December 14, 2018

The Honorable Ronald D. Kouchi,  
President and Members of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, HI 96813

The Honorable Scott K. Saiki, Speaker  
and Members of the House of  
Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, HI 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting two (2) copies of the Department of Labor and Industrial Relations (DLIR) Special Compensation Fund Non-General Fund Report for the fiscal year ending June 30, 2018, as required by sections 37-47 and 37-52.3, Hawaii Revised Statutes (HRS).

In accordance with section 93-16, HRS, I am also informing you that the report may be viewed electronically at http://labor.hawaii.gov/find-a-report/.

Sincerely,

Leonard Hoshijo  
Director

Enclosure
Report on Non-General Fund Information
for Submittal to the 2019 Legislature

Department: Labor and Industrial Relations
Prog ID(s): LBR 183/DA
Name of Fund: Special Compensation Fund (SCF)
Legal Authority: Chapter 386-151, HRS

Contact Name: Francis Kagawa
Phone: 586-8897
Fund type (MOF) Special (B), Trust (T)

Intended Purpose: To pay benefits to injured workers for second injuries, uninsured and insolvent employers, benefit adjustment, attendant services and concurrent employment.

Source of Revenues: Special assessment on the gross premiums of employers' workers' compensation (WC) insurance, interest earned on investments, fines, forfeits, and penalties.

Current Program Activities/Allowable Expenses: Payment of WC benefits, WC claims facilitator branch, litigation costs, audit fees, and legal services through the Department of Attorney General.

Purpose of Proposed Ceiling Increase (if applicable): None
Variances: None

<table>
<thead>
<tr>
<th>Financial Data</th>
<th>FY 2015 (actual)</th>
<th>FY 2016 (actual)</th>
<th>FY 2017 (actual)</th>
<th>FY 2018 (actual)</th>
<th>FY 2019 (estimated)</th>
<th>FY 2020 (estimated)</th>
<th>FY 2021 (estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash Balance</td>
<td>13,457,014</td>
<td>12,456,536</td>
<td>13,477,500</td>
<td>16,066,612</td>
<td>15,147,832</td>
<td>15,147,832</td>
<td>15,147,832</td>
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<tr>
<td>Revenues</td>
<td>15,058,686</td>
<td>15,899,015</td>
<td>16,956,975</td>
<td>16,503,284</td>
<td>17,030,000</td>
<td>17,030,000</td>
<td>17,030,000</td>
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<tr>
<td>Expenditures</td>
<td>16,050,144</td>
<td>14,838,051</td>
<td>14,367,863</td>
<td>17,422,064</td>
<td>17,030,000</td>
<td>17,030,000</td>
<td>17,030,000</td>
</tr>
</tbody>
</table>

Transfers
List each by JV# and date

Net Total Transfers

Ending Cash Balance 12,456,536 13,477,500 16,066,612 15,147,832 15,147,832 15,147,832 15,147,832
Encumbrances 83,940 65,363 32,513
Unencumbered Cash Balance 12,456,536 13,393,560 16,001,249 15,115,319 15,147,832 15,147,832 15,147,832

Additional Information:
Amount Req. by Bond Covenants
Amount from Bond Proceeds
Amount Held in CODs, Escrow Accounts, or Other Investments

Form 37-47 (rev. 10/17/14) 12/19/2018 9:23 AM