

Oklahoma Senate Committee on Appropriations

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2017-2018 Performance Report

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Commissioners of the Land Office

AGENCY MISSION STATEMENT:

The Enabling Act and Constitution set out the mission of the Land Office. It is “Managing Assets to Support Education”

LEAD ADMINISTRATOR:

Secretary  
Harry Birdwell  
405-521-4000  
Harry.Birdwell@clo.ok.gov

GOVERNANCE:

The Commissioners of the Land Office was created by Congress pursuant to the Enabling Act. The creation of a Land Office was mandated before statehood consideration. Part of its structure and the members of the board are laid out in the Constitution with additional statutory references. The Land Office is headed by the Secretary who is appointed by the Governor and approved by the Commission. The Commission is Chaired by the Governor and includes the Governor, Lt. Governor, State Auditor and Inspector, Superintendent of Education and the President of the Board of Agriculture

Does the Board have any committees or subgroups? If so, please provide a detailed listing of the subgroups and their areas of focus.

An Investment Committee appointed by the Commission

GOVERNANCE ACCOUNTABILITY:

Please provide copies of the minutes for any Commission/Board meetings the agency has had since July 1, 2010 in electronic format (Only in PDF format) Is there an attendance policy for board members/commissioners? If so, is it being followed?

All copies of minutes are available on the Commissioners of the Land Office website at <https://clo.ok.gov>. There is no attendance policy.

MODERNIZATION EFFORTS:

In 2010 House Bill 3026 was passed which created the “5 Year Rolling Average” such that we are able to provide stability in distributions to common schools (K-12). In 2012 House Bill 1022 was passed to give the Land Office authority to purchase commercial real estate holdings to increase yields and distributions to beneficiaries. Periodic modifications to the Land Office investment policies are made so that the agency is able to maximize yield and distributions. Great efforts have been made to increase public access to the Land Office. In 2015 a new website was launched which allows for a much more interactive, user friendly experience accessing information about the agency. In 2015 the agency also implemented a new Geographic Information System (GIS) for both internal and external use. This tool

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provides detailed information about parcels of land, mineral availability, records about assets, etc. on an interactive map application that is updated in real time. Electronic mineral auctions have been implemented, making the Land Office the first state agency in the country to offer electronic bidding from anywhere in the world. The agency is in the process of increasing “paperless” business and electronic payments and reporting have increased substantially in the last several years. The agency has achieved 70% payment of Land Office oil and gas production electronically through ACH or wire transfer; this reduces potential for fraud while providing greater convenience for oil and gas lessees.

Additionally, the agency’s record retention policy was updated and this greatly reduced “paper” record keeping. In 2016 the agency began receiving payments electronically via our website. This allows for faster processing of payments. Additionally, in 2016 for the first time in state history, the Land Office was able to receive payment electronically in the field at our annual fall auctions. Payments were processed on-site before the successful bidder left the auction.

What steps has the agency taken to cut costs and/or eliminate waste? Are there efforts that have been successful which you believe could serve as a model for other state agencies seeking to keep costs minimal?

Increasing the qualifications for staff has allowed for the consolidation of divisions. New technology upgrades will allow more efficient use of staff time and insure better accuracy.

#### CORE MISSION:

What services are you required to provide which are outside of your core mission? Are any services you provide duplicated or replicated by another agency? Are there services which are core to your mission which you are unable to perform because of requirements to perform non-core services elsewhere?

Gas Marketing to state agencies. The minerals division works with other state agencies and universities to purchase whole sale natural gas to provide cost savings to the agencies. The Real Estate division has highly skilled appraisers and a sale mechanism that works with other state agencies that are trying to sell property or buildings. This does not increase the Land Office FTE but does provide a cost savings to other agencies.

#### PRIVATE ALTERNATIVES:

Are any of the services which are performed by the agency also performed in the private sector in Oklahoma? In other states? Has the agency been approached by any foundation, for-profit or not-for-profit corporation with efforts to privatize some of the functions of the agency?

Outside expertise was hired to manage certain commercial properties owned by the Commissioners of the Land Office.