



**Stephanie Garcia Richard**  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

COMMISSIONER'S  
OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766  
[www.nmstatelands.org](http://www.nmstatelands.org)

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

September 1, 2024

Wayne Propst, Secretary  
Department of Finance and Administration  
180 Bataan Memorial Building  
Santa Fe, NM 87501

and

Charles Sallee, Director  
Legislative Finance Committee  
325 Don Gaspar  
Suite 101  
Santa Fe, NM 87501

**Re: Transmittal of the Commissioner of Public Lands (53900) FY 2026  
Appropriation Request**

Secretary Propst and Director Sallee:

As required by Section 6-3-19 NMSA 1978, and in accordance with DFA FY 2026 Appropriation Request Instructions, the required information for the Commissioner of Public Lands' (State Land Office) appropriation request has been uploaded in the Budget Formulation and Management System.

**REVENUE**

New Mexico State Land Office (NMSLO) earnings continue at record-breaking levels. FY24 estimated earnings nearly matched the previous year's record revenue, with NMSLO generating about \$2.5 billion for New Mexico's schools, universities and hospitals. FY24 marked the second highest overall earnings on record and the highest earnings ever for non-royalty revenue (\$214 million). These funds reduce the tax burden of working families by decreasing the State's reliance on General Funds to support public institutions. With royalties being transferred to the Land Grant Permanent Fund (LGPF), these earnings also play a key role in stabilizing the State's oil and gas related revenue through investment and distribution by the State Investment Council.

Over the next fiscal year, royalty contributions to the LGPF will likely remain at a high-level from a historical perspective due to the Permian Basin's desirability and low operating costs. Oil and gas projections are subject to a large degree of uncertainty due to variability in national and global market conditions; however, strong production and pricing are likely to continue to drive robust earnings. Land Maintenance Fund (LMF) earnings will continue to be

positively impacted by the growth in renewable energy leases, which as they come into operation will generate millions in additional inflows, as well as continued growth in commercial leasing. Holdings of premium, unleased oil and gas parcels remain tight since existing leases are held by production and potash contests often prevent development in high-value areas. Nonetheless, due to strategic leasing decisions, bonus income from monthly oil and gas lease sales hit a record \$91 million in FY24. The agency's compliance efforts have resulted in the termination or expiration of leases, which then become available for placement on the monthly lease sale (LMF revenue). The agency remains focused on developing new and more diverse revenue streams to ensure a strong fiscal position regardless of oil and gas sector cycles.

FY25 estimated revenue remains highly unpredictable due to uncertainties in the world oil market and overarching economic factors. Total FY26 revenue is conservatively projected at \$2.1 billion. This projection assumes \$1.9 billion in oil and gas royalties with monthly oil production averaging 13 million bbls (at \$76 WTI) and gas production of 71 million mcf (at \$1.40 mcf). As a reference baseline, over the last fiscal year (FY24) monthly oil production ranged between 13 million bbls to 14.9 million bbls, with prices fluctuating from a low of \$71 to \$90. With respect to gas, monthly production ranged from 71 million mcf to 88 million mcf, with prices between \$0.49 and \$2.50. (This reflects monthly production between July 2023 and May 2024, as production reporting to the State Land Office lags three months.) FY26 LMF earnings are conservatively estimated at \$162 million. For reference, FY24 reached a high of \$214 million and FY23 was at \$138 million.

## **BASE REQUEST**

State Land Office operations are funded by utilizing a very small portion of agency-generated revenue and do not rely on General Funds. To fund current service needs, \$30,646,700 is requested from the Land Maintenance Fund (Other State Funds). The request represents an overall increase of 13.9% (\$3,728,400) compared to the FY25 Operating Budget (less than 1% of current revenue). With very modest inflationary increases of 2.8% in the Contracts and Other categories, the additional funds are primarily focused on needs within Salaries and Benefits (\$3,551,400). The agency is not seeking any special or IT requests for FY26.

These resources are needed to adequately manage 13 million acres in a sustainable and thoughtful manner and to prevent revenue generating economic opportunities from being left on the table due to a lack of capacity. The drastic growth in agency revenue over the last six years corresponds with significantly increased workload across the agency, including financial accounting, royalty processing, auditing, commercial leasing, site reviews and environmental clearances, remediation and reclamation, legal services and public engagement.

Specifically, the request seeks a funding level to: recruit and retain a specialized and professional workforce; advance renewable energy and economic development diversification efforts; manage a significantly increased oil and gas workload; institutionalize accountability and enforcement efforts; better protect the health of lands; and provide for the efficient delivery of services, including the timely processing of revenue generating applications.

## Salaries & Benefits (S&B)

NMSLO's budget prioritizes investments in hiring and retaining employees with the key skill sets to advance the agency's core objectives. Over 78% of the agency's budget falls within the S&B category, with very little overhead in the Contractual and Other categories. This focus has allowed the agency to maintain the lowest vacancy rate among mid- to large size agencies, ending FY24 with an average vacancy rate of 7%. The agency also maintains a significantly lower turnover rate than the state average.

Maintaining qualified and professional staff is key to fostering job-creating economic development and earning revenue for trust beneficiaries. Based on employee surveys, the *Albuquerque Journal* and *USA Today* have recognized NMSLO as a top employer, with 92% of employees recommending the agency as a great place to work. Nonetheless, over a quarter of employees stated they were considered looking for a job within the last month, primarily because of a perception that their salary and benefits failed to reflect the appropriate level of compensation compared to others within their respective fields. Being a great place to work can only work so far with recruitment and retention efforts, ultimately competitive compensation can matter more as families try to make ends meet.

As NMSLO tries to remain competitive with other similarly situated agencies, appropriately compensate its employees and create and fill positions necessary to efficiently and effectively fulfill the mission of the agency, S&B needs have exceeded the available category allocation in the last two fiscal years. While remaining within its overall budget, the agency has had to transfer money into S&B from Contracts and Other categories to meet S&B needs (\$115,000 in FY23; \$710,000 in FY24). The agency anticipates that additional internal BAR transfers will need to occur in FY25. Human resource investments are key to supporting programmatic initiatives, delivering efficient services, meeting its strategic and performance goals and keeping the agency competitive in the tight labor market with fair compensation.

S&B is requested at \$24,157,700, an increase of \$3,551,400 over the FY25 Operating Budget. In addition to maintaining existing staff (190.5 FTE, 5% budgeted vacancy rate), the FY26 request includes \$1,659,400 for salary adjustments for appropriate placement, position reclassifications and improved competitiveness with other state agencies. NMSLO has conducted ongoing compensation and classification reviews to identify needs and take necessary personnel actions, however, these efforts have been piecemeal and insufficient due to budget limitations.

In general, NMSLO has lower classification levels than other similarly situated agencies, especially with regard to its directors, deputy directors and mid-managers. This in turn compresses career ladder opportunities and results in lower compensation levels for non-supervisory employees. While the agency has been able to maintain a low vacancy rate, with the significant salary increases being provided to other agencies that rely on the same skilled workforce, the NMSLO will continue to face greater retention and recruitment challenges. For example, in FY25, NMED received a 27.1% increase in recurring general fund appropriations, of which \$5.7 million of the \$6.9 million total will fund agency-wide pay raises. EMNRD received an overall increase of 12.5%, which also included significant investments in personnel. (LFC 56<sup>th</sup> Legislative Session, Post-Session Review). In comparison, NMSLO's FY25 non-general funded budget amounted to an overall increase of 7.5% compared with FY24.

Additionally, the request funds three new positions:

- *Chief Cybersecurity Officer*: The prevention, detection and response to cyber threats is a top priority of the agency. With a constantly growing security threat from cyber actors, and the crucial role the agency plays in managing billions of dollars each year with sophisticated IT systems, a targeted cybersecurity position is key to safeguarding public resources. The position would lead agency-specific strategic planning and enhancement efforts, coordinate with DoIT, monitor ongoing security analysis and software updates, develop risk management procedures and organizational continuity and disaster recovery processes.
- *Right-of-Way Analyst*: New applications for rights of way and rights of entry are up almost 15% from the prior fiscal year, with corresponding revenue up about 33%. The Commercial Division is experiencing an unprecedented number of applications for new business in addition to hundreds of anticipated applications for expired or expiring rights of way issued decades ago. About 1,400 applications were processed in FY24, the highest number ever. The agency changed to a standard 35-year term for rights of way about 35 years ago, and those instruments are now coming up for possible reissuances. Delays due to staffing shortfalls impact the agency's ability to move important applications in a timely manner, such as broadband, new roads and infrastructure for job-creating projects.
- *Business Leasing Analyst*: Business lease applications increased by 14% from FY23, with revenue growing by about 23%. An additional position is necessary to handle the ever-increasing workload in processing applications and providing appropriate oversight of existing leases.

### Contractual Services

Contractual Services is requested at \$3,102,500, an increase of 2.8% (\$84,800) over FY25. The additional funds primarily reflect inflationary increases for land maintenance projects and the agency's security staffing contract.

### Other

The Other category is requested at \$3,386,500, an increase of 2.8% (\$92,200) over FY25. The request primarily reflects inflationary costs related to in-state travel and other administrative costs (rent, utilities, DoIT fees, property insurance, etc.) that have continued to rise.

## **CONCLUSION**

The State Land Office's base budget request of \$30,646,700, representing an overall increase of \$3,728,400 from FY25, is modest in light of the billions of dollars in revenue it generates each year and the vast responsibilities it has in managing millions of acres throughout the state. These resources are necessary for the agency to continue its successful efforts to generate revenue for public institutions in a sustainable manner, while also reducing the tax burden on New Mexicans and creating jobs throughout the state.

Please forward any questions about State Land Office's request to Selena Romero, Assistant Commissioner of Administrative Services (sromero@slo.state.nm.us; 827-5790) or Deputy Commissioner of Operations Sunalei Stewart (sstewart@slo.state.nm.us; 827-5755). I am available to discuss any part of the budget or agency policy and can be reached by phone at 827-5760 or by email at sgarciarichard@slo.state.nm.us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stephanie", with a long horizontal flourish extending to the right.

Stephanie Garcia Richard  
Commissioner of Public Lands

cc: Sunalei Stewart, Deputy Commissioner of Operations  
Selena Romero, Assistant Commissioner for Administrative Services /Co-CFO  
Antonio Medina, Director, Accounting Division / Co-CFO  
Andrew Miner, State Budget Director, DFA  
Monica Tapia, Senior Budget Analyst, DFA  
Helen Gaussoin, Principal Analyst, LFC

**APPROPRIATION REQUEST  
CERTIFICATION  
FORM S-1**

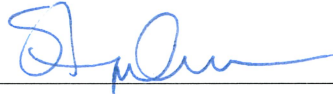
---

---

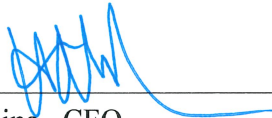
Agency Name: State Land Office

Business Unit: 53900

*I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the arithmetic accuracy of all numeric information has been verified.*



\_\_\_\_\_  
Stephanie Garcia Richard, Commissioner of Public Lands



\_\_\_\_\_  
Antonio Medina, CFO

310 Old Santa Trail  
Santa Fe, NM 87501

505-827-5785

amedina@slo.state.nm.us

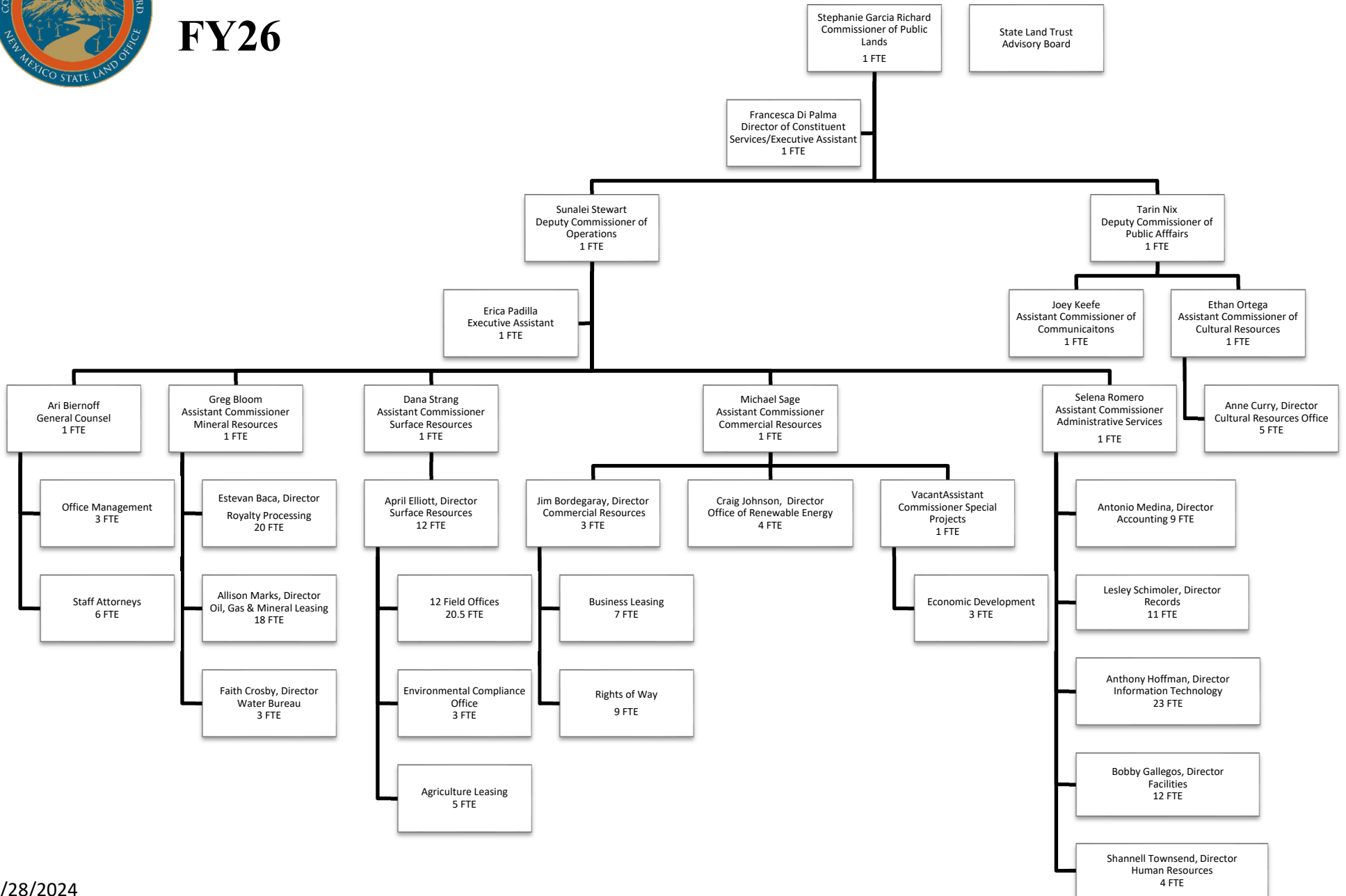
*Note: Appropriation Requests for agencies headed by a board or commission must be approved by the board or commission by official action and signed by the chairperson. Operating Budgets of other agencies must be signed by the director or secretary. Appropriation Requests not properly signed will be returned.*

---



# New Mexico State Land Office

## FY26



S-8 Financial Summary

(Dollars in Thousands)

BU PCode Department  
53900 P615 000000

	2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	Base	----- FY 2026 Agency Request ----- Expansion	Total
<b>REVENUE</b>							
112 Other Transfers	0.0	5.0	0.0	0.0	0.0	0.0	0.0
130 Other Revenues	24,588.1	2,179,771.9	26,918.3	0.0	30,646.7	0.0	30,646.7
150 Fund Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE, TRANSFERS	24,588.1	2,179,776.9	26,918.3	0.0	30,646.7	0.0	30,646.7
<b>REVENUE</b>	<b>24,588.1</b>	<b>2,179,776.9</b>	<b>26,918.3</b>	<b>0.0</b>	<b>30,646.7</b>	<b>0.0</b>	<b>30,646.7</b>
<b>EXPENSE</b>							
200 Personal Services and Employee Benefits	18,544.0	19,189.0	20,606.3	21,953.7	24,157.7	0.0	24,157.7
300 Contractual services	2,877.9	2,978.9	3,017.7	0.0	3,102.5	0.0	3,102.5
400 Other	3,166.2	3,052.5	3,294.3	0.0	3,386.5	0.0	3,386.5
EXPENDITURES	24,588.1	25,220.4	26,918.3	21,953.7	30,646.7	0.0	30,646.7
500 Other financing uses	0.0	1,917,972.8	0.0	0.0	0.0	0.0	0.0
OTHER FINANCING USES	0.0	1,917,972.8	0.0	0	0.0	0.0	0.0
<b>EXPENSE</b>	<b>24,588.1</b>	<b>1,943,193.2</b>	<b>26,918.3</b>	<b>21,953.7</b>	<b>30,646.7</b>	<b>0.0</b>	<b>30,646.7</b>
<b>FTE POSITIONS</b>							
810 Permanent	181.50	189.00	190.50	189.00	193.50	0.00	193.50
830 Temporary	0.00	3.00	0.00	3.00	0.00	0.00	0.00
FTEs	181.50	192.00	190.50	192.00	193.50	0.00	193.50
<b>FTE POSITIONS</b>	<b>181.50</b>	<b>192.00</b>	<b>190.50</b>	<b>192.00</b>	<b>193.50</b>	<b>0.00</b>	<b>193.50</b>

Land Trust Stewardship

BU PCode Department  
53900 P615 000000

State of New Mexico

S-9 Account Code Revenue/Expenditure Summary  
(Dollars in Thousands)

		2023-24 Opbud	2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	----- FY 2026 Agency Request -----		
						Base	Expansion	Total
475109	Other Gifts-Grants-Interagency	0.0	5.0	0.0	0.0	0.0	0.0	0.0
<b>112</b>	<b>Other Transfers</b>	<b>0.0</b>	<b>5.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
418902	Other Filing Fees	2,476.2	17,000.7	2,648.9	0.0	8,000.0	0.0	8,000.0
441201	Interest On Investments	3,462.3	31,340.5	5,249.6	0.0	10,000.0	0.0	10,000.0
442101	Land - Rental Or Lease	18,618.9	29,835.5	18,972.2	0.0	12,646.7	0.0	12,646.7
442102	Land - Rental Or Lease	0.0	(28.9)	0.0	0.0	0.0	0.0	0.0
442103	Land - Rental Or Lease	0.0	139,157.4	0.0	0.0	0.0	0.0	0.0
475101	Other Gifts & Grants	0.0	100.0	0.0	0.0	0.0	0.0	0.0
491105	Bond Proceeds	0.0	210.0	0.0	0.0	0.0	0.0	0.0
492101	Land Royalties	0.0	1,962,080.7	0.0	0.0	0.0	0.0	0.0
492405	Sale Of Equipment	0.0	0.8	0.0	0.0	0.0	0.0	0.0
492505	Sale Of Auto Property	0.0	36.9	0.0	0.0	0.0	0.0	0.0
496901	Miscellaneous Revenue	30.7	38.2	47.6	0.0	0.0	0.0	0.0
<b>130</b>	<b>Other Revenues</b>	<b>24,588.1</b>	<b>2,179,771.9</b>	<b>26,918.3</b>	<b>0.0</b>	<b>30,646.7</b>	<b>0.0</b>	<b>30,646.7</b>
328900	Unassigned FB - Gov	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>150</b>	<b>Fund Balance</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL REVENUE</b>		<b>24,588.1</b>	<b>2,179,776.9</b>	<b>26,918.3</b>	<b>0.0</b>	<b>30,646.7</b>	<b>0.0</b>	<b>30,646.7</b>
520100	Exempt Perm Positions P/T&F/T	1,794.8	2,058.9	2,079.5	2,106.3	2,008.6	0.0	2,008.6
520300	Classified Perm Positions F/T	11,463.6	11,628.9	12,782.8	13,827.8	15,398.5	0.0	15,398.5
520400	Classified Perm Positions P/T	22.4	24.2	23.0	25.4	50.0	0.0	50.0
520500	Temporary Positions F/T & P/T	0.0	119.9	0.0	148.4	0.0	0.0	0.0

Land Trust Stewardship

BU PCode Department  
 53900 P615 000000

State of New Mexico

S-9 Account Code Revenue/Expenditure Summary  
 (Dollars in Thousands)

		2023-24	2023-24	2024-25	2025-26	----- FY 2026 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
520600	Paid Unused Sick Leave	0.0	16.7	0.0	0.0	0.0	0.0	0.0
520700	Overtime & Other Premium Pay	0.0	5.3	0.0	0.0	0.0	0.0	0.0
520800	Annl & Comp Paid At Separation	0.0	44.3	0.0	0.0	0.0	0.0	0.0
520900	Differential Pay	2.5	1.0	2.5	0.0	0.0	0.0	0.0
521100	Group Insurance Premium	1,319.5	1,249.3	1,368.2	1,471.6	1,455.7	0.0	1,455.7
521200	Retirement Contributions	2,555.7	2,654.4	2,835.6	3,060.6	3,358.4	0.0	3,358.4
521300	F I C A	1,016.2	1,005.7	1,127.5	988.2	1,335.5	0.0	1,335.5
521400	Workers' Comp Assessment Fee	1.7	1.6	1.8	0.0	1.8	0.0	1.8
521410	GSD Work Comp Insur Premium	59.1	59.0	47.3	0.0	90.7	0.0	90.7
521500	Unemployment Comp Premium	0.0	0.0	1.4	0.0	0.0	0.0	0.0
521600	Employee Liability Ins Premium	42.9	42.9	39.9	0.0	109.4	0.0	109.4
521700	RHC Act Contributions	265.6	275.4	296.8	325.4	349.1	0.0	349.1
523000	COVID Related Admin Leave	0.0	1.3	0.0	0.0	0.0	0.0	0.0
<b>200</b>	<b>Personal Services and Employee Bene</b>	<b>18,544.0</b>	<b>19,189.0</b>	<b>20,606.3</b>	<b>21,953.7</b>	<b>24,157.7</b>	<b>0.0</b>	<b>24,157.7</b>
535100	Medical Services	0.2	0.0	0.2	0.0	0.2	0.0	0.2
535200	Professional Services	1,094.1	479.1	421.0	0.0	1,130.0	0.0	1,130.0
535209	Professional Svcs - Interagenc	0.0	39.2	0.0	0.0	0.0	0.0	0.0
535300	Other Services	755.6	1,412.6	1,598.7	0.0	855.0	0.0	855.0
535400	Audit Services	80.0	29.0	49.8	0.0	52.3	0.0	52.3
535500	Attorney Services	33.0	25.3	33.0	0.0	115.0	0.0	115.0
535600	IT Services	915.0	993.7	915.0	0.0	950.0	0.0	950.0
<b>300</b>	<b>Contractual services</b>	<b>2,877.9</b>	<b>2,978.9</b>	<b>3,017.7</b>	<b>0.0</b>	<b>3,102.5</b>	<b>0.0</b>	<b>3,102.5</b>

Land Trust Stewardship

BU PCode Department  
 53900 P615 000000

State of New Mexico

S-9 Account Code Revenue/Expenditure Summary  
 (Dollars in Thousands)

		2023-24	2023-24	2024-25	2025-26	----- FY 2026 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
542100	Employee I/S Mileage & Fares	3.9	2.1	5.1	0.0	5.1	0.0	5.1
542200	Employee I/S Meals & Lodging	76.7	56.8	90.0	0.0	90.8	0.0	90.8
542300	Brd & Comm Mbr Meals & Lodging	4.0	0.0	4.0	0.0	4.0	0.0	4.0
542500	Transp - Fuel & Oil	100.0	57.3	90.0	0.0	90.0	0.0	90.0
542600	Transp - Parts & Supplies	48.0	54.4	48.0	0.0	48.0	0.0	48.0
542700	Transp - Transp Insurance	7.2	7.2	7.2	0.0	7.6	0.0	7.6
542800	State Transp Pool Charges	0.0	2.9	2.8	0.0	2.8	0.0	2.8
543100	Maint - Grounds & Roadways	26.5	5.0	21.5	0.0	11.5	0.0	11.5
543200	Maint - Furn, Fixt, Equipment	23.9	21.5	24.3	0.0	25.3	0.0	25.3
543300	Maint - Buildings & Structures	40.9	149.6	33.5	0.0	33.5	0.0	33.5
543400	Maint - Property Insurance	11.0	10.8	13.7	0.0	15.0	0.0	15.0
543500	Maint - Supplies	20.6	9.7	20.6	0.0	20.7	0.0	20.7
543820	Maintenance IT	0.0	61.0	0.0	0.0	0.0	0.0	0.0
543830	IT HW/SW Agreements	1,250.0	1,182.9	1,317.8	0.0	1,350.8	0.0	1,350.8
544000	Supply Inventory IT	69.9	126.6	69.4	0.0	70.6	0.0	70.6
544100	Supplies-Office Supplies	43.2	33.0	46.6	0.0	48.4	0.0	48.4
544400	Supplies-Field Supplies	9.4	10.1	11.4	0.0	9.4	0.0	9.4
544700	Supplies-Clothng,Unifrms,Linen	6.5	3.7	6.6	0.0	6.6	0.0	6.6
544800	Supplies-Education&Recreation	1.3	0.0	1.5	0.0	1.5	0.0	1.5
544900	Supplies-Inventory Exempt	35.2	49.9	44.2	0.0	45.0	0.0	45.0
545600	Reporting & Recording	14.3	2.4	14.6	0.0	11.6	0.0	11.6
545609	Report/Record Inter St Agency	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Land Trust Stewardship**

**BU PCode Department**  
 53900 P615 000000

**State of New Mexico**

**S-9 Account Code Revenue/Expenditure Summary**  
 (Dollars in Thousands)

	<b>2023-24 Opbud</b>	<b>2023-24 Actuals</b>	<b>2024-25 Opbud</b>	<b>2025-26 PCF Proj</b>	<b>----- FY 2026 Agency Request -----</b>		
					<b>Base</b>	<b>Expansion</b>	<b>Total</b>
545700 ISD Services	0.0	0.4	0.0	0.0	0.5	0.0	0.5
545710 DOIT HCM Assessment Fees	59.5	59.5	69.0	0.0	66.9	0.0	66.9
545900 Printing & Photo Services	27.0	21.0	22.4	0.0	26.6	0.0	26.6
546100 Postage & Mail Services	25.5	17.8	25.9	0.0	25.9	0.0	25.9
546300 Utilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
546310 Utilities - Sewer/Garbage	8.5	3.6	4.2	0.0	4.2	0.0	4.2
546320 Utilities - Electricity	83.1	73.0	85.2	0.0	88.0	0.0	88.0
546330 Utilities - Water	15.1	11.8	12.7	0.0	13.2	0.0	13.2
546340 Utilities - Natural Gas	23.8	12.9	23.9	0.0	24.5	0.0	24.5
546400 Rent Of Land & Buildings	114.0	124.9	124.0	0.0	144.0	0.0	144.0
546500 Rent Of Equipment	86.9	73.8	92.8	0.0	95.0	0.0	95.0
546600 Communications	87.2	68.0	94.6	0.0	95.5	0.0	95.5
546610 DOIT Telecommunications	144.7	132.6	136.6	0.0	145.5	0.0	145.5
546700 Subscriptions/Dues/License Fee	84.9	84.2	91.3	0.0	101.9	0.0	101.9
546709 Subscription & Due Interagency	0.0	5.3	0.0	0.0	0.0	0.0	0.0
546800 Employee Training & Education	91.4	42.9	103.5	0.0	106.4	0.0	106.4
546900 Advertising	10.5	19.5	10.8	0.0	10.0	0.0	10.0
547900 Miscellaneous Expense	30.0	0.7	30.0	0.0	30.4	0.0	30.4
547909 Misc Expense Interagency	0.0	0.3	0.0	0.0	0.0	0.0	0.0
547999 Request to Pay Prior Year	0.0	3.4	0.0	0.0	0.0	0.0	0.0
548300 Information Tech Equipment	95.0	212.4	95.0	0.0	100.5	0.0	100.5
548400 Other Equipment	10.0	0.0	13.0	0.0	13.0	0.0	13.0

Land Trust Stewardship

BU PCode Department  
 53900 P615 000000

State of New Mexico

S-9 Account Code Revenue/Expenditure Summary  
 (Dollars in Thousands)

		2023-24	2023-24	2024-25	2025-26	----- FY 2026 Agency Request -----		
		Opbud	Actuals	Opbud	PCF Proj	Base	Expansion	Total
548800	Automotive & Aircraft	250.0	163.7	250.0	0.0	250.0	0.0	250.0
549600	Employee O/S Mileage & Fares	54.1	23.4	60.0	0.0	62.2	0.0	62.2
549700	Employee O/S Meals & Lodging	72.5	50.2	76.6	0.0	84.1	0.0	84.1
<b>400</b>	<b>Other</b>	<b>3,166.2</b>	<b>3,052.5</b>	<b>3,294.3</b>	<b>0.0</b>	<b>3,386.5</b>	<b>0.0</b>	<b>3,386.5</b>
555100	Other Financing Uses	0.0	1,902,144.7	0.0	0.0	0.0	0.0	0.0
555200	O/F Uses - Higher Ed Institut	0.0	15,828.1	0.0	0.0	0.0	0.0	0.0
<b>500</b>	<b>Other financing uses</b>	<b>0.0</b>	<b>1,917,972.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL EXPENSE</b>		<b>24,588.1</b>	<b>1,943,193.2</b>	<b>26,918.3</b>	<b>21,953.7</b>	<b>30,646.7</b>	<b>0.0</b>	<b>30,646.7</b>
810	Permanent	181.50	189.00	190.50	189.00	193.50	0.00	193.50
<b>810</b>	<b>Permanent</b>	<b>181.50</b>	<b>189.00</b>	<b>190.50</b>	<b>189.00</b>	<b>193.50</b>	<b>0.00</b>	<b>193.50</b>
830	Temporary	0.00	3.00	0.00	3.00	0.00	0.00	0.00
<b>830</b>	<b>Temporary</b>	<b>0.00</b>	<b>3.00</b>	<b>0.00</b>	<b>3.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL FTE POSITIONS</b>		<b>181.50</b>	<b>192.00</b>	<b>190.50</b>	<b>192.00</b>	<b>193.50</b>	<b>0.00</b>	<b>193.50</b>

State of New Mexico

**S-13 Line Items by Business Unit Expenditures**

(Dollars in Thousands)

BusUnit	Line Item	2023-24	2024-25	Request		Recommendation		Opbud	
		Actuals	Opbud	Base	Expansion	Base	Expansion		
<b>53900</b>	<b>P615-R Land Trust Stewardship</b>	521410 GSD Work Comp Insur Premium	59.03	47.3	90.7	0	0	0	0.0
		521500 Unemployment Comp Premium	0	1.4	0	0	0	0	0.0
		521600 Employee Liability Ins Premium	42.92	39.9	109.4	0	0	0	0.0
		535400 Audit Services	29.02	49.8	52.3	0	0	0	0.0
		542700 Transp - Transp Insurance	7.18	7.2	7.6	0	0	0	0.0
		542800 State Transp Pool Charges	2.88	2.8	2.8	0	0	0	0.0
		543400 Maint - Property Insurance	10.83	13.7	15	0	0	0	0.0
		545700 ISD Services	0.38	0	0.5	0	0	0	0.0
		545710 DOIT HCM Assessment Fees	59.53	69	66.9	0	0	0	0.0
		546610 DOIT Telecommunications	132.56	136.6	145.5	0	0	0	0.0
<b>Subtotal for:</b>	<b>53900 P615-R Land Trust Stewardship</b>	<b>344.32</b>	<b>367.7</b>	<b>490.7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	
<b>53900</b>		<b>344.32</b>	<b>367.7</b>	<b>490.7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	

**Totals by Line Item**

BusUnit	Line Item	2023-24	2024-25	Request		Recommendation		Opbud	
		Actuals	Opbud	Base	Expansion	Base	Expansion		
<b>53900</b>	<b>521410 GSD Work Comp Insur Premium</b>	59.03	47.3	90.7	0	0	0	0.0	
		<b>521500 Unemployment Comp Premium</b>	0	1.4	0	0	0	0	0.0
		<b>521600 Employee Liability Ins Premium</b>	42.92	39.9	109.4	0	0	0	0.0
		<b>535400 Audit Services</b>	29.02	49.8	52.3	0	0	0	0.0
		<b>542700 Transp - Transp Insurance</b>	7.18	7.2	7.6	0	0	0	0.0
		<b>542800 State Transp Pool Charges</b>	2.88	2.8	2.8	0	0	0	0.0
		<b>543400 Maint - Property Insurance</b>	10.83	13.7	15	0	0	0	0.0
		<b>545700 ISD Services</b>	0.38	0	0.5	0	0	0	0.0
		<b>545710 DOIT HCM Assessment Fees</b>	59.53	69	66.9	0	0	0	0.0
		<b>546610 DOIT Telecommunications</b>	132.56	136.6	145.5	0	0	0	0.0
<b>Grand Total</b>		<b>344.32</b>	<b>367.7</b>	<b>490.7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	

**Program Description:**

The purpose of the Land Stewardship Program is to generate revenue from state trust lands to support public education and other beneficiary institutions, while simultaneously striving to protect, conserve and maintain the lands so they are healthy and productive for future generations. The State Land Office (NMSLO) generates revenue by leasing lands for agriculture, a wide variety of business uses, renewable energy, oil and gas development, mining, and other surface and mineral estate activities.

The Territory of New Mexico was established in 1850 by an Act of Congress. Recognizing the importance of public education to a developing nation, Congress reserved sections 16 and 36 of each township for the benefit of Common Schools. Later, Congress approved the Ferguson Act of 1898, which made additional land grants to aid in the support of other public institutions, including higher education institutions, and appointed Alpheus A. Keen as the first Commissioner of Public Lands. The Enabling Act of 1910, which authorized the Territory of New Mexico to form a constitution and state government and admitted it into the Union, confirmed grants previously made to the Territory and also assigned sections 2 and 32 of each township in trust for the Common Schools.

Today, state trust lands are located in every one of New Mexico's 33 counties. The Commissioner of Public Lands, as a statewide elected official, manages about nine million acres of surface and 13 million acres of mineral rights on behalf of beneficiaries. Each section of land is assigned to one of the Trust's 21 beneficiaries, which include public schools, universities, hospitals and other public institutions, and the money made off each tract of land goes to support the assigned beneficiary.

The beneficiaries of the Trust are: Capital Buildings, Carrie Tingley Hospital, Charitable Penal and Reform (CP&R is shared equally by Carrie Tingley Hospital, Las Vegas Medical Center (The Behavioral Health Institute), Los Lunas Hospital, Miners' Colfax Medical Center, Penitentiary of New Mexico, and the New Mexico Boys' School and Girl's Welfare Home (CYFD-The Youth Diagnostic and Development Center)), Eastern New Mexico University, Irrigation Reservoirs, Las Vegas Medical Center (State Hospital/Behavioral Health Institute), Miners' Colfax Medical Center, New Mexico Boys' School, New Mexico Highlands University, New Mexico Military Institute, New Mexico Institute of Mining and Technology, University of New Mexico, Western New Mexico University, New Mexico School for the Deaf, New Mexico School for the Blind and Visually Impaired, New Mexico State University, Northern New Mexico Community College, Penitentiary of New Mexico, Public (Common) Schools, Rio Grande Improvements, and Saline Lands.

Fiscal years 2019-2024 marked record years, with the NMSLO earnings reaching an estimated \$2.5 billion for FY24. These levels are a significant increase over the \$852 million generated in FY18. Money earned by the NMSLO reduces taxpayer burden by decreasing the required amount of General Fund support by the amount of Other State Funds provided through the Land Maintenance Fund (LMF) and distributed through the Land Grant Permanent Fund (LGPF).

Revenue generated from the extraction of oil, natural gas, mining, the sale of land, or any other activity that permanently depletes a resource, is paid into the LGPF, which is managed and invested by the State Investment Council (SIC). Funds are distributed to beneficiaries based on 5-year average ending market value and the distribution percentage established by the state Constitution. Distributions from the LGPF to public schools are paid into the Common School Fund, a subcategory of the General Fund; the distributions to the Charitable Penal and Reform (shared amongst seven beneficiaries) are transferred to the Department of Finance and Administration for further distribution. All other beneficiaries receive monthly checks from the SIC.

Revenue earned from miscellaneous revenue (interest on deposits, fees, and refunds), ranching and farming, renewable energy, rights-of-way, and commercial development, which do not permanently deplete a resource, are distributed through the LMF to the designated beneficiaries after the NMSLO covers its own expenses. Public school distributions are paid into the Common School Fund; other beneficiaries receive monthly checks or transfers from the agency.

NMSLO is comprised of various divisions and functions. The Office of the Commissioner of Public Lands provides overall leadership and direction to the agency as well as manages the State Land Trusts Advisory Board, subject matter specific advisory committees, communications and public relations, beneficiary engagement, and constituent services. The Oil, Gas and Minerals Division (OGMD) administers the NMSLO monthly oil and gas lease sales and manages all hydrocarbon and mineral leasing activity on state trust lands. The Water Bureau is also housed within OGMD. The Royalty Management Division is responsible for the collection, processing, distribution and auditing of royalty revenue from oil, natural gas, and carbon dioxide produced from state trust lands. The Commercial Resources Division (CRD) engages in a wide variety of commercial leasing, land exchanges, and rights-of-way (ROW), while preserving the resource to the greatest extent possible. CRD includes the Office of Renewable Energy, the ROW group, Business Leasing section, and Economic Development special projects. The Surface Resources Division (SRD) manages complex and dynamic programs that focus on landscape level planning, watershed health, forestry, site remediation, illegal dumping, biological resources, environmental compliance, and district field offices throughout the state. SRD houses the Agricultural Leasing Bureau, Office of Outdoor Recreation, Environmental Compliance Office, as well as manages the Restoration and Remediation Fund (R&R). One percent of the renewable revenue received by the NMSLO is deposited in the R&R Fund, up to \$5,000,000. The money is to implement projects in the following categories: surface damage remediation and restoration; watershed, forest or grassland restoration; illegal dump site remediation and restoration; and contaminated site remediation. The Cultural Resources Office (CRO) serves to position the agency to effectively manage and protect cultural resources and engage in tribal consultation efforts in a coordinated and responsive manner. The Office of the General Counsel (Legal Division) provides legal advice and representation to the Commissioner and all agency divisions in furtherance of the agency's mission, as well as manages the Enforcement & Accountability program. Administrative Services provides support to the agency through the following divisions: accounting, human resources, facilities management, information technology and records management.

**Major Issues and Accomplishments:**

FY24 marked the second highest overall earnings on record, about \$2.5 billion, and the highest earnings ever from non-royalty revenue (LMF), at \$214 million. The record revenue levels also correspond with substantial increases in workload. The agency has made significant strides in expanding diversification efforts, such as renewable energy and major economic development and housing projects, and industry compliance efforts. The agency has consistently increased, and exceeded, almost all of its performance measures. The continued success of these efforts is directly tied to the agency's ability to retain, recruit and expand personnel assigned to implementing key initiatives and responding to ever-increasing workload demands.

FY24 accomplishments include:

- Obtained clean FY23 financial audit while processing over 25,000 payments while distributing the second highest revenue on record, over \$2.5 billion.
- Increased renewable energy on state lands by more than six-fold since the Commissioner assumed office, from 400 MW under lease to approximately 2,505 MW today.
- Completed auctions for two major wind leases, a 12,000-acre project in Hidalgo County and a 27,000-acre project in Grant County, which will earn over \$146 million and generate enough electricity for about 110,000 homes.
- Began to implement the Community Solar Program, which included the selection of 12 projects on state lands by the PRC and the negotiation of lease terms for auction.
- Accountability & Enforcement program surpassed 530 inactive wells plugged at the cost of responsible private parties, saving the state more than \$50 million and removing a long-term environmental and financial liability (216 were plugged in FY24). Six new enforcement suits were filed in FY24.
- Overall commercial revenue increased 25% over FY23; with business leasing up 23% and ROW up 33%; processed a record number of ROW/ROE applications (1,387).
- Advanced significant commercial projects, including a Rio Rancho (Paseo Gateway Tract 17) land sale of approximately 45 acres that will help meet residential demand surrounding Sue Cleveland High School; Las Cruces (West Mesa) municipal lease for approximately 500 acres for economic development opportunities on the I-10 corridor; Las Cruces (East Mesa-Waterfalls) land sale of 77 acres for a residential development for median income households; and a McKinley County lease for approximately 800 acres to promote economic development opportunities on a newly constructed roadway (Carbon Coal).
- Improved several key lease contract templates, including a comprehensive update of the standard business lease, to strengthen environmental compliance language, and clearer provisions governing reclamation and improvements, site access, notifications, and insurance.
- Completed the first operational year of the Cultural Properties Protection Rule requiring surveys prior to surface disturbance; staff archaeologists surveyed 356 acres in support of land maintenance and remediation projects; acted as lead cultural compliance agency for 726 projects covering 28,967 acres; contracted 7 archaeological service projects which covered 2,032 acres for land maintenance projects.
- Hosted a Tribal Historic Preservation Officer Summit to strengthen tribal consultation; signed a MOU with Isleta Pueblo to define consultation process and areas of interest; and developed an online consultation portal for Tribes, Nations, and Pueblos to access data and request formal consultation.
- Earned \$90.8 million in oil and gas lease bonuses, the third highest annual earnings on record (and 69% over FY23).
- Unit/Communitizations (coms) group terminated 20 units for non-compliance, returning the acreage for re-leasing, implemented environmental reviews for unit operator transfers, and applied a cross-divisional review process for new units to make certain new units minimize surface disturbance and protect cultural properties. Approved 669 com wells, terminated 230 coms and resolved five com violation cases resulting in more than \$14.7 million. Com reviews maximize royalties, minimize waste, and decrease delays for operators drilling wells.
- Reviewed 491 assignments and, vis-à-vis the review process, required the cleanup of 31 sites. Overall, across various bureaus, OGM reviewed approximately 159,780 acres of state land for environmental issues.
- Earned over \$9.1 million, with \$283,000 coming from 190 individual audits of mineral leases. Three trespasses were reclaimed, \$556,220 received and industry cleaned up 185 acres of land, which saved taxpayers over \$1.2 million.
- Generated over \$24 million, up \$5 million from last year for easements for fresh water, salt water, water monitoring, and deep non-fresh water. Continued implementation of the Commissioner's policy of no freshwater sales to the oil and gas industry, which to date has saved the state an estimated 300 million gallons of freshwater.
- Processed about \$2.2 billion in oil and gas royalties, requiring the review of over 500,000 royalty detail lines (revenue receipts).
- Collected \$9.4 million from audit and compliance efforts, that included weeks-long visits to oil and gas producers.
- Hosted a two-day training for 200+ industry attendees offering one-on-one counseling and presentations about revenue processing, compliance, audits, leases, units and coms, OCD reporting, and BLM commingling. The ultimate goal is to have royalty remitters make zero errors in their monthly payments and to have no audit findings when we are conducting industry audits.
- Created a system to automatize the processing of royalty payments with zero errors, resulting in a 43% reduction in the number of returns with no errors that could be expeditiously processed.
- Completed 844 agricultural lease renewals.
- Issued 378 Recreational Access Permits; worked with Socorro County to develop a Recreation Stewardship Plan for the Socorro Box and received a Trails+ Grant through NMEDD Outdoor Recreation Division.
- Environmental Compliance Office processed/reviewed 679 incidents/spills; 111 remediation/reclamation plans; 231 remediation closure reports; and the agency utilized \$210,000 in claimed bond funds for cleanup and completed 1,446 Field requests.
- Launched Conservation Leasing Program with the issuance of a lease to monitor, protect, and enhance the habitat for a rare plant species; launched a project to restore playas in collaboration with grazing lessees.

- Created a new SPO classification series for the RMD Royalty Compliance Auditors and Manager positions. The new classification improves the recruitment of employees with required qualifications while also creating a career ladder and tailoring job duties to the unique focus of oil and gas royalty processing, auditing and compliance work.
- Created and reclassified positions to create career ladder opportunities within the agency and build capacity in divisions with high workloads, which include the creation of 6 new positions, and reclassing 4 existing vacant positions.
- Named a regional Top Workplace by the Albuquerque Journal for the second year and a National Top Workplace by USA Today for the first time in 2024.
- Maintained overall lower than state average vacancy rates throughout the year due to low turnover and high employee retention. The annual average vacancy rate was 7.1%, with the lowest month at 5.48%.
- Delivered almost 96,000 (average of 370 per day) digital documents to public room visitors and remote clients; recorded 5,307 title activities, digitized 530,250 pages; scanned 26,158 Tract Book pages; and handled 10,184 files.
- Continued to strengthen IT security; maintained a score of over 810+ which is in the top tier of lowest risk scoring for state government.
- Maintained a safe and secure building and no property losses or claims; repaired main HVAC fans; replaced server room backup batteries.

**Overview of Request:**

NMSLO earnings, the primary constitutional performance metric, have consistently set records over the last six fiscal years. Revenue decreased slightly from FY23 due to more normalized oil prices, however, FY24 marked the second highest year on record at about \$2.5 billion, and the highest earnings ever for non-royalty revenue at \$214 million. This reduces the tax burden of working families by decreasing reliance on General Funds to support public schools, universities and hospitals.

Specifically, the request seeks funding to: recruit and retain a specialized and professional workforce; advance renewable energy and economic development diversification; manage a significantly increased workload; institutionalize accountability and enforcement efforts; better protect the health of lands; and provide for the efficient delivery of services, including the timely processing of revenue-generating applications.

NMSLO operations are funded by utilizing a very small portion of the revenue it generates each year (OSF).

NMSLO's FY25 operational budget of \$26,918,300 represents just 1% of FY24 revenue. The agency's FY26 request of \$30,646,700 reflects an increase of 13.9% (\$3,728,400). With very modest inflationary increases of 2.8% in the Contracts and Other categories, the additional funds are primarily focused on needs within Salaries and Benefits (\$3,551,400).

NMSLO's budget prioritizes the continued investment in hiring and retaining employees with the right skill set to advance core objectives. This focus has allowed the agency to maintain the lowest vacancy rate among mid- to large size agencies, with an FY24 annual average vacancy rate of 7%. In addition to maintaining existing staff (190.5 FTE, 5% vacancy rate), the FY26 request funds three new positions to handle current workload requirements: two positions in the Commercial Division to manage a significant increase in business and right of way applications, and one position in the IT Division to lead cybersecurity efforts.

The request also includes funding for salary adjustments for appropriate placement, position reclassifications and improved competitiveness with other state agencies. In general, NMSLO has lower classifications than other similarly situated agencies, especially with regard to its directors, deputy directors and mid-managers. This in turn compresses career ladder opportunities and results in lower compensation levels for non-supervisory employees.

While the agency has been able to maintain a low vacancy rate, with the significant salary increases being provided to other agencies that rely on the same skilled workforce, the NMSLO will continue to face greater retention and recruitment challenges. For example, in FY25, NMED received a 27.1% increase in recurring general fund appropriations, of which \$5.7 million of the \$6.9 million total will fund agency-wide pay raises. EMNRD received an overall increase of 12.5%, which also included significant investments in personnel. (LFC 56th Legislature, Session Post-Session Review). In comparison, NMSLO's FY25 funded budget request amounted to an overall increase of 7.5%.

As a result of a commitment to valuing employees, work-life balance initiatives and the character of the work we do each day, NMSLO has been ranked as one of the Top Workplace by the Albuquerque Journal for two years in a row and a National Top Workplace by USA Today for the first time in 2024. In a confidential survey, 92% of employees recommended the agency as a great place to work. Nonetheless, over 1/4th of employees stated they considered looking for a job within the last month, primarily because of a perception that their S&B failed to reflect the appropriate level of compensation compared to others in their respective fields. Being a great place to work can only go so far with recruitment and retention efforts; ultimately competitive compensation can matter more as families try to make ends meet.

The requested resources are needed to adequately manage 13 million acres in a sustainable and thoughtful manner and to prevent revenue generating economic opportunities from being left on the table due to a lack of capacity. The drastic growth in revenue over the last six years corresponds with significantly increased workload, including financial accounting, royalty processing, auditing, application and lease management, site reviews and environmental clearances, remediation and reclamation and legal services.

Earnings are expected to remain strong in FY25 and FY26 but uncertainty exists due to O&G price volatility and general international/domestic economic factors. Royalty contributions to the LGPF will likely remain strong due to the Permian Basin's desirability and low operating costs (conservatively estimated at \$1.9 billion). LMF revenue can fluctuate considerably, however, it is expected to remain strong due to increased non-royalty activities (FY26 LMF earnings are conservatively estimated at \$162 million).

**Programmatic Changes:** N/A

**Base Budget Justification:** Operations are funded by utilizing a very small portion of agency-generated revenue. To fund current service needs, \$30,646,700 is requested (LMF) – an overall increase of 13.9% (\$3,728,400) compared to the FY25 Operating Budget. The agency is not seeking any special or IT appropriations.

S&B: The request prioritizes the hiring and retention of employees with the skill sets to advance the agency's objectives. Over 78% of the budget falls within S&B, with very little overhead in Contractual and Other. This has allowed the agency to maintain the lowest vacancy rate among mid- to large size agencies, ending FY24 with a 7.1% annual average vacancy rate. The agency also maintains a significantly lower turnover rate than the state average. However, as we try to remain competitive with similarly situated agencies, appropriately compensate employees, and create/fill positions necessary to efficiently and effectively fulfill our mission, S&B needs have exceeded the available category allocation in the last two fiscal years. While remaining within its overall budget, the agency has had to transfer into S&B from Contracts and Other to meet S&B needs (\$115,000 in FY22; \$710,000 in FY23). The agency anticipates that additional internal BAR transfers will occur in FY25. Investment in human resources capacity is key to enabling the agency to meet its strategic and performance goals.

S&B is requested at \$24,157,700, an increase of 17.2% (\$3,551,400) over the FY25 Operating Budget. In addition to maintaining existing staff (190.5 FTE, 5% budgeted vacancy rate), the FY26 request funds three new positions:

- Chief Cybersecurity Officer: The prevention, detection and response to cyber threats is a top priority. With a constantly growing security threat from cyber actors, and the crucial role the agency plays in managing billions of dollars each year with sophisticated IT systems, a targeted cybersecurity position is key to safeguarding public resources. The position would lead agency-specific strategic planning and enhancement efforts, coordinate with DoIT, monitor ongoing security analysis and software updates, develop risk management procedures and organizational continuity and disaster recovery processes.
- Right-of-Way Management Analyst: New applications for rights of way and rights of entry are up almost 15% from the prior fiscal year, with corresponding revenue up about 33%. The Commercial Division is experiencing an unprecedented number of applications for new business in addition to hundreds of anticipated applications for expired or expiring rights of way issued decades ago. About 1,400 applications were processed in FY24, the highest number ever. The agency changed to a standard 35-year term for rights of way about 35 years ago, and those instruments are now coming up for reissuances. Delays due to staffing shortfalls impact the agency's ability to move important applications in a timely manner, such as broadband, new roads and infrastructure for job-creating projects.
- Business Leasing Management Analyst: Business lease applications increased by 14% from FY23, with revenue growing by about 23%. An additional position is necessary to handle the ever-increasing workload in processing applications and providing oversight of existing leases.

Contractual Services: Contractual Services is requested at \$3,102,500, an increase of 2.8% (\$84,800) over FY25. The additional funds primarily reflect inflationary increases for land maintenance projects and the agency's security staffing contract.

Other: The Other category is requested at \$3,386,300, an increase of 2.8% (\$92,200) over FY25. The request primarily reflects inflationary costs related to in-state travel and other administrative costs (rent, utilities, DoIT fees, insurance, etc.) that have continued to rise.

#### Performance Measures

To meet workload requirements, the agency has increased its operational budget over the last several years. However, it has also increased its performance measures, which for most the agency has consistently met or exceed. The most basic duty of the NMSLO is to earn money for public schools and other public institutions – and the agency has shattered records each year, generating over \$10 billion since 2019.

The agency's proposed FY26 performance targets in many key areas are substantially higher compared to FY23 targets. For example:

- Number of wells plugged and sites reclaimed through compliance and enforcement efforts: +275%
- Total trust revenue generated: +163%
- Bonus income per acre leased for oil and natural gas activities: +135%
- Amount of revenue generated through oil and gas audit activities: +80%
- Annual income from renewable energy: +114%
- Annual income from commercial leasing activities: +57%

Furthermore, the achievements of the NMSLO go well beyond just exceeding budget performance measures in creating jobs, expanding affordable housing and seizing economic development opportunities.

## REV EXP COMPARISON

(Dollars in Thousands)

### 53900 - State Land Office

---

#### P615 - Land Trust Stewardship

---

	General Fund	Other Funds	Other Transfers	Federal Funds	Total
<b>SOURCES Totals</b>	<b>0.0</b>	<b>30,646.7</b>	<b>0.0</b>	<b>0.0</b>	<b>30,646.7</b>
Personal Services and Employee Benefits	0.0	24,157.7	0.0	0.0	24,157.7
Contractual services	0.0	3,102.5	0.0	0.0	3,102.5
Other	0.0	3,386.5	0.0	0.0	3,386.5
<b>USES Total:</b>	<b>0.0</b>	<b>30,646.7</b>	<b>0.0</b>	<b>0.0</b>	<b>30,646.7</b>
<b>Net:</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Land Trust Stewardship

BU PCode  
53900 P615

State of New Mexico

E4 PCode Detail  
(Dollars in Thousands)

Fund	Account		2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request				Total	Justification
						GF	OSF	ISF/IAT	FF		
00000	520100	Exempt Perm Positions P/T&F/T	0.0	0.0	82.8	0.0	0.0	0.0	0.0	0.0	
00000	520300	Classified Perm Positions F/T	0.0	0.0	596.29	0.0	0.0	0.0	0.0	0.0	
00000	521100	Group Insurance Premium	0.0	0.0	46.01	0.0	0.0	0.0	0.0	0.0	
00000	521300	F I C A	0.0	0.0	41.66	0.0	0.0	0.0	0.0	0.0	
00000	521700	RHC Act Contributions	0.0	0.0	16.8	0.0	0.0	0.0	0.0	0.0	
09800	520100	Exempt Perm Positions P/T&F/T	2,058.9	2,079.5	2,023.5	0.0	2,008.6	0.0	0.0	2,008.6	
09800	520300	Classified Perm Positions F/T	11,628.9	12,782.8	13,231.48	0.0	15,398.5	0.0	0.0	15,398.5	S&B is requested at \$24,157,700, an increase of \$3,551,400 over the FY25 Operating Budget. In addition to maintaining existing staff (190.5 FTE, 5% budgeted vacancy rate), the FY26 request funds three new positions: • Chief Cybersecurity Officer; • Right-of-Way Analyst; • Business Leasing Analyst. It also includes \$1,659,400 for salary adjustments for appropriate placement, position reclassifications and improved competitiveness with other state agencies. NMSLO has conducted ongoing compensation and classification reviews to identify needs and take necessary personnel actions, however, these efforts have been piecemeal and insufficient due to budget limitations.
09800	520400	Classified Perm Positions P/T	24.2	23.0	25.36	0.0	50.0	0.0	0.0	50.0	
09800	520500	Temporary Positions F/T & P/T	119.9	0.0	148.44	0.0	0.0	0.0	0.0	0.0	
09800	520600	Paid Unused Sick Leave	16.7	0.0	0	0.0	0.0	0.0	0.0	0.0	
09800	520700	Overtime & Other Premium Pay	5.3	0.0	0	0.0	0.0	0.0	0.0	0.0	
09800	520800	Annl & Comp Paid At Separation	44.3	0.0	0	0.0	0.0	0.0	0.0	0.0	
09800	520900	Differential Pay	1.0	2.5	0	0.0	0.0	0.0	0.0	0.0	
09800	521100	Group Insurance Premium	1,249.3	1,368.2	1,425.55	0.0	1,455.7	0.0	0.0	1,455.7	
09800	521200	Retirement Contributions	2,654.4	2,835.6	2,779.83	0.0	3,358.4	0.0	0.0	3,358.4	
09800	521300	F I C A	1,005.7	1,127.5	946.55	0.0	1,335.5	0.0	0.0	1,335.5	
09800	521400	Workers' Comp Assessment Fee	1.6	1.8	0	0.0	1.8	0.0	0.0	1.8	
09800	521410	GSD Work Comp Insur Premium	59.0	47.3	0	0.0	90.7	0.0	0.0	90.7	
09800	521500	Unemployment Comp Premium	0.0	1.4	0	0.0	0.0	0.0	0.0	0.0	

Land Trust Stewardship

BU PCode  
53900 P615

State of New Mexico

E4 PCode Detail  
(Dollars in Thousands)

Fund	Account		2023-24	2024-25	2025-26	FY 2026 Agency Request				Total	Justification
			Actuals	Opbud	PCF Proj	GF	OSF	ISF/IAT	FF		
09800	521600	Employee Liability Ins Premium	42.9	39.9	0	0.0	109.4	0.0	0.0	109.4	
09800	521700	RHC Act Contributions	275.4	296.8	308.65	0.0	349.1	0.0	0.0	349.1	
09800	523000	COVID Related Admin Leave	1.3	0.0	0	0.0	0.0	0.0	0.0	0.0	
	<b>200</b>	<b>Personal Services and Employee Bene</b>	<b>19,189.0</b>	<b>20,606.3</b>	<b>21,672.91</b>	<b>0.0</b>	<b>24,157.7</b>	<b>0.0</b>	<b>0.0</b>	<b>24,157.7</b>	
09800	542100	Employee I/S Mileage & Fares	2.1	5.1	0	0.0	5.1	0.0	0.0	5.1	
09800	542200	Employee I/S Meals & Lodging	56.8	90.0	0	0.0	90.8	0.0	0.0	90.8	Travel to conduct I/S audits, site visits, and project inspections is projected to increase. More projects are needed to meet AGA performance measures, which require additional travel to manage. Per diem rates continue to rise year over year.
09800	542300	Brd & Comm Mbr Meals & Lodging	0.0	4.0	0	0.0	4.0	0.0	0.0	4.0	
09800	542500	Transp - Fuel & Oil	57.3	90.0	0	0.0	90.0	0.0	0.0	90.0	With the increased travel discussed above comes the need for more fuel for state vehicles. Gas prices vary widely throughout the year
09800	542600	Transp - Parts & Supplies	54.4	48.0	0	0.0	48.0	0.0	0.0	48.0	
09800	542700	Transp - Transp Insurance	7.2	7.2	0	0.0	7.6	0.0	0.0	7.6	
09800	542800	State Transp Pool Charges	2.9	2.8	0	0.0	2.8	0.0	0.0	2.8	
09800	543100	Maint - Grounds & Roadways	5.0	21.5	0	0.0	11.5	0.0	0.0	11.5	
09800	543200	Maint - Furn, Fixt, Equipment	21.5	24.3	0	0.0	25.3	0.0	0.0	25.3	
09800	543300	Maint - Buildings & Structures	149.6	33.5	0	0.0	33.5	0.0	0.0	33.5	
09800	543400	Maint - Property Insurance	10.8	13.7	0	0.0	15.0	0.0	0.0	15.0	
09800	543500	Maint - Supplies	9.7	20.6	0	0.0	20.7	0.0	0.0	20.7	
09800	543820	Maintenance IT	61.0	0.0	0	0.0	0.0	0.0	0.0	0.0	
09800	543830	IT HW/SW Agreements	1,182.9	1,317.8	0	0.0	1,350.8	0.0	0.0	1,350.8	Cost of software has increased as well as the need to keep security software up-to-date.
09800	544000	Supply Inventory IT	126.6	69.4	0	0.0	70.6	0.0	0.0	70.6	
09800	544100	Supplies-Office Supplies	33.0	46.6	0	0.0	48.4	0.0	0.0	48.4	
09800	544400	Supplies-Field Supplies	10.1	11.4	0	0.0	9.4	0.0	0.0	9.4	
09800	544700	Supplies-Clothing,Unifrms,Linen	3.7	6.6	0	0.0	6.6	0.0	0.0	6.6	
09800	544800	Supplies-Education&Recreation	0.0	1.5	0	0.0	1.5	0.0	0.0	1.5	
09800	544900	Supplies-Inventory Exempt	49.9	44.2	0	0.0	45.0	0.0	0.0	45.0	

Land Trust Stewardship

BU PCode  
53900 P615

State of New Mexico

E4 PCode Detail  
(Dollars in Thousands)

Fund	Account		2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request				Total	Justification
						GF	OSF	ISF/IAT	FF		
09800	545600	Reporting & Recording	2.4	14.6	0	0.0	11.6	0.0	0.0	11.6	
09800	545609	Report/Record Inter St Agency	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	
09800	545700	ISD Services	0.4	0.0	0	0.0	0.5	0.0	0.0	0.5	
09800	545710	DOIT HCM Assessment Fees	59.5	69.0	0	0.0	66.9	0.0	0.0	66.9	
09800	545900	Printing & Photo Services	21.0	22.4	0	0.0	26.6	0.0	0.0	26.6	Increased copy charges for new copy machines and court exhibits for litigation.
09800	546100	Postage & Mail Services	17.8	25.9	0	0.0	25.9	0.0	0.0	25.9	
09800	546300	Utilities	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	
09800	546310	Utilities - Sewer/Garbage	3.6	4.2	0	0.0	4.2	0.0	0.0	4.2	
09800	546320	Utilities - Electricity	73.0	85.2	0	0.0	88.0	0.0	0.0	88.0	
09800	546330	Utilities - Water	11.8	12.7	0	0.0	13.2	0.0	0.0	13.2	
09800	546340	Utilities - Natural Gas	12.9	23.9	0	0.0	24.5	0.0	0.0	24.5	
09800	546400	Rent Of Land & Buildings	124.9	124.0	0	0.0	144.0	0.0	0.0	144.0	Annual rent escalators in rental agreements and adding more space in district field offices
09800	546500	Rent Of Equipment	73.8	92.8	0	0.0	95.0	0.0	0.0	95.0	
09800	546600	Communications	68.0	94.6	0	0.0	95.5	0.0	0.0	95.5	
09800	546610	DOIT Telecommunications	132.6	136.6	0	0.0	145.5	0.0	0.0	145.5	
09800	546700	Subscriptions/Dues/License Fee	84.2	91.3	0	0.0	101.9	0.0	0.0	101.9	
09800	546709	Subscription & Due Interagency	5.3	0.0	0	0.0	0.0	0.0	0.0	0.0	
09800	546800	Employee Training & Education	42.9	103.5	0	0.0	106.4	0.0	0.0	106.4	
09800	546900	Advertising	0.4	10.8	0	0.0	10.0	0.0	0.0	10.0	
09800	547900	Miscellaneous Expense	0.7	30.0	0	0.0	30.4	0.0	0.0	30.4	
09800	547999	Request to Pay Prior Year	3.4	0.0	0	0.0	0.0	0.0	0.0	0.0	
09800	548300	Information Tech Equipment	212.4	95.0	0	0.0	100.5	0.0	0.0	100.5	Needed for server refresh
09800	548400	Other Equipment	0.0	13.0	0	0.0	13.0	0.0	0.0	13.0	
09800	548800	Automotive & Aircraft	163.7	250.0	0	0.0	250.0	0.0	0.0	250.0	
09800	549600	Employee O/S Mileage & Fares	23.4	60.0	0	0.0	62.2	0.0	0.0	62.2	
09800	549700	Employee O/S Meals & Lodging	50.2	76.6	0	0.0	84.1	0.0	0.0	84.1	Increased travel to conduct audits and attend training opportunities only offered out-of-state
77600	546900	Advertising	19.1	0.0	0	0.0	0.0	0.0	0.0	0.0	

Land Trust Stewardship

BU PCode  
53900 P615

State of New Mexico

**E4 PCode Detail**  
(Dollars in Thousands)

Fund	Account		2023-24 Actuals	2024-25 Opbud	2025-26 PCF Proj	FY 2026 Agency Request				Total	Justification
						GF	OSF	ISF/IAT	FF		
77600	547909	Misc Expense Interagency	0.3	0.0	0	0.0	0.0	0.0	0.0	0.0	
	<b>400</b>	<b>Other</b>	<b>3,052.5</b>	<b>3,294.3</b>	<b>0</b>	<b>0.0</b>	<b>3,386.5</b>	<b>0.0</b>	<b>0.0</b>	<b>3,386.5</b>	
09800	555100	Other Financing Uses	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	
26400	555100	Other Financing Uses	1,765,166.0	0.0	0	0.0	0.0	0.0	0.0	0.0	
77700	555100	Other Financing Uses	136,978.8	0.0	0	0.0	0.0	0.0	0.0	0.0	
77700	555200	O/F Uses - Higher Ed Institut	15,828.1	0.0	0	0.0	0.0	0.0	0.0	0.0	
	<b>500</b>	<b>Other financing uses</b>	<b>1,917,972.8</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<b>TOTAL EXPENSE</b>			<b>1,940,214.3</b>	<b>23,900.6</b>		<b>0.0</b>	<b>27,544.2</b>	<b>0.0</b>	<b>0.0</b>	<b>27,544.2</b>	

State of New Mexico  
Contract by PCode Detail  
(Dollars in Thousands)

Fund	Account	#	Contract Purpose	Actuals	FY 2026 Agency Request					Total	Justification
					GF	OSF	ISF/IAT	FF			
09800	535100	1000	Medical Services	Drug and alcohol testing	0.0	0.0	0.2	0.0	0.0	0.2	
09800	535200	1000	Professional Services	Archeological surveys, environmental consulting, plant and wildlife surveys, lease and pricing assessments	479.1	0.0	1,130.0	0.0	0.0	1,130.0	Spending in accounts 535200 and 535300 varies year to year based on the projects completed. Total request between these two accounts is reduced by \$34.k from FY25 operating budget.
09800	535209	1000	Professional Svcs - Interagen		39.2	0.0	0.0	0.0	0.0	0.0	
09800	535300	1000	Other Services	Watershed health projects, land remediation and restoration, prescribed fire, wildlife habitat improvement, security services, interpreting services, appraisal services, temporary staffing	332.7	0.0	855.0	0.0	0.0	855.0	Spending in accounts 535200 and 535300 varies year to year based on the projects completed. Total request between these two accounts is reduced by \$34.k from FY25 operating budget.
09800	535400	1000	Audit Services	Financial audit	29.0	0.0	52.3	0.0	0.0	52.3	Published rate
09800	535500	1000	Attorney Services	Employment counsel, bankruptcy counsel, administrative hearing officers, water rights abstracter	25.3	0.0	115.0	0.0	0.0	115.0	Increased attorney costs for bankruptcy counsel and existing litigation levels
09800	535600	1000	IT Services	Developers for internal NMSLO IT systems	993.7	0.0	950.0	0.0	0.0	950.0	Small increase to cover inflationary cost increases and need for additional developer support.
68210	535300	1000	Other Services		1,079.9	0.0	0.0	0.0	0.0	0.0	
<b>TOTAL EXPENSE</b>					<b>2,978.9</b>	<b>0.0</b>	<b>3,102.5</b>	<b>0.0</b>	<b>0.0</b>	<b>3,102.5</b>	

# DFA Performance Based Budgeting Data System

## Annual Performance Report

**Agency:** 53900 State Land Office

**Program:** P615 Land Trust Stewardship

The purpose of the land trust stewardship program is to generate sustainable revenue from state trust lands to support public education and other beneficiary institutions and to build partnerships with all New Mexicans to conserve, protect and maintain the highest level of stewardship for these lands so that they may be a significant legacy for generations to come.

Performance Measures:		2023-24 Target	2023-24 Result	Met Target	Year End Result Narrative
Outcome	Amount of revenue generated through oil and natural gas audit activities, in millions	2.0	9.4	Yes	The target was exceeded by \$7.4 million, primarily driven by audits of two large companies with significant operations in New Mexico. Audit results are highly variable depending on a company's adherence to applicable lease terms, rules and reporting requirements.
Outcome	Bonus income per acre leased for oil and gas activities, in dollars	\$600.00	\$3,999.00	Yes	FY24 represented the third highest annual oil and gas bonus earnings on record, almost \$90 million. OGM exceeded its bonus income target for oil and gas activities of \$600/acre by realizing \$3,999/acre. The agency has been able to increase the per acre return by closely evaluating minimum bids and working closely with its online sales partner, along with properly evaluating infill tracts and putting together desirable plays. Bonus income remains highly variable based on the acreage that becomes open for leasing and the location of that acreage.
Output	Annual income from commercial and leasing activities	\$7,000,000	\$15,336,978	Yes	Annual income from commercial leasing activity exceeded projections due to increased business activity as well as improved project pricing and processing.
Output	Annual income from renewable energy	\$2,100,000	\$4,500,516	Yes	ORE exceeded revenue targets primarily due to three reasons: lease payments increasing through built in escalators, more projects becoming operational, and competitive bidding environments that produced bonus bids well above the minimums.
Output	Annual revenue distributed related to trespass cases	\$1,000,000	\$2,363,530	Yes	The target was exceeded by \$1.4 million. The agency also collected about \$14.7 million in settlements related to five communitization cases where the required agreements were not in place. These have not been included in the total.

# DFA Performance Based Budgeting Data System

## Annual Performance Report

**Program:** P615 Land Trust Stewardship

Performance Measures:		2023-24 Target	2023-24 Result	Met Target	Year End Result Narrative
Output	Average income per acre from oil, natural gas and mining activities, in dollars	\$500	\$1,356	Yes	The agency was able to exceed the performance measure not only because of the sustained price/production of oil but also due to the agency's compliance efforts, which include efforts to reduce the number of non-producing leases that were inappropriately holding acreage.
Output	Number of acres treated to achieve desired conditions for future sustainability	30,000	11,771	No	Total acres treated did not meet our performance goal for this fiscal year. The primary reasons for not achieving our goals are the dependence on appropriate conditions and availability of specialized personnel for fire-related treatments and effective noxious weed treatments. The three projects we were unable to complete included a planned treatment total of 16,095 acres. The 25,000-acre target would have been achieved with these three projects. However, as the climate shifts, so too do the windows of opportunity to safely and effectively conduct treatments and prescribed burns. Furthermore, the agency has focused efforts on projects that are smaller in acreage but still have significant environmental impact, such as oil and gas remediation and reclamation efforts.
Output	Number of wells plugged and sites reclaimed through compliance and enforcement efforts	20	248	Yes	The performance measure exceeded for several reasons. Accountability & Enforcement efforts remain a top priority of the agency. Over the course of more than three years of work, the agency has educated lessees on environmental compliance requirements, created additional capacity to work on remediation and reclamation efforts (new Environmental and Compliance Office), and provided clear expectations that sites be cleaned up. The agency has also taken legal action where appropriate to enforce lease terms. 216 of the sites are related to settlements for plugging oil and gas wells at industry's expense.
Output	Percent of total trust revenue allocated to beneficiaries	98%	99%	Yes	NMSLO earnings have consistently set records over the last six fiscal years. Total revenue is estimated at about \$2.5 billion in FY24. NMSLO operations are funded by utilizing a very small portion of the revenue it generates each year (OSF).

# DFA Performance Based Budgeting Data System

## Annual Performance Report

---

**Program:** P615 Land Trust Stewardship

Performance Measures:		2023-24 Target	2023-24 Result	Met Target	Year End Result Narrative
Output	Trust revenue generated, in millions	1,500.00	2,500.00	Yes	FY24 marked the second highest overall revenue on record, including the highest LMF annual earnings ever (\$214 million). Earnings reflect continued strong energy production, increased commercial leasing, and ramped up compliance and enforcement efforts. The slight decrease from the all-time high of \$2.75 billion in FY23 was primarily due to a reduction in oil and gas prices that spiked during the initial phase of the Ukraine crisis.

---

## Performance Measures Summary

## P615 Land Trust Stewardship

**Purpose:** The purpose of the land trust stewardship program is to generate sustainable revenue from state trust lands to support public education and other beneficiary institutions and to build partnerships with all New Mexicans to conserve, protect and maintain the highest level of stewardship for these lands so that they may be a significant legacy for generations to come.

Performance Measures:		2022-23 Actual	2023-24 Actual	2024-25 Budget	2025-26 Request	2025-26 Recomm
Output	Trust revenue generated, in millions	2,700.00	2,500.00	2,000.00	2,100.00	
Output	Average income per acre from oil, natural gas and mining activities, in dollars	\$1,496	\$1,356	\$750	\$800	
Output	Percent of total trust revenue allocated to beneficiaries	99%	99%	99%	98%	
Output	Number of acres treated to achieve desired conditions for future sustainability	26,380	11,771	26,000	25,000	
Output	Annual income from renewable energy	\$4,403,343	\$4,500,516	\$4,000,000	\$4,500,000	
Output	Annual income from commercial and leasing activities	12,443,207	15,336,978	10,000,000	\$11,000,000	
Output	Annual revenue distributed related to trespass cases	\$817,951	\$2,363,530	\$1,000,000	\$1,000,000	
Output	Number of wells plugged and sites reclaimed through compliance and enforcement efforts	288	248	50	75	
Outcome	Bonus income per acre leased for oil and gas activities, in dollars	\$1,802.00	\$3,999.00	\$900.00	\$1,000.00	
Outcome	Amount of revenue generated through oil and natural gas audit activities, in millions	3.6	9.4	4.0	4.5	



# STRATEGIC PLAN

*Setting the Standard for Responsible and Productive Land Management*

2024 - 2027

# Agency Overview

---

The Commissioner of Public Lands, as the elected chief executive of the State Land Office, manages approximately nine million acres of surface and 13 million acres of mineral estate throughout the State of New Mexico. State trust lands are working lands set aside by Congress to generate money in support of key public institutions, such as schools, universities and hospitals. The Commissioner of Public Lands has a fiduciary responsibility to administer state trust lands in a manner that fosters their health and productivity.



**“THE STATE LAND OFFICE IS FOCUSED ON MAXIMIZING REVENUES FOR OUR SCHOOLS, UNIVERSITIES AND HOSPITALS WHILE PROTECTING THE HEALTH OF THE LAND FOR FUTURE GENERATIONS.”**

- **Stephanie Garcia Richard**  
Commissioner of Public Lands

Each tract of land is assigned to one of 21 trust beneficiaries, and any money earned on that particular piece of land goes to support that specific beneficiary. Revenues generated from activities that permanently deplete a resource, such as the extraction of oil, natural gas and mining, are transferred to the Land Grant Permanent Fund, which is managed by the State Investment Council. Revenues earned from ranching and farming, renewable energy, rights of way and commercial activities are distributed through the Land Maintenance Fund on a monthly basis.

## Vision

---

*To be the nation’s model for state trust land management.*

## Mission

---

*To generate revenue for our state’s public institutions sustainably for future generations to come.*

## Guiding Principles

---

- **Accountability** – Being responsible, knowledgeable, trustworthy
- **Excellence** – Possessing skills, professionalism, quality
- **Integrity** – Exhibiting ethics, principles, honesty
- **Pride** – Showing leadership, ownership, commitment
- **Collaboration** – Encouraging teamwork, communication, collegiality

# Goals and Objectives

---

## Administer state trust lands to responsibly maximize and diversify earnings for our beneficiaries

- Develop innovative solutions for increasing revenue and obtaining true value for beneficiaries.
- Ensure the timely and accurate collection and distribution of revenue.
- Prevent and reduce waste of trust assets, and hold industry accountable.
- Diversify and expand revenue streams.
- Minimize potential future fiscal legacy issues related to current leasing decisions.

## Implement stewardship and conservation efforts to protect the health and productivity of the land

- Actively work to improve the health, resiliency and productivity of state trust lands.
- Advance sustainable, long-term economic opportunities, while considering community health and sound land management principles.
- Improve essential watersheds through forest management practices and other efforts.
- Prioritize the cleanup of contaminated sites and illegal dumping.
- Develop landscape-level management practices.

## Lead in renewable energy and sustainable business development

- Advance renewable energy development to provide a clean, diverse and sustainable revenue source.
- Promote and incentivize renewable projects and other business development on state trust lands.
- Facilitate necessary transmission corridors.
- Increase outdoor recreational access and related business opportunities.

## Maintain strong fiscal accountability, operational efficiency and customer service

- Provide sound leadership, accountability and oversight.
- Provide key services in support of operations.
- Implement new technologies and data-driven processes to improve business operations.
- Maintain and adhere to clear and consistent rules.
- Provide services in a manner that is competent, respectful, courteous and responsive.

## Prioritize transparency and openness

- Promote open and effective internal and external communications.
- Inform the public regarding the importance of trust lands through media relations, public outreach and other agency communications.
- Engage in business practices that foster openness and transparency.
- Preserve and make accessible agency historical records.

## Promote public engagement and collaboration

- Set the standard for collaboration and cooperation.
- Directly engage local communities and sovereign tribal nations in protecting important natural and cultural resources.
- Build partnerships with local, state, tribal and federal governments, the private sector, NGOs and beneficiaries to leverage resources and create mutually beneficial opportunities.
- Meaningfully engage impacted communities.

## Create a work environment that sets the standard for public service

- Maintain a positive and safe work environment.
- Encourage creative problem solving.
- Value the professionalism and expertise of employees.
- Continuously strive for improvement and excellence through learning and development.
- Fulfill duties in a manner that reflects teamwork and a strong work ethic.
- Adhere to ethical standards and principles to maintain public trust.
- Value collaboration, professional relationships and agency partnerships.



**OPEN FOR BUSINESS** Agriculture  
Land Stewardship  
Renewable Energy  
Outdoor Recreation  
Oil, Gas, and Minerals  
Business Development

*Under the leadership of Commissioner Stephanie Garcia Richard, the New Mexico State Land Office has shattered revenue generation records while responsibly managing state trust lands. Over 13 million acres of state trust land are leased for a variety of uses, including ranching and farming, renewable energy, business development, mineral development, and outdoor recreation. The money earned from leasing activity supports 21 beneficiaries – New Mexico public schools, seven universities and colleges, the School for the Deaf, the School for the Blind and Visually Impaired, three hospitals, water and land conservation projects, and public building construction and repair.*

# New Mexico State Land Office



## Fiscal Year 2026 New Mexico State Land Office IT STRATEGIC PLAN September 3, 2024

**Stephanie Garcia Richard**, Commissioner of Public Lands  
**Sunalei Stewart**, Deputy Commissioner of Operations  
**Selena Romero**, Assistant Commissioner of Administrative Services  
**Tony Hoffman**, Chief Information Officer  
**Tim Elsbrock**, Deputy Chief Information Officer

## Table of Contents

<b>EXECUTIVE SUMMARY</b> .....	<b>3</b>
<b>I. AGENCY OVERVIEW</b> .....	<b>5</b>
A. AGENCY MISSION .....	5
B. AGENCY GOALS .....	5
C. VISION AND PRIORITIES .....	5
D. AGENCY DESCRIPTION AND ORGANIZATION STRUCTURE.....	6
E. There is only one program for the State Land Office for budget purposes.....	6
<b>II. IT ENVIRONMENT</b> .....	<b>6</b>
1. Major Applications.....	6
2. Infrastructure.....	8
3. Security .....	8
4. Workforce .....	10
5. Challenges.....	10
<b>III. FY24 KEY ACCOMPLISHMENTS</b> .....	<b>12</b>
A. FY24 STRATEGIC IT ACCOMPLISHMENTS.....	12
B. OTHER KEY IT ACCOMPLISHMENTS – FY24 .....	14
<b>IV. FY26 IT STRATEGIC GOALS AND STRATEGIES</b> .....	<b>15</b>
<b>V. IT FISCAL AND BUDGET MANAGEMENT</b> .....	<b>18</b>
<b>VI. SPECIAL FUNDING, SUPPLEMENTAL, COMPUTER SYSTEM ENHANCEMENT (C2) FUNDING AND REAUTHORIZATION OF C2 APPROPRIATIONS</b> .....	<b>19</b>
<b>APPENDIX A-I: AGENCY ORGANIZATION CHART</b> .....	<b>20</b>
<b>APPENDIX A-II: IT ORGANIZATION CHART</b> .....	<b>21</b>

## EXECUTIVE SUMMARY

The New Mexico State Land Office's (NMSLO) mission is to responsibly and sustainably generate revenue for the benefit of state land trust beneficiaries and ensure lands remain healthy and productive for generations to come. The agency, which manages over 13 million acres throughout the state, again generated over \$2.5 billion in FY24. This revenue goes to support public schools, universities, and hospitals throughout the state while also saving taxpayers from having to cover the costs of these services. State Land Office operations are funded entirely through its earnings and do not rely on General Funds.

Under the direction of Commissioner Garcia Richard, the agency has prioritized the expansion of renewable energy development, enforcement and accountability efforts to improve the agency's oversight capacity, new and enhanced IT platforms to inform leasing decisions and land management practices, and initiatives to make the agency's processes friendlier to the public and its customers (such as enabling the use of credit cards for payment processing). These efforts, along with the need to maintain and continuously improve various land management and revenue tracking systems, require robust IT infrastructure and systems, as well as significant support from specialized IT professionals. The agency's continued focus on improving operational efficiency and increasing fact-based decision support capabilities across the agency, in addition to the rapid expansion of solar and wind projects, requires IT to support new requirements and changing transaction types for oil and gas, renewable energy, and other revenue initiatives.

The Information Technology Division (ITD) supports the agency's mission via the selection, deployment, and maintenance of appropriate information technologies using industry best practices. These efforts include, but are not limited to, focusing on operational efficiencies through continuous improvement to existing core systems; ensuring the accurate collection and distribution of earnings; the use of enhanced GIS functions to support decision-making; the rapid expansion of renewable energy and sustainable business development projects; use of available satellite imagery for monitoring lands and leasing decisions; functional enhancements to support an increased focus on the use of trust land for recreation; and systems to efficiently advance conservation and remediation projects on trust land.

The use of satellite imagery continued to yield operational benefits during FY24 and the agency expects continued innovation from this technology in FY25 and FY26 as operational use of the GIS portal increases and additional satellite imagery (such as methane detection) becomes available.

Key Fiscal Year 2024 NMSLO ITD achievements include:

- Continued to strengthen IT security with ongoing dedicated remediation patching security issues using Tenable.io and Tenable.ad. Throughout FY24, NMSLO maintained a score of over 810+ which is in the top tier of lowest risk scoring for NM state government.
- LIA project added required ORE invoice enhancements and Water bureau invoicing features, two of the major LIA project objectives.
- Completed expansion of Cultural Property Rule implementation website adding tribal access for review of pending cultural surveys and projects.
- Reorganized NMSLO IT to increase efficiency for big projects planned in FY25-FY27.
- Obtained NMSLO.gov assignment for web and email services.
- Successfully migrated all NMSLO Exchange user email accounts to the Microsoft Cloud.
- Completed a Disaster Recovery exercise coinciding with complete shutdown of power to computer room and installed new computer room UPS to facilitate transfer to back up in the event of power loss.
- LIMS version 4.5.0 (ORE Phase 1) Moved to production on 8/2023 – adding ORE Invoicing enhancements and reports.

- LIMS Version 4.5.1 (Water) project passed Unit Testing 4/2024 – Added Water invoicing enhancements and reports. Deployment was made on 8/2/2024.
- TractBook QA (desktop application) for Records was rewritten and deployed 11/2023.
- FileNet was upgraded to VS 2019. Also added user administration screens and new productivity reports.
- Added new C115B online filing program and supporting reports to Royalty Online Filing.
- Created new reports for Commercial, Records, and Royalty including Royalty Management Division including RMD Compliance Applied Credits/Assessments, Billing Management Report and the Payment Search Report.
- Replace Citrix with Thinfinity reducing the high maintenance and unreliable Citrix environment.
- GIS team added customized map viewers for NMSLO divisions.
- Completed conversion to new DoIT VoIP telephone system
- Upgraded firewalls at all locations
- Completed 4 LIMS software releases.
- Completed 5 RAPS software releases.
- Improved GIS Portal to simplify GIS and imagery access for NMSLO divisional teams.
- Added Password State password manager to enhance security.
- Initiated regular training for LIMS and GIS.
- Supported agency efforts to identify, remediate and plug non-producing wells
- Track-It FY24 Ticket Summary.
  - Current open tickets in Track It: 478
  - Opened 7/14/2022-6/30/2023: 1560
  - Closed: 1506

Key Fiscal Year 2024 ITD challenges included:

- Numerous setbacks to LIA project due to changing business requirements that had not been looked at by the organization in over a decade. Although this slowed project progress, it assisted NMSLO in improving flawed functionality that improved leasing management and revenue accounting.
- LIMS to RAPS (LIMS DIMMS code) data interface was unsuitable for use in upgraded invoicing solution with running balance and robust credit/refund tracking. The code upgrade of this function proved to be much more difficult than anticipated and this caused schedule delays in the LIA project.
- Continued to accommodate business process changes requested by upper management at LIA project mid-term. The consequences of this action (project delays) were communicated to and approved by the Executive Steering Committee.
- Two of four expensive vendor contract resources had performance issues and were removed from the project team. This contributed to schedule slips in the LIA project.
- The computer room UPS transition battery (to generator) reached end of life and required replacement. The replacement required a complete shutdown of the computer room with no option to migrate to backup generator power. This hard shutdown, albeit challenging when considering daily operational job scheduling, did offer the opportunity to define and test a shutdown and restart of all NMSLO systems. This was utilized as both a documentation (desk test) and operational execution of basic disaster recovery procedures. This upgrade was completed and all systems were restored after the upgrade.

## **I. AGENCY OVERVIEW**

### **A. AGENCY MISSION**

The Commissioner of Public Lands, as the elected chief executive of the State Land Office (NMSLO), manages approximately nine million acres of surface and thirteen million acres of mineral estate throughout the State of New Mexico. State trust lands are working lands set aside by Congress to generate money in support of key public institutions, such as schools, universities and hospitals. The Commissioner of Public Lands has a fiduciary responsibility to administer state trust lands in a manner that fosters their health and productivity and to generate revenue for our state's public institutions sustainably for future generations.

Each tract of land is assigned to one of 22 trust beneficiaries, and revenue earned on that land supports that specific beneficiary. Revenues generated from activities that permanently deplete a resource, such as the extraction of oil, natural gas and mining, are transferred to the Land Grant Permanent Fund, which is managed by the State Investment Council. Revenues earned from ranching and farming, renewable energy, rights of way and commercial activities are distributed through the Land Maintenance Fund on a monthly basis and used to fund the operation of the agency.

### **B. AGENCY GOALS**

- Administer state trust lands to responsibly maximize and diversify earnings for our beneficiaries
- Implement stewardship and conservation efforts to protect the health and productivity of the land
- Lead in renewable energy and sustainable business development
- Maintain strong fiscal accountability, operational efficiency and customer service
- Prioritize transparency and openness
- Promote public engagement and collaboration
- Create a work environment that sets the standard for public service

The IT Division supports these goals by maintaining and operating computer systems to manage and collect revenue, provide customer record management, integrate mapping and imagery into decision support GIS, provide computer security and manage technology for the agency.

### **C. VISION AND PRIORITIES**

The vision of the NMSLO is "To be the nation's model for state trust land management." The vision for the Information Technology Division (ITD) is to support the agency in fulfillment of its mission via the selection, deployment, and maintenance of appropriate information technologies using IT industry best practices.

ITD supports the agency with five support bureaus: Program Management Office Bureau, Operations Bureau, Network and Infrastructure Bureau, GIS Bureau, Web and .NET Development Bureau. The ITD provides end-user technical support, system management, telco system support, system implementation, systems development, problem management, operations management, project management and strategic planning services.

In addition to supporting agency operations, major ITD priorities for FY25, FY26 and FY27 include:

- Improve user experience in LIMS with help modules and work flow Standard Operating Procedures (S.O.P)
- Complete the RAPS modernization through screen modernization that will consolidate the 233 RAPS mainframe window screens to native HTML based data presentation
- Improvement of invoicing for all divisions across all NMSLO revenue systems.
- Enhancement of lease accounting and payment processing across all NMSLO revenue systems.
- Per annum, complete three releases of the Land Information Management System (LIMS) continuing process improvement efforts that are ongoing
- Further the development of payment automation processes including expansion of electronic payments
- Continue to expand the use of GIS and satellite imagery to further enhance the NMSLO's ability to manage 13 million acres of land with limited field staff utilizing expanded satellite imagery as it becomes available to expand land management support and begin methane detection analysis.
- Continue work on change detection using satellite imagery to highlight areas of trust land change that can be flagged for analysis utilizing advances in imagery resolution to support efforts to address abandoned oil and gas wells, spills and cleanup. Also expect to advance technology to assist in NMSLO compliance efforts for the Cultural Property rule.
- Complete efforts to systematically document Land Use Restrictions or Conditions (LURC), add descriptions/characteristics to data records and provide system access to NMSLO team members in both LIMS and GIS.

## **D. AGENCY DESCRIPTION AND ORGANIZATION STRUCTURE**

The Commissioner of Public Lands is entrusted to provide leadership and direction to the staff of the State Land Office. The Office is comprised of the Commissioner, Deputy Commissioner of Operations, Deputy Commissioner of Public Affairs, and Assistant Commissioners which oversee six divisions: Office of the General Counsel, Oil, Gas and Mineral Resources, Surface Resources, Commercial Resources, Administrative Services, and Cultural Resources, with a total FTE count of 190.5 positions. Main operations are out of the Santa Fe office, with eleven district offices located around the state.

E. There is only one program for the State Land Office for budget purposes.

## **II. IT ENVIRONMENT**

### **1. Major Applications**

The Oil and Natural Gas Administration and Revenue Database (now RAPS) tracks the agency's oil and gas production and royalties in a relational database, and enables oil and gas

producers to report royalties via an online filing system. The system is also utilized to complete monetary distributions for all NMSLO revenue streams. In January 2022, the system conversion to a modern platform and programming language was completed. Implementation of this certified project (RAPS/ONGARD) was successfully completed but delayed due to significant technical challenges (VSAM, DB2, and ebcdic to ascii) encountered by the vendor. The ONGARD system has been retired and removed from the DoIT mainframe. The converted system has worked without major problems since cutover with 26 releases successfully promoted to production.

Although RAPS continues to successfully process the ever-increasing volumes and dollars of oil and gas royalty revenue, it must be recognized that the system is over 30 years old and that it needs modernization now and ultimately it will need to be completely replaced with a contemporary system that requires less maintenance. Like any aging product, even without replacement, the cost of maintenance will continue to rise. These expenses must be accommodated in order to not interrupt NMSLO revenues that amount to \$2.5 Billion annually.

In FY25, a certified project (RRUX) will start. The project objectives are: to upgrade the RAPS runtime engine (a Deloitte licensed product) to the current version; and to modernize the data input screens that are now mired in old IBM mainframe screen formats. The NMSLO Royalty division has provided a detailed outline of the changes they want for the screen modernization phase of the project and these requirements provide the basis for the look/feel of the re-designed input screens and the basis for improvements in data entry validation.

The Land Information Management System (LIMS) Provides surface and minerals land management, leasing and associated financial functionality. The system is utilized by NMSLO to manage trust land business initiatives that are not oil and gas in nature. The system provides inventory, linkage to GIS mapping, workflow management, lease billing and lease notice functionality, and inventory control of surface trust lands (nine million acres).

Although the LIMS source code is owned and maintained by NMSLO, recent system modifications and improvements (during the LIA project) have led to discovery of major system deficiencies that were unknown prior to the modifications. These system deficiencies have slowed the progress of system improvements and added considerably to system upgrade efforts during the LIA project.

The Lease User Experience (LUX) project will be starting in FY25. The LUX project is will improve the overall usability of LIMS by increasing data accuracy going forward. This project focuses on enhanced usability and user experience rather than building new functionality or altering complex calculations that has created major complexities within LIA project. In July 2024, the project was certified by the DoIT PCC for initiation and planning and partial appropriation funding was released.

Online Geographic Information System (ArcGIS from Esri) provides access to state ownership and active leases, restrictions, well locations, and other oil and gas data. At our main office, staff use ArcGIS to select and “grade” tracts for upcoming lease sales, locating new violations/trespasses, spill and violation tracking, planning (selecting a right of way (ROW) route), reviews of lease and LURC (Land Use Restriction Code) applications, and general cartographic needs. Our field staff uses ArcGIS on mobile devices to navigate to land parcels while in the field, access lease and other land information, collects the location of improvements and violations, and to create maps for reports.

The document imaging system, IBM FileNet Content Manager, provides enterprise content management services for scanned electronic copies of agency documents including policies, processes, procedures, plans and historical records. The system is essential to the

operation of the agency in meeting its statutory duties to retain historical documentation for all state trust lands. The system is utilized to provide access to employees and the general public in the public records room.

## **2. Infrastructure**

Agency infrastructure is comprised of a Hyper-converged Infrastructure (Compute, Storage & Memory) built on HPE SimpliVity hardware and software. This environment supports over 150 virtual servers and desktops running on Microsoft and Linux operating systems. The network is a Cisco based network and is comprised of Cisco ASA Firewalls, Cisco Nexus switches, Cisco 2960 access switches, Meraki WiFi technologies and Firepower security. For Backup purposes, the State Land Office utilizes SimpliVity software for server and file level backups which get replicated daily to our Albuquerque Disaster Recovery (DR) site at Cyxtera Datacenter. These backups are stored for 3 months at our DR site. NMSLO tests backup restore every 6 months by restoring file data and server data to ensure functionality.

## **3. Security**

**Endpoint Antivirus Security:** The NMSLO protects its desktop, laptop and server endpoints with Carbon Black Next Generation Antivirus. This AV solution provides a high level of protection to its endpoints with the way it applies behavioral analytics to endpoint events to streamline detection, prevention, and response to cyber-attacks.

**Network Perimeter Security:** The NMSLO secures its network perimeter utilizing Cisco ASA Next Generation firewalls. These firewalls host a series of security services known as Firepower Services. Firepower services include an Advanced Malware Prevention (AMP), which discovers, tracks, contains, and blocks network-based advanced malware, attacks, and threats. A Next-Generation Intrusion Prevention System which gives enhanced visibility by allowing insight into applications, signs of compromise, host profiles, file trajectory, sandboxing, vulnerability information, and device-level OS visibility. Lastly, URL Filtering, blocks malicious URL's from being visited by any network endpoint. A firewall upgrade project was completed in FY24.

**Internal Network Security:** The New Mexico State Land Office secures its internal network by segmenting network traffic utilizing VLAN's (Virtual Local Area Networks). What this means is only specific network traffic (for example workstations) can only talk to a network device over that specific VLAN unless otherwise allowed by a firewall access control list. We also only allow specific ports and protocols over VLAN's in order to talk to internal applications.

**Vulnerability Scanning and Remediation:** The NMSLO conducts a weekly vulnerability scan utilizing Tenable.io to identify any network or endpoint vulnerabilities within the network. Throughout the fiscal year, a monthly Tenable.io security scan is loaded into the DoIT Vulnerability Management platform with visibility to the DoIT security office.

**Pin testing:** The annual security scan by Securin was completed at the end of FY24 with no major security vulnerabilities reported.

**Staffing:** Due to the ever-increasing challenges in cybersecurity, the agency is seeking funding in FY26 to add a Chief Cyber Security Officer in the IT Network and Infrastructure team. The prevention, detection and response to cyber threats is a top priority of the agency. With a constantly growing security threat from cyber actors, and the crucial role the agency plans in managing billions of dollars each year with sophisticated IT systems, a targeted cybersecurity position is key to safeguarding public resources.

**4. Agency IT Certified Projects:**

The three certified projects underway at NMSLO are addressing efficiency and proficiency issues throughout the organization. Both the LIMS and RAPS system, on which all work is being done, are essential to the management and collection of \$2.5 billion in revenue from all NMSLO lines of business. The LIA and LUX projects address system deficiencies in the LIMS system and addition of renewable energy and water lease billing functionality. The RRUX project will complete the remaining task from the platform migration RAPS project, the reorganization and redesign of input screens that still reflect antique screen design from the 1990s. The end user division (Royalty Management) have asked for these changes to reduce their workload and they have provided a suggested roadmap for the new user interface.

<b>PROJECT NAME</b>	
Project Description	<b>Lease Invoice and Accounting (LIA)</b>
Estimated Project Costs	\$2,548,000
Current Funding	\$2,000,000
Certified Project Phase	Implementation
Estimated Completion	December 2024
Strategic Priority	Improving invoicing ability and data consistency across all leasing divisions, and improving basic lease accounting functionality is a top ITD priority in FY24/FY25
<b>PROJECT NAME</b>	
Project Description	<b>Lease User Experience (LUX)</b>
Estimated Project Costs	\$1.7M
Current Funding	\$1.7M
Certified Project Phase	Initiation and Planning
Estimated Completion	3/2026
Strategic Priority	#2
<b>PROJECT NAME</b>	
Project Description	<b>Royalty Runtime and User Experience (RRUX)</b>
Estimated Project Costs	\$6M
Current Funding	\$6M
Certified Project Phase	Initiation
Estimated Completion	2/25/26
Strategic Priority	#1

**TABLE II.1: Current Certified IT Projects**

## **5. Workforce**

### **A. Full Time Employees**

NMSLO has an authorized headcount of 22 full time employees. As noted, an addition of a Chief Cyber Security Officer has been added to the FY26 NMSLO budget request. If approved, this would raise the full time headcount to 23.

### **B. IT Professional Services Contractors**

NMSLO utilizes contractors in a system development capacity as well as in Business Analyst/Subject Matter Expert capacity.

Deloitte: One IT developer/

ACRO: serves as a contractor for providing SMEs and Business Analyst / System analyst capacities. These resources are contacted on a project basis, but also in a staff augmentation capacity.

## **6. Challenges**

### Revenue Growth

NMSLO FY24 revenue was down slightly from FY23 with \$2.5 billion in revenue collected and distributed. FY24 marked the second highest earnings in NMSLO's history. Revenue is steady across most of our leasing segments as well as the oil and gas sector. As a result of recent revenue growth, NMSLO has needed to increase field size across much of our RAPS system (RAPS as well as online filing tools) to accommodate larger dollar volumes on oil and gas returns. This simple change requires extensive testing across all of NMSLO's revenue processing systems and is included in the scope of the proposed C2 for RRUX. As well, the age of the RAPS system must be considered in the long run and there is recognition that the 30-year-old system is long past the average useful life (6-8 years) for a major custom software system.

### Energy Market Fluctuations

Changing business environments requires NMSLO to be flexible and adaptable in accommodating ever changing needs related to the larger global energy market as well as initiatives of the commissioner, and as required by general market conditions. These challenges impact all of our systems.

### LIMS Current State

The LIMS system has current business processing and functionality that needs to be redesigned and reprogrammed. The LIA project has exposed many areas of needed improvement in the system and while ITD is correcting identified flaws as it is able to within the confines of the LIA project, this activity complicates project progress. This also applies to NMSLO business and/or accounting practices as well, for which the LIA project is acting as a change agent for existing/long held business practices that need to be accommodated alongside other planned project activities.

### Satellite Imagery Improvements Delayed

Some of the long-term goals of the GIS Imagery program have not been achieved due to the slow delivery of advanced satellite imagery. Although satellite vendors are now in the preliminary testing stages with new satellites, methane detection, enhanced land health data and higher resolution image capabilities are somewhat behind expected delivery timelines. Lack of this data inhibits meeting some of the strategic objectives for the GIS program.

### Broadcom VMWare Price Increases

NMSLO uses VMWare software to support its virtual server environment. Ongoing maintenance support of the software is essential to the operation of the NMSLO data center that supports all applications. Broadcom purchased VMWare a few years ago and in FY24 they raised the cost of annual maintenance by approximately 200%. Although NMSLO necessarily found the budget to cover the increase, a larger concern was noted related to a significant staff reduction in the workforce at VMWare. There are few alternatives and none that don't require a significant investment in time and money to move to another virtual platform. We are monitoring this development and increasing our future budget projections to cover contingencies.

### III. FY24 KEY ACCOMPLISHMENTS

Most FY24 Strategic Objectives have been met. Significant improvements in customer service were delivered through multiple releases of core NMSLO software (RAPS, LIMS, FileNet) during the fiscal year. There was a delay in meeting the GIS objective to start methane analysis—this was due to schedule delays in satellite provider satellite launches.

#### A. FY24 STRATEGIC IT ACCOMPLISHMENTS

<b>STRATEGIC PRIORITY 1 – Improve customer Service</b>	
Define changes to NMSLO revenue processing systems that will improve the customer experience for NMSLO. This includes payment processing, invoicing, accounting and lease management.	
<b>FY24 Strategy 1</b>	Improve Lease invoicing and accounting
Accomplishments	Two phases of the LIA project have improved billing and invoicing across divisions improving accuracy and invoicing capabilities. Significant invoicing improvements for the Renewable Energy bureau and the Water bureau were also developed.
Outcomes/Metrics	Accuracy of payment matching and invoicing
<b>FY24 Strategy 2</b>	Reduce Accounting manual (redundant) data entry
Accomplishments	The FlexTeller upgrades were implemented successfully and other process improvements were made for the Accounting division such as daily balancing reports. All of these improvements have increased productivity for the Accounting team.
Outcomes/Metrics	FlexTeller balancing and automated payment submission completed
<b>FY24 Strategy 3</b>	Upgrade Records scanning capability
Accomplishments	New scanners installed in FY24.
Outcomes/Metrics	Installation of new scanners with enhanced throughput
<b>FY24 Strategy 4</b>	Add credit card payment option for Commercial leases
Accomplishments	Commercial lease credit deferred to FY25 or FY26. Agriculture leases and Outdoor Recreation permits can be paid via credit card on the website supported by Real Time Solutions.
Outcomes/Metrics	Ability to process credit card payments for Commercial leases

o

<b>STRATEGIC PRIORITY 2 – Expand GIS capabilities and training</b>	
<b>Complete work on internal customer portals and add change detection capabilities for NMSLO Cultural Properties Rule</b>	
<b>FY24 Strategy 1</b>	Add change detection capabilities for ongoing analysis of all changes (surface disruption) of Oil Gas and Mineral (OGM) leases

Accomplishments	Ongoing monthly analysis of statewide changes continued throughout the year. Results were analyzed and filtered with the filtered results given to the divisions for further action if necessary.
Outcomes/Metrics	We have detected over 250 oil & gas violations and have sent them to the Oil & Gas division for review and further action. 28 of those potential violations are estimated to be valued at \$1.3 million.
<b>FY24 Strategy 2</b>	Add methane reporting, as available from imagery vendor
Accomplishments	None
Outcomes/Metrics	Due to a delay in satellite provider getting the multi spectral satellites into orbit, there has been no progress on this. Now targeting FY26 for this objective.
<b>FY24 Strategy 3</b>	Add land health analysis of satellite imagery on NMSLO lands
Accomplishments	Have used imagery of the Cooks Peak fire to look at burn severity and slope analysis. Have also started preliminary monitoring of vegetation growth on state trust land. A dust analysis effort for areas with regular dust storms was undertaken using imagery.
Outcomes/Metrics	The fire analysis has pinpointed where to implement flood control in the burn area. Vegetation growth analysis assists NMSLO land stewards in planning land reclamation activity. Dust storm data has been shared with BLM in a partnership to assist in developing dust storm mitigation plans.
<b>FY24 Strategy 4</b>	Continue GIS training sessions on a regular basis
Accomplishments	We have done trainings within each of the divisions on multiple subjects including web viewers, how to transition to ArcPro and field data collection. We also worked with staff scientists on how to set up and run GIS analysis.
Outcomes/Metrics	There have been six regular training session and a myriad of individual GIS training sessions throughout the year.

<b>STRATEGIC PRIORITY 3 – Continue improvements to LIMS/RAPS/GIS interfaces</b>	
<b>Improve data quality between systems through enhancement of system interfaces and additional front-end edits to reduce non-systematic data corrections</b>	
<b>FY24 Strategy 1</b>	Eliminate LIMS DIMS (a mainframe carryover for a CICS real time update) between systems.
Accomplishments	The LIMS DIMS are now being worked on in the LIA project. LIA is not yet fully released and it is expected that most LIMS DIMS will be replaced when the final phase of the LIA project is moved to production in late 2024.
Outcomes/Metrics	More manageable batch or near real time interface completed between LIMS and RAPS/ONGARD
<b>FY24 Strategy 2</b>	Add screen edits in RAPS and LIMS to screen out invalid entries
Accomplishments	The planning for this (not so simple) fix is included in the LUX and RRUX projects for RAPS and LIMS.
Outcomes/Metrics	Data corrections for most frequent items reduced by front end edits to data entry screens
<b>FY24 Strategy 3</b>	Begin work on moving financial distributions out of RAPS

Accomplishments	Because of other priorities, this strategy has been deferred until the completion of the RRUX project.
Outcomes/Metrics	Defined strategy for migration of RAPS distribution functionality

**TABLE III.1: FY24 Strategic IT Accomplishments**

**B. OTHER KEY IT ACCOMPLISHMENTS – FY24**

Fiscal year 2024 was a busy year for NMSLO IT. In addition to the LIMS system LIA project, there was significant process improvement that was provided to the organization and to our infrastructure. Ongoing security efforts paid a dividend with no significant issues during the fiscal year and no takers on the many phishing attempts likely attributable to the ongoing requirement to view Mimecast security videos.

<b>APPLICATION</b>	
Accomplishment	Implemented an SQL Agent job in LIMS Production to automate the monthly comparison of LIMS RAPS user IDs, eliminating the need for a previously manual process.
Value or Impact	This solution enhances accuracy and ensures the comparison is performed consistently each month, leading to better data integrity and operational efficiency.
<b>DATA</b>	
Accomplishment	Successfully automated the backup process for all production servers by creating an SQL Agent job, replacing the previous manual and time-consuming method.
Value or Impact	This implementation significantly improved efficiency, reducing the backup time to just a few minutes while ensuring consistency and reliability in data protection.
<b>PROCESS IMPROVEMENT</b>	
Accomplishment	Significantly enhanced the restore process from production to lower environments, reducing the time required from several hours to just 15 minutes.
Value or Impact	By eliminating numerous tedious steps, we've streamlined the procedure, ensuring faster and more efficient data restoration, which optimizes overall project timelines and resource utilization.
<b>WORKFORCE</b>	
Accomplishments	Reorganized IT division adding a Deputy CIO position to lead all development and project management efforts.
Value or Impact	The prior organizational structure had the PMO on the same level as the two bureaus responsible for development activity. The PMO sometimes had difficulty effecting strong scheduling and project management with the development bureaus. The new structure puts the Deputy CIO in charge of all three bureaus and responsible for delivery of significant project deliverables over the next three years.
<b>CUSTOMER SERVICE</b>	
Accomplishments	Significant improvements were delivered throughout the year for our baseline systems, RAPS and LIMS. Billing and invoicing improvements have been made to

Value or Impact	the LIMS system including significant functionality for the Renewable Energy bureau and the Water bureau. Reduced manual labor for invoicing and billing for the Water and Renewable Energy bureaus. More efficiency and additional features for other lines of business improving invoice clarity and reducing external customer service calls.
<b>TELEWORK</b>	
Accomplishments	Converted most personal computers to laptops with desktop docking stations. Continued to provide remote workforce support to the NMSLO team members who are allowed to work at home three days a week.
Value or Impact	Laptop utilization provides enhanced security and worker flexibility in the case of a disaster or another shutdown similar to the covid pandemic.
<b>SECURITY</b>	
Accomplishments	Continued to deliver required training to all employees utilizing participation tracking. Continued to utilize Tenable.io and Tenable.ad to assist in mitigation of security threats and software vulnerabilities with weekly and ad-hoc scans and constant remediation.
Value or Impact	No security incidents during FY24.
Accomplishments	Implemented new system to better secure our services account passwords and access.
Value or Impact	This new system increases our security posture by rotating service account passwords on a set interval. We are continuing to onboard accounts as we go.

**TABLE III.2: Other Key IT Accomplishments – FY24**

#### **IV. FY26 IT STRATEGIC GOALS AND STRATEGIES**

The main objective for NMSLO in FY26 is to finish the LUX project and complete portions of the RRUX project. Both of these projects are certified and both are targeted with performance enhancements that will increase efficiency of NMSLO divisional personnel and reduce data entry errors that currently cause regular “data correction” effort from the NMSLO IT team. We are also looking at extending imagery change detection to assist in the management of the Cultural Property Rule that requires surveys and potential remediation when the ground is disturbed on NMSLO leases.

<b>STRATEGIC PRIORITY 1 – Complete LUX project</b>	
<b>Goal Statement</b>	
<b>FY26 Strategy 1</b>	Complete LUX project based on developed requirements
<b>Outcomes/Metrics</b>	Improved data quality through enhancements of user experience resulting in fewer manual data corrections, more accurate invoicing, fewer ad hoc invoice creation, and less rework across leasing divisions.

<b>STRATEGIC PRIORITY 2 – Complete RRUX project for runtime upgrade and continue work on RAPS UI modernization</b>	
<b>Goal Statement</b>	
<b>FY26 Strategy 1</b>	Complete phase 1 runtime upgrade and move to production.
Outcomes/Metrics	Runtime upgrade complete in FY25 prior to starting RRUX UI Modernization
<b>FY26 Strategy 2</b>	Continue work on RRUX UI upgrade/modernization—project is targeted to start in FY25.
Outcomes/Metrics	Meet project schedule as defined.

<b>STRATEGIC PRIORITY 3 – Expand the use of GIS within divisions along with increasing the adoption of satellite / drone imagery and data products</b>	
<b>Goal Statement – Continue working with the divisions to provide GIS products that are useful to their daily assignments. Expand the use of imagery and other data products to assist staff with their workflows</b>	
<b>FY26 Strategy 1</b>	Utilize change detection capabilities to assist in NMSLO Cultural properties Rule
Outcomes/Metrics	Highlight areas where change and well pad detection intersect with Cultural resource locations,
<b>FY26 Strategy 2</b>	Utilize multispectral imagery (when available from the vendor) to highlight areas of high methane emissions and possibly oil spills
Outcomes/Metrics	Ability to highlight locations / operators that are emitting large quantities of methane. Utilize the imagery to highlight areas with oil signature
<b>FY26 Strategy 3</b>	Utilize satellite and Drone imagery / products to assist in monitoring the health of the land
Outcomes/Metrics	Use of GIS products to highlight areas for thinning, remediation, and stewardship of cultural resources
<b>FY26 Strategy 4</b>	Continued GIS training to further use by agency staff and assist in daily workflows.
Outcomes/Metrics	Deliver at least 6 general training sessions and continue working with divisions to deliver custom training when requested.

<b>STRATEGIC PRIORITY 2 – Improve customer service to all NMSLO customers though enhanced digital interaction</b>
<b>Goal Statement</b>

<b>FY26 Strategy 1</b>	Increase acceptance of credit card and electronic check
Outcomes/Metrics	Increase percent of non-oil and gas revenue that is accepted electronically
<b>FY26 Strategy 2</b>	Increase ability of NMSLO analyst to interact with lessees electronically

<b>STRATEGIC PRIORITY 4 – Assess existing web presence and plan necessary changes</b>	
<b>Goal Statement</b>	
<b>FY26 Strategy 1</b>	Perform web presence assessment with accessibility standard WCAG 2.1 AA
Outcomes/Metrics	Determine gap between current state against standard for accessibility standard.

**TABLE IV.1. FY26 IT Strategic Goals and Strategies**

## V. IT FISCAL AND BUDGET MANAGEMENT

### Information Technology (IT) Operating Budget (C1)

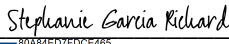
(To update this table, please double click on the embedded spreadsheet and add the required information. Before exiting the spreadsheet, please make sure to scroll up. Otherwise, the entries of this table will not be fully previewed.)

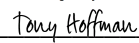
Agency Name		Agency Code			
Commissioner of Public Lands		53900			
Base Request Operational Support of IT. Check one of the options below:				Flat Budget	Expansion from previous year
Yes/No					
Revenue IT Base Budget (dollars in thousands)					
Appropriation Funding Type	FY23 Actual	FY24 Actual	FY25 OpBud	FY26 Request	FY27 Estimate
General Fund	0.0	0.0	0.0	0.0	0.0
Other State Funds	4,771.3	5,444.7	5,432.3	5,587.1	5,765.4
Federal Funds	0.0	0.0	0.0	0.0	0.0
Internal Svc Funds/Interagency Transfer	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>4,771.3</b>	<b>5,444.7</b>	<b>5,432.3</b>	<b>5,587.1</b>	<b>5,765.4</b>
Expenditure Categories (dollars in thousands)					
Category or Account Description	FY23 Actual	FY24 Actual	FY25 OpBud	FY26 Request	FY27 Estimate
Personal Services & Employee Benefits	2,706.0	2,857.9	3,100.9	3,200.9	3,260.4
Contractual & Professional Services	1,170.3	993.7	915.0	950.0	975.0
IT Other Services	895.0	1,593.1	1,416.4	1,436.2	1,530.0
Other Financing Uses	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>4,771.3</b>	<b>5,444.7</b>	<b>5,432.3</b>	<b>5,587.1</b>	<b>5,765.4</b>
	Print Name	Phone	Email Address	Date	
Agency Cabinet Secretary/Director (Mandatory)	Stephanie Garcia Richard	505-827-5760	<a href="mailto:sgarciarichard@nmslo.gov">sgarciarichard@nmslo.gov</a>	9/3/2024	
Chief information Officer or IT Lead(Mandatory)	Tony Hoffman	505-827-5757	<a href="mailto:thoffman@nmslo.gov">thoffman@nmslo.gov</a>	9/3/2024	
Chief Finance Officer (Mandatory)	Antonio Medina	505-827-5785	<a href="mailto:amedina@nmslo.gov">amedina@nmslo.gov</a>	9/3/2024	


Agency Cabinet Secretary/Director Signature

Chief Information Officer/IT Lead Signature

Chief Financial Officer Signature

DocuSigned by:  
  
30A84ED7FDCE485...

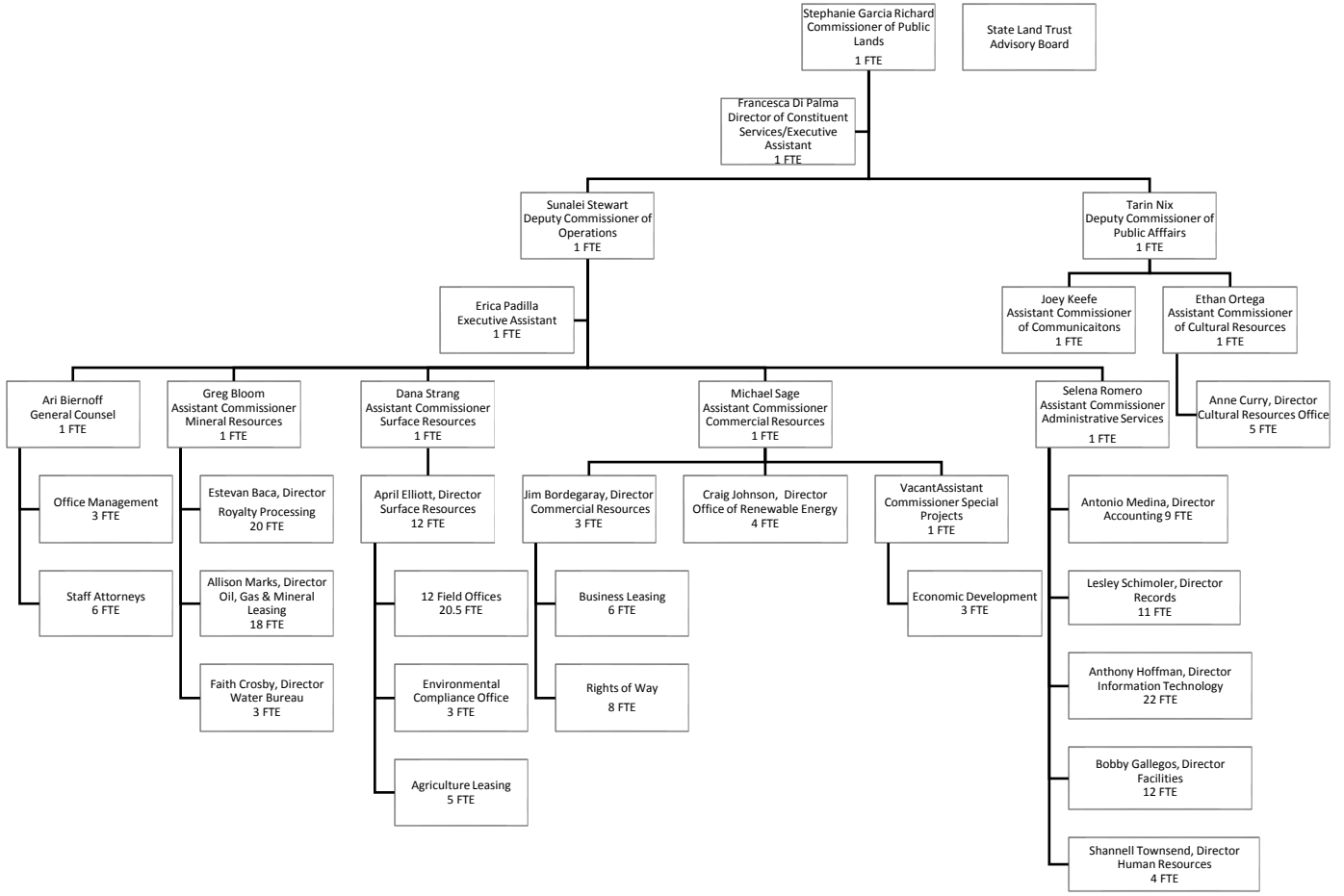
DocuSigned by:  
  
104B55ECC67448...

DocuSigned by:  
  
0DA718031DB0479...

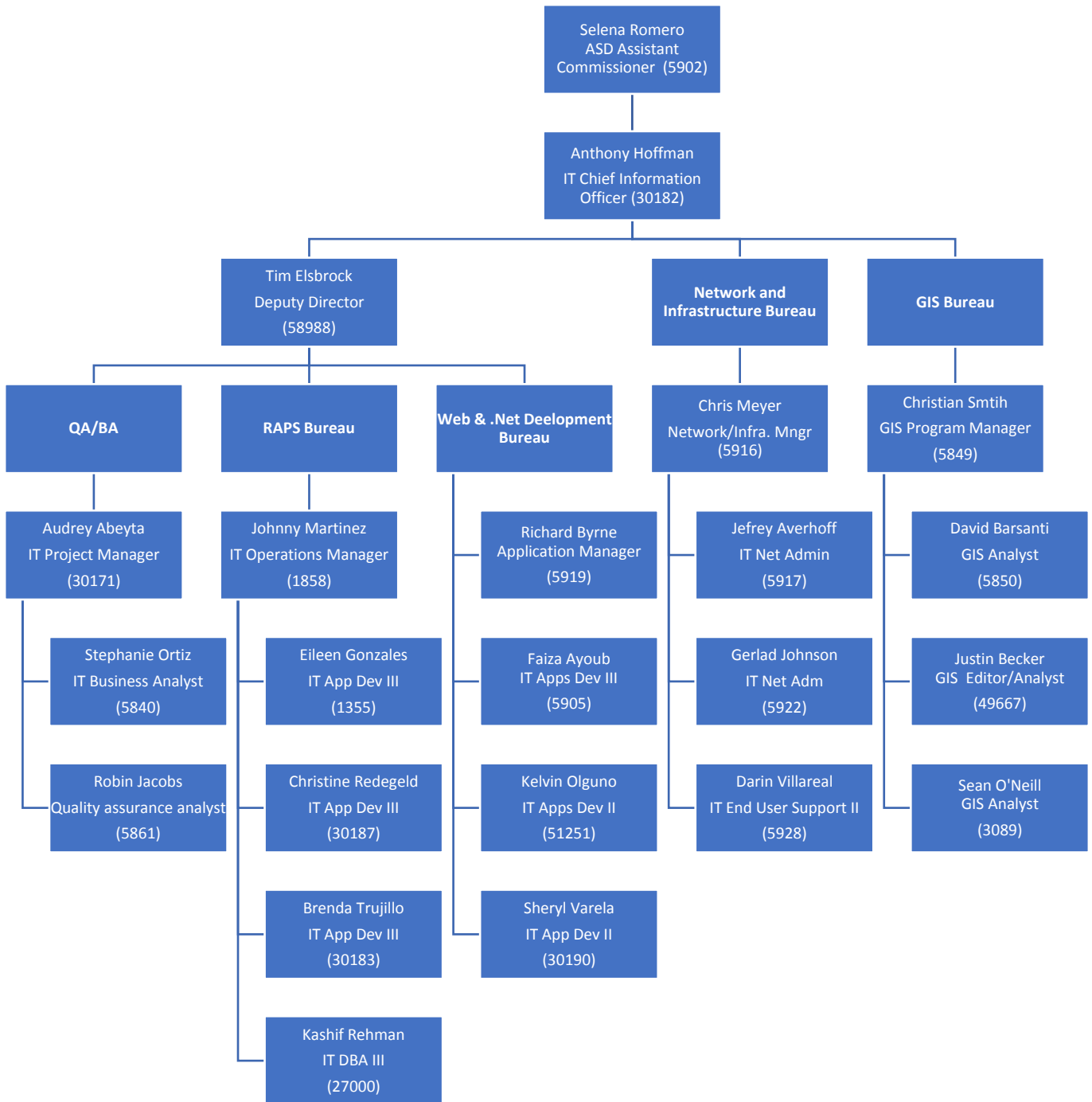
**VI. SPECIAL FUNDING, SUPPLEMENTAL, COMPUTER SYSTEM  
ENHANCEMENT (C2) FUNDING AND REAUTHORIZATION OF  
C2 APPROPRIATIONS**

- A. NMSLO has no new C2 or funding reauthorization requests for FY26.

# APPENDIX A-I: AGENCY ORGANIZATION CHART



## APPENDIX A-II: IT ORGANIZATION CHART



**FY26 APPROPRIATION REQUEST  
FORM E-6B LEASED PASSENGER-RELATED VEHICLES**

**Account code 542800**

LEASED VEHICLE INFORMATION @ 7/1/24

Agency Name: Commissioner of Public Lands  
Program Name: Land Trust Stewardship

Business Unit: 53900  
Program Code: P615

Item No.	LONG TERM LEASES ONLY						Lease Type Operational (O) or Standard (S)	Long Term Only			SHORT TERM ONLY			Put (x) if Fed \$
	Year	Make/Model	Vehicle Type	A** R C	License Plate Number	Mileage As of 7/1/24		A	B	A x B = C	D	E	D x E = F	
								FY24 Monthly Rate S= Rate Schedule	Number of months to lease	Total cost Rate FY25	Daily Rate Based On Vehicle Type	No. of Days	Total Lease Rate	
Example	2011	Ford/Taurus	02B	C	00000SG	5,000	Standard (S)	350	12	4,200.0	15.90	2	31.80	
1	2020	Nissan Leaf	02B	C	007743SG	1,580	Operational (O)	236	12	2,828.3			-	
2										-			-	
3										-			-	
4										-			-	
5										-			-	
6										-			-	
7										-			-	
8										-			-	
9										-			-	
10										-			-	
11										-			-	
12										-			-	
13										-			-	
14										-			-	
15										-			-	
16										-			-	
17										-			-	
18										-			-	
19										-			-	
<b>TOTAL LONG TERM:</b>								7,028.3	<b>TOTAL SHORT TERM:</b>			31.80		

Operational(O) rate for FY25 will be  
\*\* Code A = additional leased vehicle request C = vehicle currently leased R = request to replace previously purchased vehicle