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Strengthen ND
Employee Benefits Programs Committee
Testimony for Bill Draft No. 18
April 28, 2016

Madam Chair Krebsbach and members of the committee, good morning. Thank you for taking my testimony into consideration today.

My name is Megan Laudenschlager, and I am the Executive Director of Strengthen ND, a newly established nonprofit in Minot. The mission of Strengthen ND is to support western North Dakota through nonprofit capacity building opportunities, advancing regional issues, and facilitating community solutions. Throughout the activities we undertake to meet our mission, we work with nonprofits in both individual and group settings, and we see firsthand the issues that many are facing. It is because of these experiences that I am here to testify on behalf of the general concern of nonprofit professionals across North Dakota with regard to Bill Draft No. 18.

Bill Draft No. 18 if voted into law during the 2017 Legislative Session would permit nonprofit organizations to take part in the ND PERS health benefits plan, thus being able to access higher quality health insurance at a lower cost than similar plans for their employees. The premium would not be paid for by the State.

As the bill is currently drafted, its successful passage would allow nonprofits, both large and small, to participate in ND PERS. The bill includes a process for an application for a federal waiver to approve nonprofits employees participation to be in compliance with federal regulations.

Language is also included in the bill draft to allow licensed insurance agents to sell the plans offered by ND PERS. Finally, language is included for a penalty for organizations that withdraw from participation before completing sixty months within ND PERS to ensure long-time participation by nonprofit organizations and the elimination of adverse risk to the plan.

Health insurance is important to everyone. We need it as citizens so that we can take the best care of ourselves possible. Just like in the private and governmental sectors, the ability to offer quality benefits is crucial for nonprofit organizations in order for the recruitment and retention of good employees. Nonprofit organizations are the backbones of our communities - they take care of our vulnerable populations, enhance our community's aesthetics and culture, and provide recreational activities for our youth - among many, many other things. Organizations

that do so much should have great health insurance plans to offer to their employees at an affordable rate so as to support high retention and resulting quality service. The plan that public employees have should be available to nonprofits as they also serve the public.

To illustrate the importance of quality and affordable health insurance to nonprofits around the state, an assessment was disseminated in mid-March to nonprofits around North Dakota seeking to obtain a baseline of the need. Within a short, two-week time period, 91 individual respondents were noted from organizations representing just shy of 6,400 nonprofit employees, which is just under 15% of the state's total nonprofit employee population. Of those indicating that they did not offer health insurance, the overwhelming majority reported that cost was a barrier.

Of the 91 respondents, 43 were from nonprofits with ten employees or less. Many nonprofit organizations like those responding are unable to provide health insurance for their employees as they are too small to qualify for a group plan and unable to provide health insurance stipends anymore - thus making competitive benefits for recruitment and retention nearly impossible.

Nonprofits work in every community across North Dakota. They exist for the good of all North Dakotans, and they are essential partners with government and business in building a strong North Dakota with a high quality of life for all.

Thank you for your time and thoughtful consideration of this draft bill. Please vote for a Do Pass recommendation. We are also happy to work with any of you to become a cosponsor of the bill. Be assured of our work with legislators on the next session in demonstrating need and support for passage.

I am happy to address your questions and Jennifer Clark, who drafted the bill, can also help if needed.