



LEGISLATIVE TASK FORCE ON GOVERNMENT EFFICIENCY

Thursday, October 16, 2025
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Nathan Toman, Chairman, called the meeting to order at 10:05 a.m.

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

Members absent: None

Others present: Courtney Heiser and Kirby Evanger, Bank of North Dakota; Chris Shilken, Katie Ralston Howe, and Sara Otte Coleman, Department of Commerce; Steve Gehrke*, Utah Governor's Office of Planning and Budget; Timothy Bereece*, Utah Office of the Legislative Fiscal Analyst

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

**Attended remotely*

It was moved by Representative Bosch, seconded by Senator Walen, and carried on a voice vote that the minutes of the August 26, 2025, meeting be approved as distributed.

Mr. Levi Kinnischtzke, Senior Fiscal Analyst, Legislative Council, presented a memorandum entitled [Summary of Governor Schafer Recommendations for State Agency Consolidation and Elimination](#).

Mr. Kinnischtzke presented a memorandum entitled [Workforce Programs Survey Results](#) and a memorandum containing state agency responses to the workforce programs survey request ([Appendix B](#)).

Mr. Joshua C. Gallion, State Auditor, presented information ([Appendix C](#)) regarding the results of the survey of state workforce programs. He noted:

- There were differences between information collected by the Department of Commerce and the Workforce Development Council compared to survey information submitted by state agencies, primarily attributed to differing interpretations of what is considered a workforce development program.
- Performance metrics need to be established before a program is implemented so an evaluation can be conducted to determine the level of program success.
- Expectations for program metrics should be established by the Governor or the Legislative Assembly so data can be collected after the program is implemented to be reported to the Governor and Legislative Assembly in the next biennium.

Mr. Dan Cox, Director of Audit Services, State Auditor's office, presented information ([Appendix D](#)) regarding the State Auditor's office evaluation process of state programs to identify efficiencies and improvement opportunities. He noted when conducting performance audits, the State Auditor's office:

- Considers the condition, effect, cause, and criteria of a program before providing a recommendation regarding the program.
- Uses the logic model to consider program inputs, if activities were implemented as designed, if outputs and outcomes were used at expected performance levels, if the expected users or clients were reached, if there was reasonable program progress, if there were unintended benefits or costs, and if the results would have occurred without the existence of the program.

Mr. Chris Schilken, Commissioner, Ms. Katie Ralston Howe, Deputy Commissioner, and Ms. Sara Otte Coleman, Tourism Division Director, Department of Commerce, presented information ([Appendix E](#)) regarding Find the Good Life Program return on investment data, Operation Intern Program intern retention rates, recipients of technical skills training program grants, a comparison of the Regional Workforce Impact Program with regional college workforce programs, the Legacy Investment for Technology (LIFT) Loan Program, and postaward monitoring of the loans pursuant to North Dakota Century Code Chapter 6-09.18. Ms. Ralston Howe noted:

- The Operation Intern Program has postinternship workplace retention rate of 80 percent at 1 year, 70 percent at 2 years, and 60 percent at 5 years.
- The Regional Workforce Impact Program administered by the department and the business and industry leadership team model administered by Bismarck State College are workforce development programs that enhance but do not duplicate services in the state.

Ms. Otte Coleman noted the department spent \$5.3 million on the Find the Good Life Program during the 2023-25 biennium, resulting in 100 individuals moving to 19 communities in the state and generating an estimated \$5 million in statewide economic impact during the biennium.

Mr. Schilken noted:

- The LIFT Loan Program has leveraged \$80.9 million, created 153 new jobs in the state, and funded 64 loans totaling \$38.8 million since the inception of the program.
- Of LIFT loans, 96 percent are in active or repaid status while 4 percent of loans were defaulted.

In response to a question from a task force member, Ms. Courtney Heiser, Business Banker, Bank of North Dakota, noted the Department of Commerce issued surveys to LIFT Program participants and the Bank follows up with participants to monitor the number of jobs created through the program.

Dr. Douglas Jensen, Bismarck, presented information ([Appendix F](#)) regarding strategic evaluation strategies to measure program outcomes and realize program efficiencies. He noted:

- The presentation provides a data-driven framework that uses national benchmarks and established audit practices for measuring program outcomes, identifying operational efficiencies, strengthening fiscal accountability, promoting transparent decisionmaking, and ensuring taxpayer resources achieve measurable public benefit.
- To measure program success, North Dakota must define desired performance metrics, collect data, monitor program results compared to benchmarks, make budget and policy changes based on variances to benchmarks, and collect feedback on the outcomes of the program.
- A model of efficiency scorecard could be used by all state agencies to monitor program baseline funding, intended targets, and program results to ensure comparable and transparent performance reporting that could be reported on a regular basis and verified by the State Auditor for accuracy.

Mr. Kelvin Hullet, Chief Business Officer, and Mr. Kirby Evanger, Chief Credit Officer, Bank of North Dakota, presented information ([Appendix G](#)) regarding the number of outstanding loans to private businesses under each loan program administered by the Bank as of the most recent fiscal year, including the range of the terms of the loans, data on the number and amount of loans paid in full, and the number and amount of loans defaulted during the 2023-25 biennium. Mr. Evanger noted:

- From January through September 2025, the Bank issued 421 loans to businesses for \$1.16 billion, 592 loans to agriculture producers for \$261.3 million, 5,520 loans to students for \$43.5 million, and 133 loans for legislatively directed programs for \$128.5 million, and renewed \$2 billion in loans.
- The loan terms range from 5 to 20 years with either variable or fixed interest rates based on market rates available at the time the loans are issued.
- From calendar year 2015 through calendar year 2024, the amount of defaulted loans ranged from approximately \$1.5 million to \$6.5 million per year.

Mr. Hullet noted the Bank administers \$1.2 billion in net assets for legislatively directed loan programs, including the Infrastructure Revolving Loan Fund, Legacy Infrastructure Loan Fund, Water Infrastructure Revolving Loan Fund, School Construction Assistance Revolving Loan Fund, LIFT Loan Fund, and Clean Sustainable Energy Authority Loan Fund, all of which are administered with a fixed interest rate of 2 percent.

Mr. Steve Gehrke, Director of Operational Efficiencies, Utah Governor's Office of Planning and Budget, presented information ([Appendix H](#)) regarding Utah's executive branch process of evaluating state programs, establishing performance measures, and creating efficiencies in state government, any suggestions for best practices when establishing a performance evaluation program, and the creation of recent government efficiencies dashboards. He noted:

- Governor Spencer Cox issued Executive Order 2025-05 to establish a culture that empowers employees to improve state government, create an efficiency and process improvement collaborative, recommend a joint efficiency evaluation project, and task cabinet state agencies with working on at least one improvement project.
- State agencies or offices submit budget requests to the Governor's Office of Planning and Budget which are used to prepare the Governor's budget that is considered by the Utah State Legislature. After program and funding prioritization are approved by the Utah State Legislature and funding bills are signed by the Governor, state agencies establish performance measures for line items or funding items when implementing the new fiscal year budget.
- Performance measures established for each program help identify cost-savings, cost avoidance, and service and delivery improvements to enhance quality of services and save taxpayer time and money.
- The State of Utah created a public dashboard to document estimated cost-savings, cost avoidance amounts, and the total estimated time savings by creating and evaluating program metrics.

Mr. Timothy Bereece, Senior Operations Analyst, Utah Office of the Legislative Fiscal Analyst, presented information ([Appendix I](#)) regarding the office and the Utah State Legislature's process of evaluating state programs, establishing performance measures, creating efficiencies in state government, and any suggestions for best practices when establishing a performance evaluation program. He noted:

- The Utah State Legislature approved House Bill No. 326 (2021), Senate Bill No. 296 (2023), and House Bill No. 317 (2025) to establish and refine the joint efficiency evaluations between the Utah Governor's Office of Planning and Budget, the Office of the Legislative Fiscal Analyst, and the Office of the Legislative Auditor General to codify and enhance performance measure processes, develop a performance measure information system, adopt an efficiency evaluation process, and require annual reporting on performance measures.
- When the Utah State Legislature appropriates state funding from income tax revenue collections or the general fund to a state agency, a status report is required to provide information on performance measures for funding items of \$500,000 or more, program implementation, and program spending. During the 2025 legislative session, state agencies reported on 410 funding items, of which 273 funding items met the \$500,000 threshold that required performance measure information.

- Each line item in the state budget is associated with approximately three performance measures to show long-term trends for operations and outcomes. During the 2025 legislative session, state agencies reported on 796 line item performance measures that are designed to relate to the agency's mission and strategic plan and provide a comprehensive review of the programs within each line item.
- The State of Utah created a public dashboard that monitors and provides information regarding newly funded projects for each agency, including the amount spent and performance metrics.

No further business appearing, Chairman Toman adjourned the meeting at 3:50 p.m.

Levi Kinnischtzke
Senior Fiscal Analyst

ATTACH:9