



LEGISLATIVE TASK FORCE ON GOVERNMENT EFFICIENCY

Wednesday, July 30, 2025
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Nathan Toman, Chairman, called the meeting to order at 10:03 a.m.

Members present: Representatives Nathan Toman, Glenn Bosch, Robin Weisz; Senators Kyle Davison*, Kathy Hogan, Chuck Walen*; Citizen Members Alan S. Dohrmann, Joshua C. Gallion, Joe Morrissette

Members absent: Citizen Member Jonathan Casper

Others present: Representative LaurieBeth Hager, Fargo, member of the Legislative Management; Representative SuAnn Olson, Baldwin

Sarah Aker, Donna Aukland, Pamela Sagness, and Patrick Traynor, Department of Health and Human Services; Chris Schilken, Department of Commerce

See [Appendix A](#) for additional persons present.

**Attended remotely*

BACKGROUND INFORMATION

Mr. Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council, reviewed the [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#).

Mr. Kinnischtzke presented a memorandum entitled [Legislative Task Force on Government Efficiency - Background Memorandum](#) regarding task force responsibilities.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. Patrick Traynor, Interim Commissioner, Ms. Donna Aukland, Chief Financial Officer, Ms. Pamela Sagness, Executive Director of Behavioral Health, and Ms. Sarah Aker, Executive Director of Medical Services, Department of Health and Human Services, presented information ([Appendix B](#)) regarding opportunities to increase efficiencies and implement cost-saving measures, reduce unnecessary or duplicative processes and regulations, opportunities to increase partnerships with the private sector, and other suggestions to improve agency operations.

Ms. Aukland noted 82 percent of the Department of Health and Human Service's (DHHS) budget is spent on payments to vendors, providers, and individuals; while 7 percent is for direct services; 7 percent is for administration; and 4 percent is for technology and technology vendors.

Ms. Sagness noted the Behavioral Health Division of DHHS produces publications on a regular basis that provide status updates on behavioral health program outcomes.

Ms. Aker noted:

- Short term cost-saving strategies for DHHS include evaluating program utilization and integrity, reducing administrative burden, streamlining operations, leveraging existing infrastructure, reducing regulation, and addressing physical footprint needs.

- Long-term cost-saving strategies include assessing the state of care coordination, providing prevention services to promote individual and community health, implementing quality based residential and health care services, connecting services and housing, operating data driven programs, and building a comprehensive community behavioral health clinic model of care.
- There are significant differences among the states' Medicaid programs and opportunities to realize cost-savings and efficiencies within the Medicaid program.

In response to a question from a task force member, Mr. Traynor noted DHHS is evaluating space needs of the agency and whether remote work, onsite work, or hybrid work options are most appropriate for staff.

In response to a question from a task force member, Ms. Aukland noted DHHS has entered approximately 3,100 contracts with approximately 1,100 vendors to provide services. She noted some contracts are one-time contracts and some are renewed on a biennial basis if funding is continued by the Legislative Assembly.

In response to a question from a task force member, Ms. Aker noted the federal One Big Beautiful Bill Act passed by Congress in July 2025, will not result in significant federal Medicaid funding reductions for North Dakota. She noted one reason is that the federal act limits provider taxes and while many states depend on provider taxes to generate general fund revenue for state Medicaid programs, North Dakota has only one provider tax and it accounts for only approximately 1 percent of funding available for the Medicaid program.

DEPARTMENT OF COMMERCE

Mr. Chris Schilken, Commissioner, Department of Commerce, presented information (Appendices [C](#) and [D](#)) regarding opportunities to increase efficiencies and implement cost-saving measures, reduce unnecessary or duplicative processes and regulations, opportunities to increase partnerships with the private sector, and other suggestions to improve agency operations. He noted:

- Areas in which efficiencies could be gained include procurement processes, marketing services, and grant program transparency and review.
- In June 2025, the department conducted a comprehensive statewide workforce ecosystem study report, which identified more than 80 workforce programs across nine state agencies and there is an opportunity to develop a unified vision for the state's workforce system and increase collaboration and promote efficiencies among state agencies.
- New businesses relocating to North Dakota have access to more than 100 incentive programs from state or federal funding sources.
- The department is leveraging artificial intelligence software to reduce manual workloads and allow staff to make data-driven decisions.

Mr. Dohrmann noted the Governor's office is establishing subcabinet groups among the Governor's cabinet agencies based on subject area and expertise, including a workforce subcabinet, which will focus on evaluating workforce programs with the goal of establishing a unified workforce plan to present to the Governor and Legislative Assembly.

INFORMATION TECHNOLOGY DEPARTMENT

Mr. Corey Mock, Chief Information Officer, Information Technology Department, presented information ([Appendix E](#)) regarding opportunities to increase efficiencies and implement cost-saving measures, reduce unnecessary or duplicative processes and regulations, opportunities to increase partnerships with the private sector, and other suggestions to improve agency operations. He noted:

- The Information Technology Department (ITD) establishes billing rates for information technology (IT) services in the spring of even-numbered years which will be in effect for as long as 3 years after the rates are announced and are used by state agencies when establishing budget requests for the next biennium.

- ITD is evaluating opportunities to remove overhead costs from the billing rates to better display the cost of each IT service, which will require a different funding source for ITD salaries and overhead costs.
- Opportunities exist across state government to increase government efficiency by replacing outdated IT platforms rather than managing or retrofitting old and costly systems.
- ITD is working with the Governor's office to evaluate IT staff usage and relationships in other agencies, including requiring ITD to work in the office at least 1 day a week beginning in the fall of 2025 and having IT staff return to working in state agency offices.

COMMITTEE DISCUSSION

Members of the task force noted:

- Opportunities exist to realize cost-savings in state government and there may be situations in which reductions in agency budgets are not necessary but there may be opportunities to use funding in other ways to provide more efficient services to citizens.
- State agencies should prioritize data collection, measuring outcomes of programs to properly evaluate the effectiveness of each program, and ensure information is transparent and accessible to the public.
- The benefits of reviewing organizational structures of state agencies, education funding models, and township funding provided by state sources to evaluate efficiency opportunities.
- Recent legislative actions that could be reviewed to assess effectiveness include the merger of the State Department of Health and Department of Human Services into DHHS and the recent IT unification initiative among executive branch agencies.

No further business appearing, Chairman Toman adjourned the meeting at 2:52 p.m.

Levi Kinnischtzke
Senior Fiscal Analyst

ATTACH:5