

THE GOVERNMENT OF PUERTO RICO

June 30, 2019 (*July 24, 2019 revision*)

Special Revenue Funds and Federal Funds Budget

The amount of \$3,587,397,000 from Special Revenue Funds and the amount of \$7,595,279,000 from Federal Funds are budgeted for the expenditures of the Government of Puerto Rico set forth in Section 1 and Section 12 herein for the fiscal year ending June 30, 2020.

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The following is a summary of the expenditures authorized in this budget organized according to the agency consolidations and fund type as set forth in the fiscal plan certified by the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) on May 9, 2019 (the “2019 Fiscal Plan”):

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SPECIAL REVENUE FUNDS

	<u>Payroll</u>	<u>PayGo</u>	<u>OpEx</u>	<u>Total</u>
I Department of Public Safety				
1 Government Board of the 911 Service	10,680,000	205,000	9,694,000	20,579,000
2 Puerto Rico Police Department	7,455,000	-	4,334,000	11,789,000
3 Emergency Medical Corps Bureau	1,661,000	-	7,824,000	9,485,000
4 Fire Bureau of Puerto Rico	355,000	-	7,917,000	8,272,000
5 Bureau of Forensic Sciences Institute	-	-	475,000	475,000
6 Bureau of Emergency and Disaster Management	-	-	<u>300,000</u>	<u>300,000</u>
Subtotal Department of Public Safety	\$20,151,000	\$205,000	\$30,544,000	\$50,900,000
II Health				
7 Puerto Rico Health Insurance Administration	-	239,000	363,701,000	363,940,000
8 Department of Health	10,293,000	1,509,000	109,505,000	121,307,000
9 Medical Services Administration of Puerto Rico	57,723,000	2,589,000	52,263,000	112,575,000
10 Cardiovascular Center Corporation of Puerto Rico	26,631,000	1,219,000	44,384,000	72,234,000
11 University of Puerto Rico Comprehensive Cancer Center	22,613,000	-	4,075,000	26,688,000
12 Mental Health and Drug Addiction Services Administration	-	-	6,783,000	6,783,000
13 Center for Diabetes	-	-	<u>446,000</u>	<u>446,000</u>
Subtotal Health	\$117,260,000	\$5,556,000	\$581,157,000	\$703,973,000
III Education				
14 Department of Education	<u>1,055,000</u>	-	<u>14,252,000</u>	<u>15,307,000</u>
Subtotal Education	\$1,055,000	\$0	\$14,252,000	\$15,307,000
IV Courts & Legislature				
15 The General Court of Justice	<u>-</u>	<u>-</u>	<u>30,485,000</u>	<u>30,485,000</u>
Subtotal Courts & Legislature	\$0	\$0	\$30,485,000	\$30,485,000
V Families & Children				
16 Child Support Administration (ASUME)	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>8,000</u>
Subtotal Families & Children	\$0	\$0	\$8,000	\$8,000
VI Custody Accounts				
17 Assignments under the custody of the Treasury	<u>-</u>	<u>344,519,000</u>	<u>147,085,000</u>	<u>491,604,000</u>
Subtotal Custody Accounts	\$0	\$344,519,000	\$147,085,000	\$491,604,000
VII Treasury/Office of the Chief Financial Officer				
18 Puerto Rico Department of the Treasury	7,852,000	-	17,610,000	25,462,000
19 General Services Administration	3,663,000	-	3,238,000	6,901,000
20 Human Resources Management & Transformation	499,000	-	534,000	1,033,000
21 Office of Management and Budget	<u>-</u>	<u>-</u>	<u>1,953,000</u>	<u>1,953,000</u>
Subtotal Treasury/Office of the Chief Financial Officer	\$12,014,000	\$0	\$23,335,000	\$35,349,000

SPECIAL REVENUE FUNDS

	<u>Payroll</u>	<u>PayGo</u>	<u>OpEx</u>	<u>Total</u>
VIII Executive Office				
22 Public Building Authority (PBA)	71,063,000	23,345,000	32,350,000	126,758,000
23 Puerto Rico Infrastructure Financing Authority	-	-	5,653,000	5,653,000
24 State Historic Preservation Office of Puerto Rico	-	-	<u>811,000</u>	<u>811,000</u>
Subtotal Executive Office	\$71,063,000	\$23,345,000	\$38,814,000	\$133,222,000
IX Public Works				
25 Puerto Rico Ports Authority	23,375,000	25,106,000	87,339,000	135,820,000
26 Department of Transportation and Public Works	17,740,000	2,381,000	27,490,000	47,611,000
27 Puerto Rico Integrated Transit Authority	27,782,000	2,077,000	7,698,000	37,557,000
28 Puerto Rico Traffic Safety Commission	<u>1,063,000</u>	<u>300,000</u>	<u>131,000</u>	<u>1,494,000</u>
Subtotal Public Works	\$69,960,000	\$29,864,000	\$122,658,000	\$222,482,000
X Economic Development				
29 Puerto Rico Tourism Company	18,354,000	5,668,000	87,321,000	111,343,000
30 Puerto Rico Industrial Development Company	10,233,000	15,470,000	16,175,000	41,878,000
31 Department of Economic Development & Commerce	5,512,000	95,000	9,410,000	15,017,000
32 Trade & Export Company	6,262,000	2,615,000	4,569,000	13,446,000
33 Permits Management Office	3,452,000	853,000	2,591,000	6,896,000
34 State Office of Energy Policy	328,000	-	5,442,000	5,770,000
35 Office of Industrial Tax Exemption	1,152,000	15,000	1,329,000	2,496,000
36 Redevelopment Authority of Roosevelt Roads	2,000	-	755,000	757,000
37 Puerto Rico Planning Board	-	-	<u>13,000</u>	<u>13,000</u>
Subtotal Economic Development	\$45,295,000	\$24,716,000	\$127,605,000	\$197,616,000
XI State				
38 Puerto Rico Department of State	<u>1,792,000</u>	-	<u>1,766,000</u>	<u>3,558,000</u>
Subtotal State	\$1,792,000	\$0	\$1,766,000	\$3,558,000
XII Labor				
39 Puerto Rico Department of Labor and Human Resources	27,579,000	4,460,000	280,317,000	312,356,000
40 Vocational Rehabilitation Administration	418,000	-	310,000	728,000
41 Puerto Rico Labor Relations Board	<u>130,000</u>	-	<u>331,000</u>	<u>461,000</u>
Subtotal Labor	\$28,127,000	\$4,460,000	\$280,958,000	\$313,545,000
XIII Corrections				
42 Department of Correction and Rehabilitation	-	-	<u>26,232,000</u>	<u>26,232,000</u>
Subtotal Corrections	\$0	\$0	\$26,232,000	\$26,232,000
XIV Justice				
43 Puerto Rico Department of Justice	<u>1,322,000</u>	-	<u>5,253,000</u>	<u>6,575,000</u>
Subtotal Justice	\$1,322,000	\$0	\$5,253,000	\$6,575,000

SPECIAL REVENUE FUNDS

	<u>Payroll</u>	<u>PayGo</u>	<u>OpEx</u>	<u>Total</u>
XV Agriculture				
44 Agricultural Enterprises Development Administration	5,673,000	3,800,000	50,943,000	60,416,000
45 Agricultural Insurance Corporation	1,340,000	123,000	1,704,000	3,167,000
46 Puerto Rico Department of Agriculture	<u>1,075,000</u>	<u>-</u>	<u>1,234,000</u>	<u>2,309,000</u>
Subtotal Agriculture	\$8,088,000	\$3,923,000	\$53,881,000	\$65,892,000
XVI Environmental				
47 Puerto Rico Environmental Quality Board	2,894,000	172,000	14,691,000	17,757,000
48 Natural Resources Administration	2,857,000	-	12,397,000	15,254,000
49 Department of Natural and Environmental Resources	-	-	5,890,000	5,890,000
50 Solid Waste Authority	<u>223,000</u>	<u>-</u>	<u>396,000</u>	<u>619,000</u>
Subtotal Environmental	\$5,974,000	\$172,000	\$33,374,000	\$39,520,000
XVII Housing				
51 Puerto Rico Housing Finance Corporation	9,761,000	9,533,000	10,282,000	29,576,000
52 Department of Housing	473,000	1,371,000	19,602,000	21,446,000
53 Public Housing Administration	<u>-</u>	<u>2,817,000</u>	<u>12,158,000</u>	<u>14,975,000</u>
Subtotal Housing	\$10,234,000	\$13,721,000	\$42,042,000	\$65,997,000
XVIII Culture				
54 Fine Arts Center Corporation	846,000	79,000	1,633,000	2,558,000
55 Musical Arts Corporation	675,000	-	1,752,000	2,427,000
56 Institute of Puerto Rican Culture	<u>-</u>	<u>-</u>	<u>327,000</u>	<u>327,000</u>
Subtotal Culture	\$1,521,000	\$79,000	\$3,712,000	\$5,312,000
XIX Universities				
57 Puerto Rico Conservatory of Music Corporation	2,403,000	252,000	1,139,000	3,794,000
58 Puerto Rico School of Plastic Arts	<u>403,000</u>	<u>-</u>	<u>1,683,000</u>	<u>2,086,000</u>
Subtotal Universities	\$2,806,000	\$252,000	\$2,822,000	\$5,880,000
XX Independent Agencies				
59 Government Employees and Judiciary Retirement System	8,729,000	-	29,480,000	38,209,000
60 Teacher's Retirement System	6,989,000	-	8,900,000	15,889,000
61 Convention Center of District Authority	661,000	-	27,348,000	28,009,000
62 Puerto Rico Industrial Commission	9,816,000	3,861,000	4,220,000	17,897,000
63 Corporation for the "Caño Martín Peña" Enlace Project	-	-	4,015,000	4,015,000
64 Puerto Rico Public Broadcasting Corporation	-	-	2,096,000	2,096,000
65 Puerto Rico Department of Consumer Affairs	513,000	-	1,262,000	1,775,000
66 Horse Racing Industry and Sport Administration	711,000	-	545,000	1,256,000
67 Integral Development of the "Península de Cantera"	<u>527,000</u>	<u>-</u>	<u>78,000</u>	<u>605,000</u>
Subtotal Independent Agencies	\$27,946,000	\$3,861,000	\$77,944,000	\$109,751,000

SPECIAL REVENUE FUNDS	<u>Payroll</u>	<u>PayGo</u>	<u>OpEx</u>	<u>Total</u>
XXI Closures - per the government's reorganization plan				
68 Economic Development Bank of PR	6,869,000	1,220,000	3,919,000	12,008,000
69 Institutional Trust of the National Guard of Puerto Rico	579,000	45,000	6,004,000	6,628,000
70 Culebra Conservation and Development Authority	<u>120,000</u>	<u>-</u>	<u>74,000</u>	<u>194,000</u>
Subtotal Closures - per the government's reorganization plan	\$7,568,000	\$1,265,000	\$9,997,000	\$18,830,000
XXII Utilities Commission				
71 Energy Commission	2,335,000	-	17,568,000	19,903,000
72 Telecommunications Regulatory Board	5,016,000	623,000	3,067,000	8,706,000
73 Public Service Commission	422,000	-	735,000	1,157,000
74 Independent Office for Consumer Protection	<u>185,000</u>	<u>-</u>	<u>219,000</u>	<u>404,000</u>
Subtotal Utilities Commission	\$7,958,000	\$623,000	\$21,589,000	\$30,170,000
XXIII State Insurance Fund Corporation				
75 State Insurance Fund Corporation	<u>180,766,000</u>	<u>95,864,000</u>	<u>176,725,000</u>	<u>453,355,000</u>
Subtotal State Insurance Fund Corporation	\$180,766,000	\$95,864,000	\$176,725,000	\$453,355,000
XXIV Automobile Accident Compensation Administration				
76 Automobile Accidents Compensation Administration	<u>20,111,000</u>	<u>12,658,000</u>	<u>53,835,000</u>	<u>86,604,000</u>
Subtotal Automobile Accident Compensation Administration	\$20,111,000	\$12,658,000	\$53,835,000	\$86,604,000
XXV Finance Commission				
77 Office of The Commissioner of Insurance	5,673,000	5,855,000	2,541,000	14,069,000
78 Commissioner of Financial Institutions	<u>6,679,000</u>	<u>2,469,000</u>	<u>2,700,000</u>	<u>11,848,000</u>
Subtotal Finance Commission	\$12,352,000	\$8,324,000	\$5,241,000	\$25,917,000
XXVI Land				
79 Land Authority of Puerto Rico	4,915,000	3,171,000	14,717,000	22,803,000
80 Land Administration of Puerto Rico	<u>3,814,000</u>	<u>2,195,000</u>	<u>2,309,000</u>	<u>8,318,000</u>
Subtotal Land	\$8,729,000	\$5,366,000	\$17,026,000	\$31,121,000
XXVII Other				
81 Municipal Development Fund	-	-	52,631,000	52,631,000
82 Municipal Improvement Fund	-	-	26,316,000	26,316,000
83 Municipal Finance Corporation (COFIM)	-	-	129,944,000	129,944,000
84 Conservation Trust	-	-	15,000,000	15,000,000
85 Rum producers related to "rum cover-over"	-	-	179,301,000	179,301,000
86 Science, Technology, & Research Trust	-	-	5,000,000	5,000,000
87 "Rum cover-over" for Industrial Development Corporation	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>10,000,000</u>
Subtotal Other	\$0	\$0	\$418,192,000	\$418,192,000
TOTAL SPECIAL REVENUE FUND	\$662,092,000	\$578,773,000	\$2,346,532,000	\$3,587,397,000

Section 1.- The following Special Revenue Fund (“SRF”) amounts are authorized for the expenditures of the Government of Puerto Rico set forth herein for the fiscal year ending June 30, 2020 (“FY2020”):

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1	15. The General Court of Justice		
2	A. Purchased services		14,000,000
3	i. Leases	14,000,000	
4	B. Capital Expenditures		16,485,000
5			
6			
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	Total The General Court of Justice		\$ 30,485,000

1	29. Puerto Rico Tourism Company		
2	A. Payroll		18,354,000
3	i. Salaries	12,715,000	
4	ii. Overtime	756,000	
5	iii. Christmas bonus	-	
6	iv. Healthcare	2,236,000	
7	v. Other benefits	1,566,000	
8	vi. Early retirement benefits & Voluntary Transition Program	759,000	
9	vii Other payroll	322,000	
10	B. Payments to PayGo		5,668,000
11	C. Facilities		1,917,000
12	i. Payments to PREPA	288,000	
13	ii. Payments to PRASA	1,313,000	
14	iii. Other facilities costs	316,000	
15	D. Purchased services		12,288,000
16	i. Payments for PRIMAS	327,000	
17	ii. Leases	8,677,000	
18	iii. Maintenance & Repairs	2,145,000	
19	iv. Other purchased services	1,139,000	
20	E. Transportation		3,871,000
21	F. Professional services		3,087,000
22	i. Legal expenses	-	
23	ii. Finance/accounting	3,087,000	
24	iii. Information Technology (IT)	-	
25	iv. Medical	-	
26	v. Other professional service fees	-	
27	G. Other operating expenses		7,395,000
28	i. To increase exposure on the island for the Puerto Rico		
29	tourism Company at major special events	3,375,000	
30	ii. Operating expenses to supervise and monetize the		

1	video lottery terminal ("VLT") program, as provided	
2	by Law 257-2018	1,400,000
3	iii. To comply with the four-year contract with the PGA	
4	tour played in Puerto Rico	1,800,000
5	iv. To comply with the four-year contract with the	
6	Florida Caribbean Cruise Association yearly event	750,000
7	v. To contribute to the Caribbean Classic Equestrian Event,	
8	as provided by Law 192-2004	500,000
9	vi. To comply with operating expenses related to slot machine	
8	management contracts	975,000
11	I. Equipment purchases	2,000
12	J. Media and advertisements	3,569,000
13	K. Donations and subsidies	22,582,000
14	i. Incentives paid to cruise ships to increase tourism in Puerto	
15	Rico, as provided by Law 113-2011, as amended	16,166,000
16	ii. Contributions to Department of Economic Development	
17	& Commerce to support their operating expenses	3,916,000
18	iii. Incentives paid to airlines to increase tourism in Puerto	
19	Rico	4,500,000
20	L. Appropriations to non-governmental agencies	29,214,000
21	i. Destination Marketing Organization costs per	
22	Law 272-2003	29,214,000
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23	Total Puerto Rico Tourism Company	\$ 111,343,000

1	43. Puerto Rico Department of Justice		
2	A. Payroll		1,322,000
3	i. Salaries	1,322,000	
4	ii. Overtime	-	
5	iii. Christmas bonus	-	
6	iv. Healthcare	-	
7	v. Other benefits	-	
8	vi. Early retirement benefits & Voluntary Transition Program	-	
9	vii Other payroll	-	
10	B. Facilities		127,000
11	i. Other facilities costs	127,000	
12	C. Purchased services		1,890,000
13	i. Leases	765,000	
14	ii. Maintenance & Repairs	206,000	
15	iii. Other purchased services	919,000	
16	D. Transportation		236,000
17	E. Professional services		145,000
18	i. Legal expenses	-	
14	ii. Finance/accounting	-	
15	iii. Information Technology (IT)	-	
16	iv. Medical	-	
17	v. Other professional service fees	145,000	
18	F. Other operating expenses		1,525,000
19	i. Other Operating Expenses	800,000	
20	ii. Office of Monopoly Affairs'	725,000	
21	G. Materials and supplies		296,000
21	I. Media and advertisements		26,000
1	J. Donations and subsidies		656,000
2	i. Sentences and indemnifications	656,000	
3	K. Appropriations to non-governmental agencies		305,000
4	i. Office of Compensation and Services to Victims		
5	and Witnesses of Crime	305,000	
6	Total Puerto Rico Department of Justice		\$ 6,575,000

Section 2.- Any expenditure funded through SRFs cannot exceed the lower of: (1) the amount authorized in this budget for the corresponding government entity and concept of expenditure or (2) the corresponding special revenue amount collected in FY2020 and available in the SRF.

Section 3.- No later than 45 days after the closing of each quarter of FY2020, the Secretary of Treasury shall revise the projected net revenues of all SRFs for FY2020 (the “Quarterly Revision”) including all entities with funds outside of the Treasury Single Account (“TSA”) and notify any revisions to the Director of the OMB, the Governor and the Oversight Board. The Quarterly Revision shall project future revenues based on actual revenues, and include revisions to the assumptions used to generate the SRF’s net revenue projections.

Section 4.- All authorized SRF budget amounts for government entities, including those with funds outside of the TSA, for any prior fiscal year, are eliminated and no carry over of such funds may be used, except: (1) expenditures authorized in the fiscal year 2019 certified budget to carry out permanent improvements that have been accounted for and kept on the books; (2) expenditures in this certified budget for equipment with procurement cycles that extend beyond the end of the fiscal year, which are encumbered on or before June 30, 2020; (3) the portion of expenditures authorized for fiscal year 2019 that have been encumbered on or before June 30 of such fiscal year, which shall be kept in the books for 60 days after the termination of that fiscal year and after those 60 days no amount shall be drawn against such portion for any reason; and (4) the Federal unemployment funds collected and managed by the Commonwealth included in the fiscal year 2020 certified budget, which are held under the custody of the Department of Labor and Human Resources. In addition, this restriction on the use of unused authorized prior fiscal year amounts shall not apply to: (i) programs financed in whole or in part with federal funds; or (ii) orders by the United States district court with jurisdiction over all matters under Title III of PROMESA.

Section 5.- On or before July 31, 2019, the Treasury Secretary, Executive Director of the Fiscal Agency and Financial Advisory Authority (“AAFAF”, by its Spanish acronym) and the Director of the OMB will provide to the Oversight Board a certification indicating the amounts of unused fiscal year 2019 authorized SRF budget amounts for items (1), (2), and (3) of Section 4.

Section 6.- Any power of OMB, AAFAF, or the Department of the Treasury, including the authorities granted under Act 230-1974, as amended, known as the "Puerto Rico Government Accounting Act" (“Act 230”), to authorize the reprogramming or extension of authorized SRF budget amounts of prior fiscal years is hereby suspended. Authorized SRF amounts in this FY2020 budget may only be reprogrammed with the approval of the Oversight Board. For the avoidance of doubt, this prohibition includes any reprogramming of any amount, line item or expenditure provided in this budget, regardless of whether it is an intra-agency reprogramming.

Section 7.- The Governor shall submit to the Oversight Board all reporting requirements set forth on Exhibit 76 of the 2019 Fiscal Plan according to the reporting cadence described therein. In addition, if the Oversight Board approves a reprogramming pursuant to Section 6, the immediately subsequent report by the Governor must illustrate the specific implementation of such reprogramming, including the amount, the source of the reprogrammed amount identified by

government entity and expenditure concept, the government entity that received such amount, and the expenditure concept to which it was applied.

The reports required pursuant to this Section are in addition to the reports that the Governor must submit to the Oversight Board in accordance with Section 203 of PROMESA.

Section 8.- In conjunction with the reports that the Governor must submit to the Oversight Board no later than 15 days after the last day of each quarter of FY2020 pursuant to Section 203 of PROMESA, the Treasury Secretary, Executive Director of AAFAF and the Director of the OMB will each certify to the Oversight Board that no authorized SRF budget amount of any previous fiscal year (except for those covered by the exceptions in Section 4 above) has been used to cover any expenditure unless authorized by the approval of the Oversight Board.

Section 9.- The Secretary of Treasury, the Director of the OMB, and the Treasurer and Executive Director of each government entity covered by the 2019 Fiscal Plan shall be responsible for not spending or encumbering during FY2020 any amount that exceeds the authorized SRF budget amounts. This prohibition applies to every SRF budget amount authorized herein, including amounts for payroll and related costs. The Executive Director of AAFAF and the Director of the OMB shall also certify to the Oversight Board by September 30, 2019 that no amount was spent or encumbered that exceeded the authorized SRF amount in the certified budget for fiscal year 2019.

Section 10.- For the avoidance of doubt, any reference within the budget to AAFAF, the Department of Treasury, or OMB, or any of their respective officers, shall apply to any successor thereof.

Section 11.- On or before July 31, 2019, the Director of OMB shall submit to the Oversight Board a copy of the budget certified by the Oversight Board in the budget format managed by OMB known as the “Sábana file.” The Sábana file shall be in Excel and identify both the General Fund budget and non-General Fund budgets, including SRF budgets, within the government’s PRIFAS and other accounting systems, including detailed budget appropriations and allocations by agency, instrumentality, public corporation, fund type and concept of spend that are consistent with all budgets certified by the Oversight Board for FY2020.

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Section 13.- The Special Revenue Funds and Federal Funds budget shall be adopted in English and Spanish. If in the interpretation or application of the budget a conflict arises between the English and Spanish texts, the English text shall govern.

Section 14.- The Special Revenue Funds and Federal Funds budget for FY2020 shall take effect on July 1, 2019.