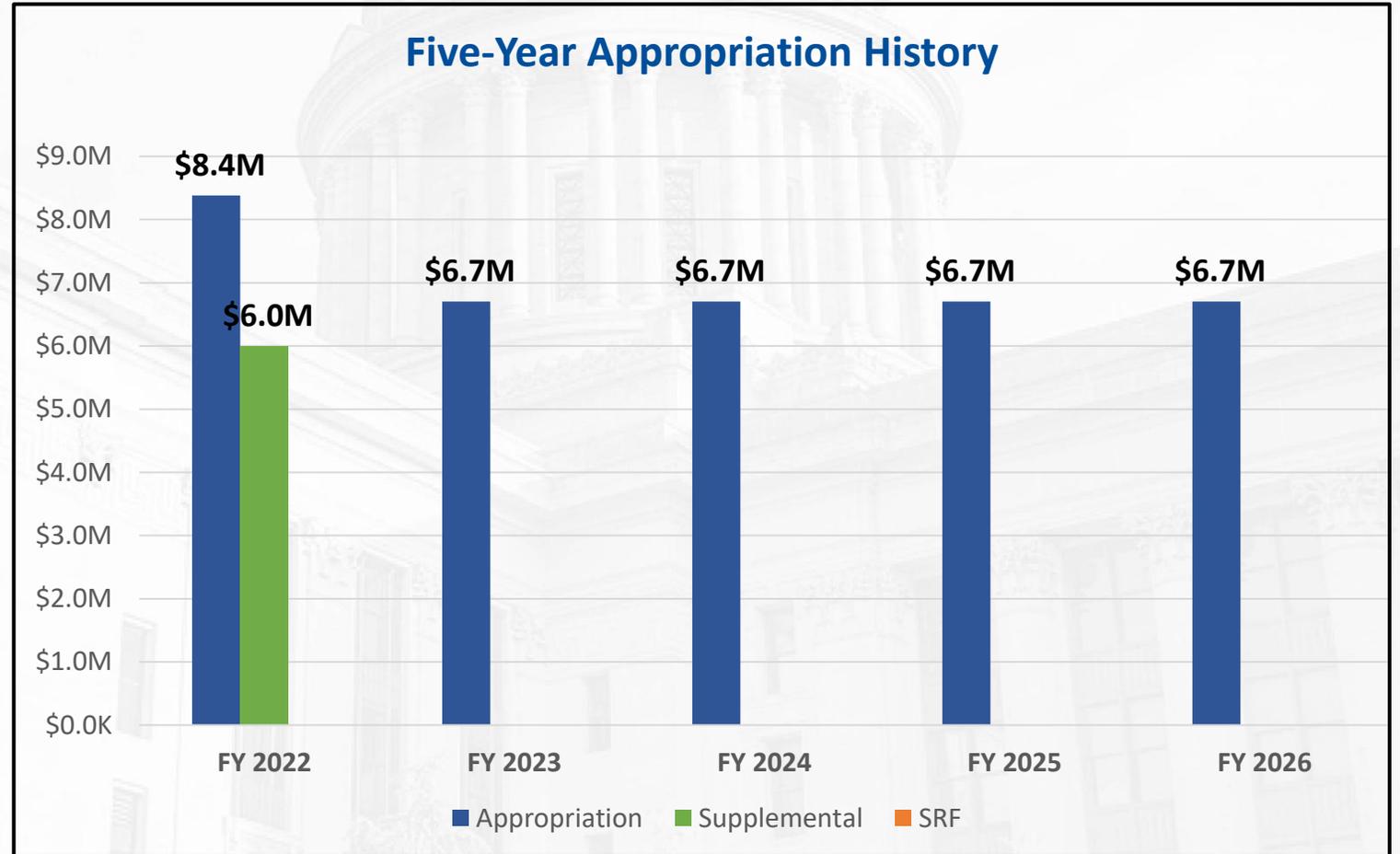


FY 2026 Budgeted Full Time Equivalents (FTE)

	FY 2026 Budgeted FTE
Total FTE	60
Supervisor FTE	20
Supervisors to Total FTE Ratio (%)	33.3%
Current Budgeted but Unfilled FTE	4

Appropriation History

Fiscal Year	Legislated Appropriation (\$) (Includes supplementals and SRF/ARPA.)
FY 2022	\$14,379,276
FY 2023	\$6,703,421
FY 2024	\$6,703,421
FY 2025	\$6,703,421
FY 2026	\$6,703,421



*Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.



Financial Resource Analysis

Carryover	FY 2022	FY 2023	FY 2024	FY 2025
Total appropriated carryover amount expended (\$)	\$292,194	\$810,536	\$230,383	\$254,406

Historical Cash Balances	FY 2022	FY 2023	FY 2024	FY 2025
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$1,827,458	\$8,392,167	\$8,381,396	\$13,479,486

Revolving Class Fund # <i>(Unrestricted only)</i>	Revolving Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)	Projected FY 2026 year-end cash balance (\$)
200	Commissioners of the Land Office Revolving Fund	\$4,772,750.63	\$2,000,000
#		\$	\$
#		\$	\$
#		\$	\$
#		\$	\$
#		\$	\$
Total Unrestricted Revolving Fund Cash balance:		\$	\$



Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.

FY 2024 – 2025 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount FY 2024</i>	<i>Amount FY 2025</i>	<i>Total amount received FY 2024 - 25</i>	<i>Total amount expended by 11/1/2025</i>	<i>Included in FY 2026 approp? (Yes/No)</i>	<i>If not expended fully, please explain.</i>
No Adjustments	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
Totals	\$	\$	\$	\$		



**Do not include SRF / ARPA appropriation increases.*

FY 2026 Appropriation Change Review

<i>Purpose of appropriation increase or decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2027 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
No Adjustments	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
Total adjustment	\$			



**Do not include SRF / ARPA appropriation increases.*

Incremental & Supplemental Request Summary

Request Name		FY 2027 Incremental Appropriation Request Amount (\$) {or FY 2026 for Supplementals}	Type of Request: Recurring, One-time, or Supplemental
1	Critical Staffing Support Request - three additional Full Time Employees (FTE)	\$401,000	Recurring
2	Market Salary Increase for Agency Staff	\$282,700	Recurring
3	Operational Budget Request to carry out the duties of the agency (Title 64 § 1009)	\$1,450,700	Recurring
4		\$	
5		\$	



(1) Incremental Budget Request

Critical Staffing Support Request - three additional Full Time Employees (FTE)

Type: Recurring

Incremental Amount Requested for FY 2027
\$401,000

This funding request proposes three critical positions within the agency: 1) Revenue Compliance Director 2) Field Services Manager 3) Internal Auditor. These roles are essential to the agency's core mission and are vital for ensuring regulatory and revenue reporting compliance, safeguarding agency resources, and maintaining operational integrity. The requested funding will ensure continuity of service, mitigate risk, and support long-term fiscal accountability.



(2) Incremental Budget Request

Market Salary Increase for Agency Staff

Type: Recurring

Incremental Amount Requested for FY 2027
\$282,700

As required by the 2023 House Bill 1794, OMES Human Capital Management (HCM) has implemented a market-based pay system designed to ensure state employee compensation remains competitive and sustainable. As part of this initiative, OMES has established standardized job profiles and aligned pay structures to reflect 90% of the compensation levels for comparable private sector positions.

Due to ongoing budget constraints, agency staff have not received regular cost-of-living or market adjustments necessary to keep pace with compensation in the public or private sectors. This funding request supports the implementation of a compensation program that brings the agency's salary structure into alignment with the state's market-based framework.



(3) Incremental Budget Request

Operational Budget Request to carry out the duties of the agency (Title 64 § 1009)

Type: Recurring

Incremental Amount Requested for FY 2027
\$1,450,700

This budget request seeks the necessary appropriation of funds from the Commissioners of the Land Office (CLO) Fund to support the agency's core operations. In accordance with Title 64 § 1009, revenues generated from the nine beneficiary funds are to be deposited into the CLO Fund and used exclusively for executing the duties of the agency as prescribed by law. Due to limited appropriations in recent years, the agency has relied on its revolving fund to cover essential costs such as rent, travel, IT, and professional services. This request will help restore proper funding through appropriations, allowing the agency to operate effectively and in line with its statutory and constitutional responsibilities.

