

## St. Mary's School District P.O. Box 9

## St. Mary's, AK 99658

**Phone** (907) 438-2411 **Fax** (907) 433-2735



DeWayne Bahnsen, Principal

David Herbert, Superintendent

To: The Honorable Senator Mike Dunleavy

From: David Herbert, Superintendent

Subject: Full Support of Senate Bill 90

## Honorable Senator Dunleavy,

This letter is being written in support of SB90, which creates an insurance pool for public school employees in an effort to try to help contain and or reduce the ever increasing costs of health insurance. SB 90 would create a statewide pool from which public school districts could select individual plans which would be the most cost effective and appropriate for each individual district.

The current cost of providing health insurance to our district employees continues to increase each year. Over the last five years, the cost of providing health insurance has increased an average of six percent per year. This equates to a thirty percent increase over a five year time period. If the state were to offer an insurance pool to all public school employees, the state would be in a position to create efficiencies due to the economies of scale which would make up the insurance pool.

If this were to occur, SB 90 would then reduce insurance costs to districts and allow districts to redirect available funds to the classroom or other areas of greatest need. SB 90 provides an option for quality health insurance for all eligible employees in the most efficient and effective manner possible.

In summary, the St. Mary's City School District supports SB 90 and urges each committee to seriously consider the positive effects this bill will have on the State of Alaska.