

FY 2027 Budget Performance Review
410 Commissioners of the Land Office - Agency Operations

Version Original
Lead Administrator: Dan Whitmarsh

Date submitted
Lead Financial Officer: Karen Johnson, CPA

10/1/2025

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, purchasing, internal audit, and records management functions 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, 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 maximizing 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 short and long term commercial leases and commercial real estate investment properties including acquisition, sale, and property management.

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

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FY'26 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
1000001	Administration	\$1,467,715		\$485,085			\$1,952,800
1000002	Real Estate Management	\$1,220,816		\$231,723			\$1,452,539
1000003	Financial Services	\$1,184,977		\$197,965			\$1,382,942
1000004	Minerals Management	\$681,477		\$94,595			\$776,072
1000005	Royalty Compliance	\$441,252		\$51,740			\$492,992
1000009	Legal	\$674,992		\$68,303			\$743,295
1000022	Commercial Real Estate	\$298,508		\$38,354			\$336,862
8800001	Information Technology	\$733,684		\$647,410			\$1,381,094
1100001	Commercial Real Estate Projects			\$50,000			\$50,000
1200001	Real Estate - Special Projects			\$1,000,000			\$1,000,000
1400001	Minerals Special Projects			\$115,000			\$115,000
1900001	Legal Settlements			\$500,000			\$500,000
2000001	Soil Conservation			\$650,000			\$650,000
2200001	Commercial Real Estate - Maintenance			\$245,000			\$245,000
7000001	Education Stabilization Fund (Title 64 Section 1069)			\$6,400,000			\$6,400,000
Total		\$6,703,421	\$0	\$10,775,175	\$0	\$0	\$17,478,596

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:

Balances of Appropriated Funds from Prior Fiscal Years

3-digit Class Fund #	Class Fund Name	GA Bill # and Section #	Fiscal Year of Original Appropriation	Original Appropriation Amount (\$)	Total Expended Amount as of 8/31/2025 (\$)	Balance as of 8/31/2025 (\$)
515	Commissioners of the Land Office Fund	HB 1004 Section33	FY 2025	\$6,703,421	\$6,193,122	\$510,299
<i>Total remaining prior year appropriation balance:</i>						\$510,299

Report appropriations that have existing balances from all prior fiscal years at the 3-digit class fund number (i.e. 194, 195). Do not report carryover class funds separately.

Include appropriations located in disbursing funds. Report PREP, but not ARPA/SRF, appropriations.

What changes did the agency make between FY'25 and FY'26?

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

Despite a 20% budget reduction in FY23, the agency has continued to provide all core services, however, these cuts have resulted in the following operational impacts:

a.) **Reduction of CLO Office Rent Revenue.** To meet expenditure obligations the agency reduced its lease rates to cover costs rather than charging market value and reducing distributable beneficiary revenue by \$240,000 annually.

b.) **Unfilled Critical FTE Vacancies.** Budget constraints have prevented the agency from filling essential full-time positions, hampering the staff's ability to respond to internal and external requests timely or completely, work on special projects, evaluate processes and potential revenue streams, and to ensure proper internal controls.

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

While actual costs do not directly impact agency users, limitations on staffing have affected operational efficiency, customer service, and the agency's ability to deliver timely and detailed reporting.

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

The agency continues to provide all core services; however, reporting and customer service—both internal and external—are often delayed due to staffing limitations.

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

A market adjustment of 3% across the board was given to staff in August 2024. Any additional pay raises given in FY2025 were targeted and related to promotions or additional duties assigned.

Appropriation Increase Review

Appropriation Increase Purpose	Appropriation Increases (Additional to Agency Base Appropriation)			Expenditures	
	FY 2024	FY 2025	Total Amount Received FY 2024-2025	Total Expenditure of Increase as of 6/30/2025	If funds have not been spent, please explain why.
No increase rec'd FY24 or FY25.	\$0	\$0	\$0	\$0	
Total:	\$0	\$0	\$0	\$0	

List appropriation increases that the agency has received in the prior two years. List amounts received in each year. Include PREP, but not ARPA/SRF, appropriations.

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FY'27 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
1000001	Administration	\$1,799,965	\$0	\$330,000	\$0	\$2,129,965	9.07%
1000002	Real Estate Management	\$1,623,916	\$0	\$20,000	\$0	\$1,643,916	13.18%
1000003	Financial Services	\$1,407,227	\$0	\$0	\$0	\$1,407,227	1.76%
1000004	Minerals Management	\$804,972	\$0	\$0	\$0	\$804,972	3.72%
1000005	Royalty Compliance	\$668,342	\$0	\$0	\$0	\$668,342	35.57%
1000009	Legal	\$770,992	\$0	\$0	\$0	\$770,992	3.73%
1000022	Commercial Real Estate	\$349,813	\$0	\$0	\$0	\$349,813	3.84%
8800001	Information Technology	\$1,412,594	\$0	\$0	\$0	\$1,412,594	2.28%
1100001	Commercial Real Estate Projects	\$0	\$0	\$50,000	\$0	\$50,000	0.00%
1200001	Real Estate - Special Projects	\$0	\$0	\$1,000,000	\$0	\$1,000,000	0.00%
1400001	Minerals Special Projects	\$0	\$0	\$115,000	\$0	\$115,000	0.00%
1900001	Legal Settlements	\$0	\$0	\$500,000	\$0	\$500,000	0.00%
2000001	Soil Conservation	\$0	\$0	\$650,000	\$0	\$650,000	0.00%
2200001	Commercial Real Estate - Maintenance	\$0	\$0	\$245,000	\$0	\$245,000	0.00%
7000001	Education Stabilization Fund (Title 64 Section 1069)	\$0	\$0	\$5,000,000	\$0	\$5,000,000	-21.88%
Total		\$8,837,821	\$0	\$7,910,000	\$0	\$16,747,821	-4.18%

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

FY'27 Top Five Incremental Appropriated Funding Increase Requests

Request by Priority	Request Description	Is this a Supplemental Request? (Yes/No)	Timeframe (One-Time or Recurring)	Appropriation Request Increase Amount (\$)
Request 1:	Critical Staffing - Salary and Benefits 3 FTE	No	Recurring	\$401,000
Request 2:	Market Salary Increase for Agency Staff	No	Recurring	\$282,700
Request 3:	Operational Budget to carry out duties of the agency	No	Recurring	\$1,450,700
Request 4:				
Request 5:				
Top Five Request Subtotal:				\$2,134,400
Total Increase above FY-26 Budget (including all requests)				\$2,134,400
Difference between Top Five requests and total requests:				\$0
* Capital requests in the table above should be listed in the next table.				

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

Description of requested increase in order of priority	Total Project Cost (\$)	Needed State Funding for Project (\$)	Submitted to LRCPC? (Yes/No)
Priority 1 None			
Priority 2			
Priority 3			

Does the agency has any costs associated with the Pathfinder retirement system and federal employees? If so, please describe the impact.

No

* Include the total number of federally funded FTE in the Pathfinder system.

How would the agency be affected by receiving the same appropriation for FY '27 as was received in FY '26? (Flat / 0% change)

Flat funding in FY '27 would place additional strain on agency operations and staff capacity, potentially resulting in slower response times and missed opportunities to enhance efficiency and generate revenue.

How would the agency handle a 2% appropriation reduction in FY '27?

A 2% appropriation reduction in FY '27 would further limit the agency's ability to provide timely and complete services, delay modernization initiatives, and reduce overall operational efficiency.

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Is the agency seeking any fee increases for FY '27?

Description of requested increase in order of priority		Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1	No fee increases requested		
Increase 2			
Increase 3			

Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 26 budget (\$)	FY 25 actuals (\$)	FY 24 actuals (\$)	FY 23 actuals (\$)	FY 25 budgeted FTE (#)
	N/A						

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 2026 Budgeted FTE

Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
1000001	Administration	5	6	0	5	4	2
1000002	Real Estate Management	4	10	0	12	1	1
1000003	Financial Services	4	6	0	4	4	2
1000004	Minerals Management	2	5	0	6	0	1
1000005	Royalty Compliance	1	3	0	2	2	0
1000009	Legal	1	4	0	1	3	1
1000022	Commercial Real Estate	1	2	0	2	1	0
8800001	Information Technology	2	4	0	3	2	1
Total		20	40	0	35	17	8

FTE History by Fiscal Year

Division #	Division Name	FY 2026 Budgeted	FY 2026 YTD	FY 2025	FY 2024	FY 2023	FY 2017
1000001	Administration	11.0	9.0	10.0	10.0	10.0	9.0
1000002	Real Estate Management	14.0	14.0	14.0	15.0	15.0	16.0
1000003	Financial Services	10.0	10.0	10.0	10.0	10.0	12.0
1000004	Minerals Management	7.0	7.0	6.5	5.0	5.0	8.0
1000005	Royalty Compliance	4.0	4.0	3.0	4.0	5.0	8.0
1000009	Legal	5.0	4.0	4.0	6.0	6.0	5.0
1000022	Commercial Real Estate	3.0	3.0	3.0	3.0	3.0	3.0
8800001	Information Technology	6.0	5.0	5.0	5.0	5.0	5.0
Total		60.0	56.0	55.5	58.0	59.0	66.0

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Performance Measure Review					
Program Name	FY 2025	FY 2024	FY 2023	FY 2022	FY 2021
Agency Operations #1 Beneficiary Distributions	\$156.1 M	\$145.2 M	\$129.4 M	\$122 M	\$116 M
Agency Operations #2 Permanent Trusts Investments Portfolio	\$3.03 B	\$2.80 B	\$2.58 B	\$2.47 B	\$2.78 B
Agency Operations #3 Preservation of Land Assets/Soil Conservation - Number of Projects	36	70	65	75	70
Agency Operations #4 Monetize non-producing commercial and investment real estate tracts	2	4	2	3	4
Agency Operations #5 Invasive Species (ERC projects) - Impacted Acres	101	N/A (new goal)	N/A (new goal)	N/A (new goal)	N/A (new goal)

Revolving Funds (200 Series Funds)			
Fund: Fund Number, Fund Name	FY'23-25 Avg. Revenues	FY'23-25 Avg. Expenditures	June 2025 Balance
200 Agency Revolving Fund , Title 64 Section 1011	\$3,836,545	\$1,890,812	\$1,613,042
210 CLO Multi-Year Education Distribution, Stabilization Fund (Five Year Rolling Average), Title 64 Section 1069	\$1,938,622	\$0	\$5,846,745

FY 2026 Current Employee Telework Summary						
List each agency physical location (not division), 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	Onsite (5 days onsite, rarely remote)	Hybrid (2-4 days onsite weekly)	Remote (1 day or less weekly onsite)	Total Employees
204 N. Robinson	OKC	Oklahoma	47	1	0	48
Field Staff - Home offices located throughout the state	Various-OK	Various-OK	0	0	8	8
						0
Total Agency Employees						56