FY 2023 Strategic Plan and Annual Objectives

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State Land Department
Fiscal Year 2023 Strategic Plan

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Vision: A professionally managed department, proactively engaged in its mission in pursuit of a better Arizona.

Mission: To responsibly manage the assets of a multi-generational perpetual trust in alignment with the interests of the beneficiaries and Arizona's future.

Agency Description: The State Land Department manages more than 9 million acres of State Trust land (STL) and resources on behalf of 13 Beneficiaries. To ensure the Trust is a viable and productive asset for Beneficiaries today and for generations to come, the department exercises sound stewardship principles. As a fiduciary, the department generates revenue for the Beneficiaries from sales, rents and royalties from STL.

Executive Summary: The strategy of the State Land Department is to transition from a reactive organization passively navigating its obligations, to a proactive organization that directs its efforts into key priorities designed to produce optimal outcomes for the Beneficiaries and the State.

Strategic priorities are focused on the following :

- **Cultivating a Culture of Continuous Improvement and Learning through the Arizona Management System (AMS) and Employee Development**

- **Improving the Marketability of the Trust Portfolio Through Proactive Planning**

- **Establishing a cross-agency operating system to effectively manage the non-urban land portfolio**

- **Appropriately quantifying and valuing all the Water Rights and Assets on State Trust Land**

- **Ensuring that the uses of State Trust Lands optimize revenues for the Beneficiaries**

Summary of 5 Year Strategic Goals

#	Multi-Year Goal	Start Fiscal Year	Progress & Major Successes
1	Continuous Improvement Through AMS & Employee Development	**2017** *Updated 2022*	• Achieved 100% of services available on-line • Increased Employee Engagement <u>every year</u> • Reduced bottlenecks and rework in the billing and application processes • Implemented interactive web portals to administer customer interactions
2	Improve Marketability of the Trust Portfolio	**2017** *Updated 2022*	• Achieved land sales valued at $788 & $652 million in FYs 2021 & 2022, respectively • Implemented Zoning Banks in several cities to accelerate land entitlement • Concluded all bankruptcy claim and lawsuits related to the Desert Ridge property
3	Implement Non-Urban Land Management System	**2022**	• Established agreements with other State Agencies to better manage non-urban lands • Developed framework to catalog, review, and assess compatibility of competing recreational interests on non-urban lands
4	Implement Water Assets Management System	**2022**	• This initiative was started in FY 2019 when we established a Water Rights auction process. Continued drought conditions require expansion as a stand-alone goal
5	Continued Evaluation of the Appropriate Uses of STL	**2022**	• Initiated studies to evaluate locations for Solar and other alternative energies on STL • Initiated studies to evaluate mineral and other subsurface asset values on STL

#	FY23 Annual Objectives	Metrics	Annual Initiatives
1	Increase the efficiency of the department's internal operations	• % of milestones met • Scanning backlog reduction • % of milestones met	• Complete OASIS Migration project • Centralize the document scanning process • Renew the On-call Professional Svc. contracts
2	Maximize Trust revenues	• $ Recovered in DDF • No. of PCI auctions • No. of new Zoning Banks • % of milestones met	• Fully utilize the Due Diligence Fund (DDF) • Per Commissioner's Initiative (PCI) sales • Expand the Zoning Bank model to more cities • Document the current land development prioritization and project initiation process
3	Improve the management and administration of Non-Urban Lands	• No. of acres of land treated • No. of Patrols performed • No. of assets inventoried	• Integrate the established agreements with other agencies into the operating system • Assess the availability and value of ground water and Long-Term Storage Credits, including Butler Valley transportation basin
4	Improve the management and administration of the Water Assets on State Trust Lands (STL) *(Breakthrough objective)*	• % of milestones met • No. of wells inspected • No. of water usage reports	• Complete Water Rights Digitization project • Establish Standard Work (STW) to inspect wells and monitor lessee water usage reports
5	Evaluate land use classifications in areas with conflicting demands	• No. of acres reviewed • No. of conflicts identified	• Engage consultants to identify locations to support alternative energy facilities on STL • Compile list of all statutes and rules affecting STL that are conflicting or ambiguous