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LCC Faculty Senate Legislative Committee  
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I. State Budget Crisis—Update

The Hawai'i Council on Revenues will present its update forecast for the next two fiscal years on March 15, 2009. Following this forecast, Governor Linda Lingle will present a modified budget for the next two fiscal years to the Legislature.

Please note, the Governor did present a proposed budget in late December 2008. This proposal became outdated when the Council on Revenues presented an update in January 2009 that lowered its forecast of future state revenues.

In early February 2009, budget advisors to the Governor estimated that the budget deficits for the years 2010 and 2011 may be in the range of \$315.4 million and \$549.8 million respectively. To offset these deficits, there are hopeful expectations that the recently passed U.S. stimulus bill could provide the state with up to \$800 million.

Regardless, both Governor Lingle and Speaker of the State House of Representatives, Calvin Say, have warned that state employees may face salary and benefits cuts. Speaker Say, for example, recently introduced two bills that would reduce health benefits for future retirees.

II. Hawai'i Employer-Union Health Benefits Trust Fund (EUTF)

UHPA recently sent its members an update over possible cost increases regarding health coverage. On July 1, 2009, Kaiser will increase its premiums by 10%-12%. HMSA premiums are set to increase 29.4%. The state is not willing to pay for the increases, and expects the increases to be covered by the employees. This is an on-going situation that UHPA is keeping its members informed about.