



North Dakota Legislative Council

Prepared for Representative Toman
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LEGISLATIVE TASK FORCE ON GOVERNMENT EFFICIENCY - INTERIM UPDATE

This memorandum provides information regarding the activities of the Legislative Task Force on Government Efficiency through February 2026.

BACKGROUND

In House Bill No. 1442 (2025), the Legislative Assembly created a new section to North Dakota Century Code Chapter 54-35 through July 2031, to require the Legislative Management to create a Legislative Task Force on Government Efficiency consisting of 10 members, including the Director of the Office of Management and Budget; the Chief Operating Officer for the Governor's office; an elected statewide officer, appointed by the Governor; an individual residing in the state, appointed by the Governor; 3 members of the House of Representatives, appointed by the Majority Leader of the House of Representatives; and 3 members of the Senate, appointed by the Majority Leader of the Senate.

The task force is required to:

- Meet at least once each calendar quarter or more frequently at the call of the Chairman;
- Review and analyze budgets and reports from executive branch agencies and the Supreme Court;
- Collaborate with and receive testimony from executive branch agencies and the Supreme Court;
- Identify areas to increase efficiency and methods to implement cost-saving measures;
- Determine areas of state government deemed unnecessary or duplicative;
- Target outdated or overly restrictive regulations;
- Find areas in which partnerships between the state and private industry would create innovative financing models to drive economic growth and job creation;
- Review the effectiveness and necessity of programs and laws created by the Legislative Assembly;
- Request the State Auditor or an independent private auditing firm to conduct program evaluations using generally accepted performance audit standards for state and local governments; and
- Submit an annual report to the Legislative Management detailing the task force's findings and progress implementing cost-saving measures and efficiencies along with any recommended legislation for introduction at the next legislative session.

MEETINGS

The Legislative Task Force on Government Efficiency held four meetings in 2025, including meetings in July, August, October, and December.

July 2025

The task force received information from the Department of Health and Human Services, Department of Commerce, and Information Technology Department 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.

August 2025

The task force received information from the:

- Department of Health and Human Services regarding funding sources for the department's programs, how the department can improve efficiency and transparency, and an analysis of North Dakota's Medicaid program in comparison to other states;
- Department of Commerce regarding the department's workforce programs, the department's collaboration with other agencies and their workforce programs, and suggestions to increase efficiency and transparency, realize budget savings, and increase data tracking and reporting for all state workforce programs; and recent efforts and plans to increase grant award and expenditure transparency to ensure grant program outcomes are measurable and are being achieved; and
- Information Technology Department regarding recent efforts and plans to reduce the rising cost of information technology services for state agencies, including a review of current service and hardware contracts; and a review of efficiencies gained as a result of the information technology unification initiative, and any suggestions for improving services provided to state agencies.

October 2025

The task force received information from:

- The Legislative Council and the State Auditor's office regarding the results of a survey relating to state workforce programs;
- The Department of Commerce regarding the Find the Good Life Program return on investment data, Operation Intern Program intern retention rates, a listing of recipients of technical skills training program grants, a comparison of the Regional Workforce Impact Program with regional college workforce programs, and information regarding the Legacy Investment for Technology Loan Program and postaward monitoring of the loans;
- Dr. Douglas Jensen, former Bismarck State College President, regarding strategic evaluation methods to measure program outcomes and realize program efficiencies;
- The Bank of North Dakota 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; and
- The Utah Governor's Office of Planning and Budget and the Utah Office of the Legislative Fiscal Analyst regarding Utah's process of evaluating state programs, establishing performance measures, creating efficiencies in state government, any suggestions for best practices when establishing a performance evaluation program, and the creation of recent government efficiencies dashboards.

December 2025

The task force received information from:

- The Office of Management and Budget and Information Technology Department regarding procurement processes and requirements, the results of a recent procurement survey, suggestions to improve the procurement process, and recommendations for statutory changes related to procurement requirements;
- The Information Technology Department and Legislative Council regarding the feasibility of creating dashboards containing state agency performance information and program evaluation results; and
- The Secretary of State's office and the Insurance Commissioner regarding suggestions to improve agency services and increase efficiencies between state agencies.

March 2026

A fifth meeting is scheduled for March 25, 2026, that may include a presentation from the judicial branch regarding suggestions to improve agency services and increase efficiencies and presentations and discussion on proposals submitted by state agencies regarding statutory changes that may be offered during the 2027 legislative session that could result in state government efficiencies or cost-savings.

MAJOR TOPICS AND DISCUSSION

Workforce Programs Survey

In August 2025, the Department of Commerce provided testimony regarding the department's workforce programs; the department's collaboration with other agencies and their workforce programs; and suggestions to increase efficiency and transparency, realize budget savings, and increase data tracking and reporting for all state workforce programs. The testimony included information on 80 workforce development programs administered by 9 state agencies.

The workforce program information was collected in collaboration between the department and the North Dakota Workforce Development Council to better understand workforce incentive programs available to North Dakotans, how organizations and programs interact, and to find opportunities for local organizations to engage with a statewide workforce strategy. The department reported there is no clear, single-entry point for job seekers and employers seeking workforce assistance, as individuals and businesses must engage with multiple state and local entities to address workforce needs.

In October 2025, the Legislative Council surveyed select state agencies that administer workforce-related programs to gain additional state workforce program information, evaluate each program's success metrics, and determine if there is duplication among programs. The survey results included responses from 8 state agencies providing information on 57 workforce-related programs, with funding totaling \$204.3 million for the 2025-27 biennium.

The State Auditor's office also reviewed the survey results and provided testimony to the task force. The primary conclusions from the workforce survey included:

- There were differences between information collected by the Department of Commerce and the Workforce Development Council compared to the information collected as part of the survey as submitted by state agencies, primarily attributed to differing interpretations of what is considered a workforce development program.
- Program details and performance metrics provided varied significantly between agencies and programs, making evaluation of each program difficult. Performance metrics should be established before a program is implemented so an evaluation can be conducted to determine the level of program success.
- The State Auditor reported that 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 determine the effectiveness of the program. This information can be reported to the Governor and Legislative Assembly in the next biennium.

State Program Performance Measures

In August 2025, the Legislative Council provided information regarding government efficiency initiatives and proposals in 15 other states. The government efficiency initiatives in other states included establishing committees or agencies to review state government operations, evaluating program outcomes, and proposed legislation to enable artificial intelligence technologies to increase efficiency in state government. Of the 15 states researched, Utah was discussed frequently as a state with a mature process of establishing and evaluating state agency program performance metrics that is conducted collaboratively between the executive and legislative branches.

In October 2025, the task force received information from the Utah Governor's Office of Planning and Budget and the Utah Office of the Legislative Fiscal Analyst regarding Utah's process of evaluating state

programs, establishing performance measures, creating efficiencies in state government, any suggestions for best practices when establishing a performance evaluation program, and the creation of recent government efficiencies dashboards. The task force was informed:

- 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.
- Governor Spencer Cox issued Executive Order 2025-05 to establish a culture that empowers employees to improve state government operations, 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.
- When the Utah State Legislature appropriates state funding from income tax revenue 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.
- 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. Dashboards are also available that provide information regarding newly funded projects for each agency, including the amount spent and performance metrics.