



## Senate Education Committee Support for SB5

**Lon Garrison, Executive Director  
Association of Alaska School Boards.**

**April 16, 2025**

Chair Tobin and members of the Senate Education Committee. My name is Lon Garrison, and I serve as the Executive Director of the Association of Alaska School Boards.

I am here today to express the Association of Alaska School Boards' support for the passage of SB 5—Health Insurance Pooling for Schools, Universities & Local Government. This bill would provide an option for pooled group insurance coverage and self-insurance coverage for school districts and other public employees.

Senate Bill 5 aligns with one of AASB's three legislative priorities, which aims to enhance teacher and staff retention and recruitment. School districts throughout the state have faced significant challenges due to the rising costs of health care coverage, particularly those smaller districts that cannot benefit from their limited enrollment.

**Resolution #4.8, RELATING TO HEALTH CARE COSTS AND MEDICAL INSURANCE,** supports Senate Bill 5 and is attached to my written testimony.

Member-owned risk pools operate on the principle of risk sharing within a defined group of members. Instead of purchasing individual or group policies from a traditional insurer, members collectively contribute to a fund. This fund is utilized to cover the members' healthcare costs within the pool. By eliminating the profit motive of traditional insurers and gaining greater control over plan design and administration, costs are usually lower.

By providing a voluntary option to join a nonprofit risk pool for health insurance, the pool itself, rather than individual districts, can negotiate more favorable and cost-effective coverage. This strategy could allow the district to retain general fund dollars to support student success while better accommodating school district employees.

AASB thanks Senator Hughes for sponsoring this bill, which would provide additional support for Alaska's public education system and its staff.

Most respectfully,

Lon D. Garrison,  
Executive Director, AASB

## 4.8 RELATING TO HEALTH CARE COSTS AND MEDICAL INSURANCE

AASB calls upon the Governor, the Alaska Legislature and Congress to assist school districts to address the cost of health care in Alaska in ways that are not detrimental to districts while providing district options.

**Rationale.** In Alaska, more than approximately 96,000 residents have no medical insurance, and the price of treatment is increasing. In the U.S. 44 million people have no health insurance. The uninsured drive costs up for everyone. For school districts in Alaska health care costs for current and retired employees is a growing problem. In many districts these costs add up to more than 10 percent of the budget. This growing budget category mitigates a districts' ability to directly impact student achievement through classroom focused expenditures.

*Adopted 2005*

*Amended 2010, 201, 2013, 2018, 2021*

*Renewed 2023*

*(Sunsets 2028)*

**Association of Alaska School Boards**

---