

Chair Louser and members of the committee,

I am writing today in regard to HB1298 proposing to require liability insurance for licensed early childhood programs. As an early childhood program owner from 2005-2020 and in my continued work with early childhood programs in the state I am stand in opposition of this bill. It is my belief that adding a liability insurance policy to the overhead of a business should be at the discretion of the business owner. While it is strongly encouraged that all business owners carry liability insurance to protect them in the event of an adverse situation in their business, to have this requirement codified will most certainly impact the availability of childcare in the state negatively. In my communications with childcare owners across the state it is becoming increasingly difficult to find an underwriter who will offer a policy for a childcare program due to the high risk of the business. More and more underwriters are dropping childcare liability policies from their offerings. In a time when state agencies and legislators are working to expand the availability of childcare in our state this bill could produce the opposite effect.

I also wanted to offer a little background on the content of this bill. An identical bill was introduced by Senator Vedaa during the 2019 legislative session (SB 2163). The bill came out of the Senate Human Services committee with a Do Pass recommendation and passed in the Senate with a 47/0/0 vote.

The bill came out of the House Human Services committee with a Do Not Pass recommendation in a split decision with comments during the committee hearing and work session that liability insurance wouldn't have solved the issues with the event that triggered the bill and that liability insurance would be cost prohibitive to providers. That bill failed in the House with a 18/73/3 vote.

After reviewing the records from 2019 I found that the sponsors of HB 1298 voted in the following way on their respective floor votes:

Representative Louser	No
Representative M. Ruby	No
Representative Thomas	--
Representative Weisz	No
Senator Vedaa	Yes

I ask the 2023 Industry, Business and Labor committee members and the sponsors of this bill what has changed since 2019? In my view, what has continued to change is the availability and affordability of liability insurance for home-based early childhood programs. In addition there has been a reduction of availability and affordability of childcare across the country, including in North Dakota. Even home-based care settings have not been immune to increased food costs and increased heating/cooling costs. Even without the cost of staff and with the stabilization grants through the past two years programs have had to raise their rates, in some cases significantly. Adding the high cost of liability insurance will only increase their operating costs which in turn will increase parent fees.

My final comment on this bill is this: if the committee determines that a requirement of liability insurance is important enough to add it to home-based early childhood programs it should make a recommendation to DHHS to add it to the administrative code which is where it is codified for center based programs as well as preschool and school age programs. Adding this require to NDCC makes it difficult to course correct. Administrative code has a much shorter timeline to make changes.

I thank you for your time this listening to my comments and I stand for questions if you have any.

Michelle Roeszler  
Fargo, ND