

ACTUAL PERFORMANCE FOR OUTCOME MEASURES

305 - General Land Office and Veterans' Land Board

Fiscal Year 2016

10/27/2016

Outcomes with Cover Page and Update Explanation
 84th Regular Session, Performance Reporting
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/27/2016**
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Agency code: **305**

Agency name: **General Land Office and Veterans' Land Board**

<u>Type/Objective/Measure</u>	2016 Target	2016 YTD	Percent of Annual Target	Target Range
<u>1-1 LEASE OF STATE-OWNED LANDS</u>				
2 % PSF ACREAGE LEASED	88.00 %	88.31 %	100.35 %	
<u>Prior YTD:</u>				
<u>1-2 SALE/PURCHASE OF REAL PROPERTY</u>				
1 ANNUAL GROSS RATE OF RETURN	6.00 %	10.58 %	176.33 % *	
<u>Explanation of Variance:</u> The FY 2016 Year to Date actual performance data is not yet available from the third party vendor which is necessary to calculate the measure. The General Land Office (GLO) will update the performance measure information with the actual performance once the data becomes available. Please see updated explanation.				
<u>Explanation of Update:</u> The FY 2016 Annual Rate of Return actual performance exceeded the target by 76.33%. The influence of market volatility makes targeting nearly impossible; however, this reporting period similar to the prior fiscal year, investment performance exceeded expectation.				
<u>Prior Amount:</u> 5.69				
<u>Prior YTD:</u> 5.69				
<u>Prior Explanation of Update:</u> This is the record before re-open update.				
<u>2-1 PROTECT COASTAL & NATURAL RESOURCES</u>				
1 % OF SHORELINES MAINTAINED	10.00 %	46.50 %	465.00 % *	
<u>Explanation of Variance:</u> The FY 2016 percent of shorelines maintained actual performance exceeded the annual target by 365%. This outcome is a result of performance achieved in the actual number of miles of shoreline maintained, protected and restored (non-key measure 2.1.2 OP 1). That measure similarly exceeds its target by 465% (27.9 miles versus a target of 6 miles annually).				
<u>Prior YTD:</u>				
<u>3-1 VETERANS' BENEFIT PROGRAMS</u>				

* Varies by 5% or more from target.

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<u>Type/Objective/Measure</u>	2016 Target	2016 YTD	Percent of Annual Target	Target Range
1 % LOAN INCOME FOR ADMINISTRATION	15.00 %	18.13 %	120.87 % *	
<p><u>Explanation of Variance:</u> FY2016 actual performance is calculated by taking the total funds expended and encumbered as of 8/31 for veterans' loans, homes, and cemeteries programs and dividing by interest on veterans' loans in accordance with the definition. The income from veterans homes and cemeteries is not included, therefore, leading to an inflated % loan income for administration. This calculation methodology has been approved through the strategic plan process to include income from veterans homes and cemeteries in the FY 2018-19 biennium.</p> <p><u>Prior YTD:</u></p>				
2 % LOANS REMOVED FROM FOREFEITURE	75.00 %	80.00 %	106.67 % *	
<p><u>Explanation of Variance:</u> The FY 2016 percent of loans removed from forfeiture actual performance exceeded the target by 6.67%. The VLB staff's continued efforts to exceed the internal goal of saving 80% of pending forfeited accounts from foreclosure was the key contributing factor for the variance.</p> <p><u>Prior YTD:</u></p>				

* Varies by 5% or more from target.

ACTUAL PERFORMANCE FOR OUTPUT/EFFICIENCY MEASURES
305 - General Land Office and Veterans' Land Board
Fiscal Year 2016
10/6/2016

Agency code: 305

Agency name: General Land Office and Veterans' Land Board

Type/Strategy/Measure	2016 Target	2016 Actual	2016 YTD	Percent of Annual Target	Target Range
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Output Measures

1-1-1 ENERGY LEASE MANAGEMENT & REV AUDIT

4 AUDIT/ LEASE REVENUE RECON

Quarter 1	11,200,000.00	1,021,987.12	1,021,987.12	9.12 % *	2,240,000.00 - 3,360,000.00
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Explanation of Variance: Due to lower than usual detections, revenues for the quarter are down by 63.5% and below the pro-rata quarterly target of \$2.8 million. The agency anticipates larger detection amounts through the balance of the year and expects to perform at or near target by fiscal year end.

Quarter 2	11,200,000.00	3,099,038.01	4,121,025.13	36.79 % *	5,040,000.00 - 6,160,000.00
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Explanation of Variance: Second quarter detections exceeded expectation, when quarter-sizing the metric's annual target. Accordingly, this period's reconciliations, which were mostly limited revenue detections, signify a partial correction from last quarter. The agency anticipates larger detection amounts through the balance of the year and expects to perform at or near target by fiscal year end.

Quarter 3	11,200,000.00	3,753,777.52	7,874,802.65	70.31 %	7,840,000.00 - 8,960,000.00
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Quarter 4	11,200,000.00	6,152,336.61	14,027,139.26	125.24 % *	10,640,000.00 - 11,760,000.00
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Explanation of Variance: The FY 2016 audit/lease revenue reconciliations (detections) actual performance exceeded the annual target by 25.24%. This performance was due primarily to lease reconciliation detections of \$5.1 million, which is over 1/3 of the total 2016 year to date actuals. By way of comparison FY 2016 detections are less than prior year's detections by 33.5%, due to extraordinarily high audit detections of \$10.8 million back in FY2015. However, total audit detections in FY2016 are in line with the norm when adjusting for these exceptions.

1-1-2 ENERGY MARKETING

1 AVERAGE MONTHLY GAS SOLD IN MMBTU

* Varies by 5% or more from target.

Efficiency/Output Measures with Cover Page and Update Explanation
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Type/Strategy/Measure	2016 Target	2016 Actual	2016 YTD	Percent of Annual Target	Target Range
Output Measures					
1 AVERAGE MONTHLY GAS SOLD IN MMBTU					
Quarter 1	1,200,000.00	1,158,833.19	1,158,833.19	96.57 %	1,140,000.00 - 1,260,000.00
Quarter 2	1,200,000.00	1,263,911.44	1,211,372.32	100.95 %	1,140,000.00 - 1,260,000.00
Quarter 3	1,200,000.00	1,488,756.54	1,303,833.73	108.65 % *	1,140,000.00 - 1,260,000.00
<u>Explanation of Variance:</u> Volume increase is a result of increased consumption during winter months. When compared to prior 3rd quarter consumption was down due to mild winter.					
Quarter 4	1,200,000.00	1,115,806.38	1,256,826.89	104.74 %	1,140,000.00 - 1,260,000.00
<u>1-1-4 COASTAL AND UPLANDS LEASING</u>					
1 UPLANDS LEASE REVENUE					
Quarter 1	2,970,753.00	1,442,192.51	1,442,192.51	48.55 % *	594,150.60 - 891,225.90
<u>Explanation of Variance:</u> Increased oil and gas activity in the Permian Basin region resulted in higher than anticipated revenues. The agency anticipates revenues to continue at this rate and that it will reach its targeted goal.					

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Type/Strategy/Measure	2016 Target	2016 Actual	2016 YTD	Percent of Annual Target	Target Range
Output Measures					
1 UPLANDS LEASE REVENUE					
Quarter 2	2,970,753.00	1,713,970.20	3,156,162.71	106.24 % *	1,336,838.85 - 1,633,914.15
<u>Explanation of Variance:</u> This metric's current target was adjusted down from previous fiscal years with the anticipation that oil and gas market conditions would impact revenues from the agency's lease generating assets. Contrary to what was anticipated, the agency has not observed decreases; as noted during the first quarter, increased oil and gas activity in the Permian Basin region has resulted in higher than anticipated revenues.					
Quarter 3	2,970,753.00	1,134,801.26	4,290,963.97	144.44 % *	2,079,527.10 - 2,376,602.40
<u>Explanation of Variance:</u> This quarters performance would indicate a drop off has begun as originally anticipated.					
Quarter 4	2,970,753.00	963,163.43	5,254,127.40	176.86 % *	2,822,215.35 - 3,119,290.65
<u>Explanation of Variance:</u> The FY 2016 Uplands Lease Revenue actual performance exceeded the annual target by 76.86%. This quarter's performance would indicate a drop off as originally anticipated is continuing. However the first three quarters all exceeded the quarterly average such that the annual amount has significantly exceeded the anticipated lower target for FY 2016.					
6 COASTAL LEASE REVENUE					
Quarter 1	4,492,484.00	2,007,616.31	2,007,616.31	44.69 % *	898,496.80 - 1,347,745.20
<u>Explanation of Variance:</u> A single large payment was received from a completed project and placed the agency well ahead of its quarterly goal. The agency does not anticipate future attainments to be as high, but does expect to meet its target at end of year.					

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Type/Strategy/Measure	2016 Target	2016 Actual	2016 YTD	Percent of Annual Target	Target Range
Output Measures					
6 COASTAL LEASE REVENUE					
Quarter 2	4,492,484.00	936,727.63	2,944,343.94	65.54 % *	2,021,617.80 - 2,470,866.20
<u>Explanation of Variance:</u> Year-to-date performance is still benefited by the large payment received during the first quarter. The agency anticipates this metric's quarterly variance will continue to shrink and that it will meet its target at end of year.					
Quarter 3	4,492,484.00	1,356,344.09	4,300,688.03	95.73 % *	3,144,738.80 - 3,593,987.20
<u>Explanation of Variance:</u> Year-to-date performance is still benefited by the large payment received during the first quarter. Another strong quarter has reversed the agency's expectation for the annual period.					
Quarter 4	4,492,484.00	1,194,468.85	5,495,156.88	122.32 % *	4,267,859.80 - 4,717,108.20
<u>Explanation of Variance:</u> The FY 2016 Coastal Lease Revenue actual performance exceeded the annual target by 22.32%. Year-to-date performance is still benefited by a one time large payment received during the first quarter for a project to improve a navigable waterway.					
2-1-1 COASTAL MANAGEMENT					
2 GRANTS AWARDED					
Quarter 1	24.00	23.00	23.00	95.83 % *	4.80 - 7.20
<u>Explanation of Variance:</u> Although performance to date suggests that the agency will exceed its target, historically a higher volume of grants are awarded near the start of the state's fiscal year and increasingly fewer contracts are awarded in the final months. A vast majority of the grants are awarded by October 1st of each year, which front-loads the performance numbers for the fiscal year. However, additional projects may be awarded late in the fiscal year when projects come in under budget or are withdrawn from the program. At this time, based upon conventional work flow, the agency anticipates that it will meet its target with little variance – if any.					

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Type/Strategy/Measure	2016 Target	2016 Actual	2016 YTD	Percent of Annual Target	Target Range
Output Measures					
2 GRANTS AWARDED					
Quarter 2	24.00	0.00	23.00	95.83 % *	10.80 - 13.20
<u>Explanation of Variance:</u> Although performance to date suggests that the agency will exceed its target, historically a higher volume of grants are awarded near the start of the state's fiscal year and increasingly fewer contracts are awarded in the final months. A vast majority of the grants are awarded by October 1st of each year, which front-loads the performance numbers for the fiscal year. At this time, based upon conventional work flow, the agency anticipates that it will meet its target with little variance – if any.					
Quarter 3	24.00	3.00	26.00	108.33 % *	16.80 - 19.20
<u>Explanation of Variance:</u> Three contracts were awarded through a solicitation process to implement the strategy under the §309 Assessment & Strategies Report. During the development of the report, it was not known how many contractors would be hired to implement the strategy of preparing a Texas Coastal Resiliency Master Plan.					
Quarter 4	24.00	0.00	26.00	108.33 % *	22.80 - 25.20
<u>Explanation of Variance:</u> The FY 2016 Awarded Grants actual performance exceeded the annual target by 8.33%. No new contracts were awarded during this reporting period. However, as described in the first quarter new grant cycles begin each October and are heavily front loaded which ensured the overall performance.					
<u>2-2-1 OIL SPILL RESPONSE</u>					
1 NUMBER OF OIL SPILL RESPONSES					
Quarter 1	700.00	153.00	153.00	21.86 %	140.00 - 210.00

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Type/Strategy/Measure	2016 Target	2016 Actual	2016 YTD	Percent of Annual Target	Target Range
Output Measures					
1 NUMBER OF OIL SPILL RESPONSES					
Quarter 2	700.00	144.00	297.00	42.43 % *	315.00 - 385.00
<u>Explanation of Variance:</u> Given that the agency responds to ALL spills in coastal waters, the current attainment suggests the agency's prevention activities remain effective. Performance may also be attributable to decreased statewide production and transfers. In this instance, performance below the target is desirable.					
Quarter 3	700.00	180.00	477.00	68.14 % *	490.00 - 560.00
<u>Explanation of Variance:</u> Spill responses are down because less petroleum trade activity took place during this quarter due to low oil prices during late March, April & May					
Quarter 4	700.00	200.00	677.00	96.71 %	665.00 - 735.00
<u>2-2-2 OIL SPILL PREVENTION</u>					
2 # PREVENTION ACTIVITIES - VESSELS					
Quarter 1	1,603.00	339.00	339.00	21.15 %	320.60 - 480.90
Quarter 2	1,603.00	460.00	799.00	49.84 %	721.35 - 881.65

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Type/Strategy/Measure	2016 Target	2016 Actual	2016 YTD	Percent of Annual Target	Target Range
Output Measures					
2 # PREVENTION ACTIVITIES - VESSELS					
Quarter 3	1,603.00	393.00	1,192.00	74.36 %	1,122.10 - 1,282.40
Quarter 4	1,603.00	412.00	1,604.00	100.06 %	1,522.85 - 1,683.15
<u>3-1-1 VETERANS' LOAN PROGRAMS</u>					
4 # OF LOANS FUNDED BY THE VLB					
Quarter 1	1,500.00	368.00	368.00	24.53 %	300.00 - 450.00
Quarter 2	1,500.00	325.00	693.00	46.20 %	675.00 - 825.00
Quarter 3	1,500.00	436.00	1,129.00	75.27 %	1,050.00 - 1,200.00
Quarter 4	1,500.00	509.00	1,638.00	109.20 % *	1,425.00 - 1,575.00

Explanation of Variance: In FY 2016, the VLB exceeded the yearly land loan target amount by 9.2% due to low interest rates and the high volume of buyers and sellers. In addition, the Veterans Home Improvement Program (VHIP) loan (limit) amount increased in June from \$25K to \$50K which contributed to the increase in volume of VHIP loans.

3-1-2 VETERANS' HOMES

* Varies by 5% or more from target.

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Type/Strategy/Measure	2016 Target	2016 Actual	2016 YTD	Percent of Annual Target	Target Range
Output Measures					
1 OCCUPANCY RATE/VETERANS HOMES					
Quarter 1	92.00 %	93.20 %	93.20 %	101.30 %	87.40 - 96.60
Quarter 2	92.00 %	92.68 %	92.94 %	101.02 %	87.40 - 96.60
Quarter 3	92.00 %	92.80 %	92.89 %	100.97 %	87.40 - 96.60
Quarter 4	92.00 %	92.45 %	92.78 %	100.85 %	87.40 - 96.60
<u>4-1-1 REBUILD HOUSING</u>					
1 # QA/QC REVIEWS CONDUCTED					
Quarter 1	36.00	0.00	0.00	0.00 % *	7.20 - 10.80

Explanation of Variance: Although this quarter's attainment suggest no progress toward target, in actuality three field visits were performed; however, the reports were issued in the subsequent quarter and will be reported next period. In addition, the program's monitoring schedule will be adjusted to make up for the deficiency and ideally, meet the metric's annual target.

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Efficiency/Output Measures with Cover Page and Update Explanation

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Output Measures					
1 # QA/QC REVIEWS CONDUCTED					
Quarter 2	36.00	11.00	11.00	30.56 % *	16.20 - 19.80
<u>Explanation of Variance:</u> This reporting period excludes the performance of four additional field visits that will be reported in the subsequent quarter, when the monitoring reports are issued. The agency's monitoring schedule will be adjusted to further erode the performance variance/deficiency and meet the annual target.					
Quarter 3	36.00	13.00	24.00	66.67 % *	25.20 - 28.80
<u>Explanation of Variance:</u> Four additional field visits were performed; however, those reports will be issued in the 4th quarter. In addition, the monitoring schedule has been adjusted meet the annual target.					
Quarter 4	36.00	13.00	37.00	102.78 %	34.20 - 37.80
2 TOT # QA/QC REVIEWS CONDUCTED					
Quarter 1	48.00	28.00	28.00	58.33 % *	9.60 - 14.40
<u>Explanation of Variance:</u> Performance was benefited by an enhanced program monitoring presence, which increased the number of desk reviews, compliance reviews, and Single Audit Reviews. In particular, efficiencies within the desk review monitoring function created notable contributions to the agency's current attainment.					

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Type/Strategy/Measure	2016 Target	2016 Actual	2016 YTD	Percent of Annual Target	Target Range
Output Measures					
2 TOT # QA/QC REVIEWS CONDUCTED					
Quarter 2	48.00	30.00	58.00	120.83 % *	21.60 - 26.40
<u>Explanation of Variance:</u> Efficiencies in the agency's desk review monitoring function have resulted in an increase to the number of Desk Reviews performed. Performance gains have centered around streamlined processes and an enhanced focus upon continuous improvement through the monitoring plan, which in turn results in plan adjustments – such as customized review of audit plan/phases, in an effort to yield improved performance results.					
Quarter 3	48.00	19.00	77.00	160.42 % *	33.60 - 38.40
<u>Explanation of Variance:</u> Efficiencies in our monitoring function have resulted in an increase to the number of Desk Reviews performed.					
Quarter 4	48.00	8.00	85.00	177.08 % *	45.60 - 50.40
<u>Explanation of Variance:</u> The FY 2016 total number of QA/QC reviews conducted actual performance exceeded the annual target by 77.08%. Efficiencies in the monitoring functions have resulted in an increase to the number of Desk Reviews performed.					

Efficiency Measures

1-3-1 PRESERVE & MAINTAIN ALAMO COMPLEX

1 OPERATIONAL COST PER VISITOR

Quarter 1	2.45	2.57	2.57	104.90 %	2.33 - 2.57
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Efficiency Measures					
1 OPERATIONAL COST PER VISITOR					
Quarter 2	2.45	4.17	3.35	136.73 % *	2.33 - 2.57
<u>Explanation of Variance:</u> Additional expenses associated with Alamo Complex Management, as part of the transition from DRT management, and the normal seasonal decline in visitors contribute to the performance variance.					
Quarter 3	2.45	2.71	3.08	125.71 % *	2.33 - 2.57
<u>Explanation of Variance:</u> Additional expenses as part of the transition from DRT management.					
Quarter 4	2.45	2.73	2.96	120.82 % *	2.33 - 2.57
<u>Explanation of Variance:</u> The FY 2016 annual operational cost per visitor actual performance has improved. The actual performance was impacted in the second quarter by additional expenses incurred as part of the transition from DRT management.					
2 ALAMO NET REVENUE PER VISITOR					
Quarter 1	2.57	4.98	4.98	193.77 % *	2.44 - 2.70
<u>Explanation of Variance:</u> Revenue in the form of 'variable income' is typically received at the end of the fiscal year. However, due to a transition from the DRT to Event Network, variable income revenue and sweep deposits anticipated at fiscal year end 2015 were not received until the first quarter of fiscal 2016. Accordingly, this first period's attainment is higher than ordinary due to the timing of Event Network sweeps.					

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Efficiency Measures

2 ALAMO NET REVENUE PER VISITOR

Quarter 2	2.57	2.35	3.70	143.97 % *	2.44 - 2.70
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Explanation of Variance: Revenues are ahead of target due to the annual contractual 'variable income' that was received during the first quarter. Additionally, tours totaled \$124K and donations were \$72K.

Quarter 3	2.57	2.68	3.27	127.24 % *	2.44 - 2.70
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Explanation of Variance: Revenue ahead of target due to higher than expected tour revenue (\$198K) and donations (\$84K).

Quarter 4	2.57	2.69	3.07	119.46 % *	2.44 - 2.70
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Explanation of Variance: The FY 2016 Alamo net revenue per visitor actual performance exceeded the annual target by 19.46%. Revenue includes 4 additional Event Network payments due to delays in FY 2015 as explained in the first quarter.

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ACTUAL PERFORMANCE FOR EXPLANATORY MEASURES
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Fiscal Year 2016
10/27/2016

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<u>Type/Strategy/Measure</u>	2016 Target	2016 YTD	Percent of Annual Target
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Explanatory/Input Measures

1-2-1 ASSET MANAGEMENT

1 % RECEIPTS RELEASED TP SBOE

6.00	4.58	76.33 % *
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Explanation of Variance: The FY 2016 Year to Date actual performance data is not yet available from the third party vendor which is necessary to calculate the measure. The General Land Office (GLO) will update the performance measure information with the actual performance once the data becomes available. See update explanation.

Explanation of Update: The FY 2016 % Receipts Released TP SBOE actual performance was lower than the target by 23.67%. Decisions on the amounts to be released from the RESFA are made two years in advance and are based upon estimates; accordingly, some variance is anticipated. Actual receipts were higher than anticipated during the period, which lowered the actual percentage released when compared to the earlier estimate.

Prior Amount: 5.69

Prior YTD: 5.69

Prior Explanation of Update: This is the record before re-open update.

2-1-2 COASTAL EROSION CONTROL GRANTS

1 COST/BENEFIT RATIO FOR CEPRA PROJ

8.40	8.40	100.00 %
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* Varies by 5% or more from target.