

**(RECONSIDERATION)**

**(H. R. 186)**

**JOINT RESOLUTION**

To allocate the sum of seven billion four hundred forty-seven million one hundred thirty-four thousand dollars (\$7,447,134,000), charged to the General Fund of the State Treasury, for ordinary operating expenses of the programs and agencies that comprise the Executive Branch and the programs that comprise the Judiciary and the Legislative Branch during the fiscal year ending June 30, 2018, the following amounts or what may be necessary therefrom; and for other related purposes.

**PREAMBLE**

Introduction

Puerto Rico is undergoing an unprecedented monumental fiscal and social crisis. This crisis was caused, in part, because they lacked controls over spending, sustainable development measures, and information management systems that promote clarity and transparency in the government management. However, with good government, Puerto Rico will rise.

According to data provided by the U.S. Department of the Treasury, Puerto Rico suffers a cumulative economic contraction of 14.6% in its Gross State Product (actual GSP) with a prediction of an additional contraction of 3% for the next two (2) years. For years, the Government of Puerto Rico has operated with a structural deficit that has been financed through bond issues and loans to the Government Development Bank. More than one year ago, the Government of Puerto Rico lacked liquidity and, under the past Administration, refunds, payments to contractors, the retirees' monies, and intra-government loans were used to substitute liquidity sources and spend more money than funds available. The Government Development Bank defaulted on its obligations to the bondholders as of May 1, 2016, and it no longer fulfills its role of providing liquidity, nor do we have access to the market due to the policies of the past Administration that undermined the credibility of the Government of Puerto Rico. The retirement systems are insolvent and it is our responsibility to defend those who are most vulnerable and who worked a lifetime for the Government.

As an example of the policies that brought us here, it can be seen that from 2001 to 2008 there was a 64% increase in payroll expenses and, after a 33% reduction between 2009 and 2012, there was another substantial increase in the four-year period of 2013-2016. To finance this inordinate expenditure, between 2000 and 2008 the public debt rose by 134%. In 2016, without having the money to do so, the appointment of temporary employees doubled.

On the other hand, during the last four years measures were implemented under the philosophy of "first non-payment, then taxes, and then cuts." This philosophy propitiated the continuation of inordinate spending and the rejection of public policies that would have allowed the Government of Puerto Rico to handle efficiently its fiscal affairs. This, without having worked out the necessary steps to achieve better operating efficiency in the Government, or cuts

to excessive government spending. Moreover, as the values and economic debacle crashed, the Central Government was incapable of generating the financial information necessary to understand the depth of the problem and to present accurate information to Congress, and to other entities interested in the issue. As a result of all of the foregoing, several debt classifications of the Government of Puerto Rico were degraded and an adverse impact has been unleashed throughout all sectors of the economy.

This crisis has hit Puerto Rican families very hard. The most severe sacrifices have fallen on those who are most vulnerable in our society and have caused thousands of Puerto Ricans to abandon the island seeking better opportunities. The resulting reduction in population becomes one of the challenges to lead us toward recovery.

### The Colonial Status in Puerto Rico

The colonial status has affected our capacity to confront and resolve this crisis, since we lack the sovereign powers of a state to regulate its local affairs under the Tenth Amendment of the Constitution of the United States. "[F]or the U.S. Supreme Court, the adoption of the Constitution did not represent a change in the fundamental base of the constitutional relations between Puerto Rico and the United States. The Supreme Court continued treating Puerto Rico as a political entity subject to the territorial clause of the U.S. Constitution." See Pueblo v. Sanchez Valle, et al., 192 D.P.R. 594, 631 (2015). "[T]here was never an assignment of sovereignty; what occurred was a delegation of powers." *Id.*, at p. 635. "Such delegation of power does not constitute an irrevocable waiver or a termination of Congressional power. The People of the United States granted Congress, through the Constitution, ample power to administer the territories. For that reason, Congress cannot irrevocably waive a power conferred upon it by the People of the United States." *Id.*, at p. 638.

Thus, "Congress may allow the Commonwealth to remain as a political system indefinitely, or on the contrary, it has the constitutional authority to amend or revoke the powers of internal administration that the Government of Puerto Rico exercises. Stated otherwise, the system of government that governs internally in Puerto Rico is totally subject to the political will and legal authority of Congress." *Id.*, at p. 641.

The sad reality is that the colonial status puts us in such a state of defenselessness that not even the American citizenship that we have treasured since 1917 is guaranteed. Congress has the legislative discretion to grant privileges to citizens born in the territories, including American citizenship, but that right can be revoked at any time. In fact, the U.S. Government has argued before the courts that the right to citizenship does not exist in the territories; rather, it is a legislative blessing of Congress. See, for example, Tuaua v. United States, 788 F.3d 300 (D.C. Cir. 2015).

As for the particular issue at hand, as an example of the limitations that the colonial status imposes on us, we must point out that the states can obtain protections under the "Federal Bankruptcy Act," but Puerto Rico was excluded from those protections and, because we do not have full representation in Congress, there is little or nothing that we can do about it. Nor can we legislate a local bankruptcy because the same federal law that does not protect us prevails and

prevents local legislation. *See, Puerto Rico v. Franklin Cal. Tax-Free Tr.*, 136 S.Ct. 1938 (2016) (declaring unconstitutional the “Puerto Rico Public Corporation Debt Enforcement and Recovery Act,” Law 71-2014, better known as the “Local Bankruptcy Act”). Given that, we must be at the mercy of a Fiscal Oversight Board not elected by the People to restructure our debt.

The direct result of our colonial status and the politics of the past:  
PROMESA and the Fiscal Plan

The politics of the past, together with our colonial defenselessness, led the United States Congress to enact the law called *Puerto Rico Oversight, Management, and Economic Stability Act*, known as PROMESA (by its English acronym), Pub. L. 114 -187, and it delegated extensive powers to a Financial Oversight and Management Board (hereinafter, the “Oversight Board”). Again, because we did not have full representation in Congress, that law was enacted without true participation by our people. According to PROMESA, the continuous acts of fiscal planning, budgetary, legislative, and executive actions of Puerto Rico, as well as debt restructurings, consensual or not, and the issuance, guarantee, exchange, modification, repurchase, or redemption of debt are subject to supervision.

Section 4 of PROMESA clearly provides that its provisions “shall prevail over any specific or general provision of the territorial or state laws or the territorial or state regulations that are inconsistent with this Law.” This way, Congress expressly manifests its intention that this Law displace any state legislation that clashes with PROMESA. This is also recognized in Section 8(2), which establishes that the Government of Puerto Rico may not adopt, implement, or enforce any statute, resolution, policy, or rule that can impair or annul the purposes of PROMESA, as determined by the Oversight Board. Thus, it is impossible for us to enact legislation that set aside PROMESA or that undermines its provisions and scope.

At this juncture, it is necessary to emphasize that under the Tenth Amendment, the U.S. Government cannot impose on a state what the Federal PROMESA Act allows for the territories. Congress imposed a Board on Washington, DC, which is not state and which is under Congress’ direct jurisdiction. The Board of New York City was a creation of its own state legislature and not of Congress. Detroit, which is a city and not a state, participated in a voluntary bankruptcy process. In sum, we cannot lose sight of the fact that the situation we are undergoing and the imposition of the Oversight Board is another consequence of the colonialism that has limited our development for the past 119 years.

Unfortunately, our colonial and consubstantial status lacking in political powers exacerbates the reality that a Federal Law has been imposed on us in Congress that is supreme over all local legislation, including our Constitution, without our having had the opportunity to vote on it or to vote for the President who enacted it. This shows that in order to get out of the economic predicament in which we find ourselves it is essential to solve the problem of our political status, and we will give the first step in that direction on June 11, 2017, when the people of Puerto Rico will be consulted about the status preference options, so that, with that result, we can start a process toward the decolonization of our Island. However, it is also an irrefutable fact that we must work within the parameters of PROMESA to initiate the economic and fiscal recovery of Puerto Rico.

On October 30, 2016, the Oversight Board designated the Government of Puerto Rico, the Government Employee Retirement System, the Judiciary Retirement System, the Teachers Retirement System, the University of Puerto Rico, and 21 public corporations of Puerto Rico as “covered entities” subject to fiscal supervision under PROMESA. Section 405 (b) of PROMESA further imposes a temporary stay of litigations and claims against Puerto Rico and its instrumentalities on various matters, in the hope that the Government of Puerto Rico, in its own name and on behalf of its instrumentalities, will initiate voluntary negotiations with its creditors to reorganize and settle the repayment of its debt obligations and simultaneously undertake a responsible restructuring of the Government of Puerto Rico and its instrumentalities to readjust the essential services required for the health, safety, and wellbeing of the residents of Puerto Rico with the timely repayment of its debt obligations.

After investing millions of dollars in specialized consultants, the past Administration presented a deficient fiscal plan that was rejected by the Oversight Board immediately, since it did not solve the fiscal problems caused by the past administration.

Last February 28, 2017, the Governor presented a Fiscal Plan that is complete, comprehensive, genuine, and at the same time sensitive to the needs of our people and those who are most vulnerable. After weeks of uncertainty, reason and wisdom prevailed. On March 13, 2017, the Oversight Board accepted and certified our Fiscal Plan accompanied by a series of contingencies that guarantee that there will be no dismissals of public employees, without affecting the workday, maintaining access to health services for our People, and protecting the pensions of those who are most vulnerable. This Fiscal Plan is the only alternative to avoid the dismissal of public employees, the elimination of the right to health, and to maintain the solvency of our retirement systems by maintaining an operating government and that complies with the parameters to avoid more severe measures that are part of the contingencies of the Plan approved by the Fiscal Oversight Board, such as the total elimination of the Christmas Bonus for all public employees and decreeing a reduction in working hours that would render the Government inoperative.

The validation of the Fiscal Plan represents an acknowledgment of the new Government’s credibility. We proved that we went from times of incoherence and improvisation to times of working as a team, and to having results for the good of Puerto Rico. We went from the “it’s good enough” and the lack of credibility to having a Fiscal Plan and of socio-economic development that meets the objective of reducing spending, but more important than that, which allows us to build a better society.

The changes we are channeling will not be easy and will take time, but they will also have their results in the first two years. Under the Certified Fiscal Plan, we will be able to balance the revenues with the expenditures for Fiscal Year 2019. Now it is up to us to perform. The contingencies that accompany the Fiscal Plan require the Government to comply. We must ensure that we have liquid money so as not to affect the salaries of public employees, the health of the People, and the income of retirees. Likewise, we have to adopt a balanced budget that is adjusted to the income and expenses of the Government under the economic and fiscal reality that we face. That is where we are headed, and our actions so far reaffirm this.

With Governor Rosselló's Plan we have been able to negotiate the debt with creditors who in good faith have recognized the importance of still offering services to the people Town such as the creditors of the Electric Power Authority and the Government Development Bank. Similarly, we have used the protection of Chapter III of PROMESA to safeguard the services to the people and the payment of salaries to the public employees.

A New Government: The Road to Recovery has Begun

As a result of all of the foregoing, when we assumed the reins of the Government, we found a cash deficit of more than \$7.6 billion as certified by the U.S. Treasury and the Oversight Board. This, even though the past administration concealed the deficit and in 2016 they stated that it was close to \$3 billion. With that, we received a government without access to capital markets, with junk category credit, without liquidity, without transparency in the public finances, with inflated government expenditures, and with billions of dollars in debts. In addition, the Governor faced the titanic task of regaining credibility in of the market and before the Oversight Board. We must guarantee a Government where the expenses respond to the reality of the revenues.

Since January 2 (12:01 am), Governor Ricardo Rosselló signed several executive orders and laws that changed the course of Puerto Rico to one of fiscal responsibility. With these executive measures and Law 3-2017, better known as the "Law to Address the Economic, Fiscal, and Budgetary Crisis to Guarantee the Functioning of the Government of Puerto Rico"; we have achieved substantial savings in superfluous expenditures to establish a government policy of fiscal responsibility. With these measures, projections to 30 June 2017 are that in only six (6) months, we will achieve a total savings of about \$200 million in fiscal 2017 consolidated budget approved last Administration. With this, we have demonstrated that being efficient and doing more with less is possible and that the past Administration approved a fiscally irresponsible budget. These savings include, mainly, the reduction of: (1) payroll due to reduction of the expenses of the positions of trust and freezing of jobs; (2) operating expenses; and (3) professional service contracts. We have projected savings of more than \$160 million from special funds, our own revenues, and other revenues without reducing federal funding. As to the General Fund, in six (6) months, we have been able to save about \$40 million of what the past administration budgeted. That is the efficiency with which Puerto Rico rises stronger than ever.

We have much to do and this budget represents an important step to bring Puerto Rico to progress and economic and fiscal recovery.

Specifically, the following fiscal responsibility measures have been adopted that will be part of our New Government:

- a. Executive Orders 2017-01 and 2017-09 to reduce expenses by freezing jobs; a 20% reduction in positions of trust; 10% less in operating expenses; 10% less in professional services; 5% less energy costs; a reduction in rental costs; prohibitions in vehicle, travel, cellphone, credit card expenses, among others; and a 5% reduction in agency procurement costs.

- b. Executive Order 2017-05 to establish in Puerto Rico, for the first time, a zero-based budget that will achieve savings in unnecessary costs in that each government entity must justify in detail each item to be used.
- c. Executive Orders 2017-12 and 22 to secure funding for Medicaid and Medicare programs in order to guarantee the health of our people.
- d. Executive Order 2017-20 to promote efficiency in Government and to provide services through the Integrated Services Centers.
- e. Executive Order 2017-21 to provide up to \$100 million annually to the University of Puerto Rico (UPR) to address its fiscal crisis.
- f. Executive Order 2017-33 authorizes fiscal agencies to deploy personnel in the agencies to evaluate operations and to identify additional savings measures.
- g. Administrative Order 2017-01 from the Fiscal Agency and Financial Advisory Authority (AAFAF, by its Spanish acronym) to freeze expenditures of other budgetary years for which no funds were identified and to freeze new tax credits that do not contribute to the economy or create jobs in order to obtain greater savings.
- h. Law 1-2017 to allocate profits from Public Private Partnerships to the retirement pension fund.
- i. Law 2-2017 to create AAFAF and give it authority to make adjustments in the agencies and to have control of the Government's fiscal component.
- j. Law 3-2017 to establish fiscal measures in order to extend the 4% tax to foreign corporations for ten (10) years and to take steps to control expenses.
- k. Law 5-2017 of Compliance, to change the policy of nonpayment to one that guarantees essential services, but in negotiation and compliance with our creditors.
- l. Law 7-2017 to address the colonial problem that discriminates against Puerto Rico in federal programs.
- m. Law 8-2017 of Single Employer, to make a more efficient government and retain all of our jobs through a mechanism in which employees and officials can be located where they are most needed to guarantee greater and better services to our citizens.
- n. Law 15-2017 that creates the Office of the Inspector General for better monitoring of expenses, to promote transparency, and to prevent corruption.

- o. Law 20-2017 that creates the Department of Public Security, consolidating under an umbrella several security agencies to promote efficiency, allowing for savings of more than 28 million during the first year.
- p. Law 24-2017 creates a new “Traffic Act” to raise additional funds for the treasury by increasing the fines and instilling a greater sense of responsibility in drivers.
- q. Law 25-2017 does justice to small and medium businesses by extending the Sales and Use Tax (IVU, by is Spanish acronym) to purchases made online.
- r. Law 26-2017 creates the legal framework necessary for the Government of Puerto Rico to be able to comply with the Fiscal Plan certified by the Fiscal Oversight Board and to avoid dismissals of public employees and the elimination of essential services, such as Health.

To this we must add that we achieved restructuring agreements with bondholders of the Electric Power Authority and the Government Development Bank; we introduced legislation suggested by students to provide more funds for the University of Puerto Rico (UPR) creating a commemorative tablet and label and a voluntary cash donation program; and as part of the commitment of a smaller, more efficient government, we created the Department of Public Security that brings together all of the agencies of law and order, we presented an integration of the public transportation services in the Public Service Commission, the elimination of the Office of the Commissioner of Municipal Affairs (OCAM, by its Spanish acronym), and we will soon introduce legislation to make the Department of Economic Development and Commerce (DDEC, by its Spanish acronym) and the Department of the Family more efficient.

Likewise, this administration, aware that fiscal control measures must go hand in hand with economic development initiatives to get out of the inherited chasm, the Governor and this Legislature have been proactive in adopting executive orders and laws that promote the economic activity in a sensible way, adopting, in turn, measures of social justice for all Puerto Ricans. Specifically, in addition to the ones stated above, we highlight the following:

- a. Executive Order 2017-02 to create the Federal Opportunity Center and raise more federal funds.
- b. Executive Order 2017-03 and 04 to expedite the granting of infrastructure permits and create a task force for this purpose, consonant with the PROMESA Act.
- c. Executive Order 2017-15 to create the *Puerto Rico Innovation and Technology Services* (PRITS).
- d. Executive Order 2017-16 to create a multi-sectoral group to incentivize the construction industry.

- e. Executive Order 2017-23 to establish the My House Program to provide access to housing for the most needy and boost the economy.
- f. Law 4-2017 on Labor Reform to create a more competitive labor environment in Puerto Rico that facilitates the creation of new jobs.
- g. Law 9-2017 of Incentives to professionals.
- h. Law 10-2017 to create the Office of Socioeconomic and Community Development in Puerto Rico.
- i. Law 12-2017 to incentivize the economic development of our elderly population.
- j. Law 13-2017 creates Enterprise Puerto Rico to attract foreign investment.
- k. Law 14-2017 grants tax incentives for the return and retention of doctors in Puerto Rico. We also introduced legislation aimed at creating a compulsory arbitration panel to pass judgment on frivolous medical malpractice lawsuits, which will foster a more stable and safe environment for doctors to be able to practice their profession unselfishly without undermining the right of victims to be compensated when they truly suffer a malpractice.
- l. Law 16-2017 equates the salaries of women to that of men. Likewise, legislation was introduced so that all agencies bidding in the Government must comply with this Law.
- m. Law 17-2017 creates a *Destination Marketing Organization* (DMO) to promote tourism in Puerto Rico and strengthen our economy.
- n. Law 19-2017, amends the “Permits Act” that creates the Automatic Use Permit, a Uniform Regulation, and it eliminates obstacles to expedite the granting of permits and economic development.
- o. A number of draft amendments to economic incentive laws (Law 73-2008, Law 20-2012, Law 22-2012) have been filed to strengthen this item and promote federally-funded projects for innovation, science, and technology, to attract foreign investment, and to promote the exporting of goods and services, including medical tourism.
- p. We have opened the Island for investment by the world including the P3 Summit that included the participation of over 850 investors who have already raised the interest of the national and international market.
- q. We entered an agreement with a Chinese company Yingke for the investment of \$200 million for the creation of a tourist center.

- r. A bill was introduced (MEDICINAL Act) to permit the use of medicinal cannabis.
- s. Alliances and agreements have been achieved with the film industry and cruise ships to attract additional economic development to Puerto Rico.
- t. Soon, we will present the detail of the Tax Reform that will be a simpler model based on three pillars: (1) a simple system that incentivizes investment in Puerto Rico and is fair to the working class; (2) a system that promotes the creation of jobs; and (3) a system that ensures that taxes reach the Treasury and are not lost in the chain.

Certainly, the measures adopted and presented by the Governor and those enacted by this Legislature during these first five months (5) months have changed the course of Puerto Rico to one of fiscal responsibility and economic development. These are outlined to meet the fiscal targets; but also in promoting economic development, in our ability to restore credibility; in that change become not only a mere cut, but a long-term benefit, and, above all, to ensure that the most vulnerable sectors and those who work hard, day in and day out, have a better quality of life. We have not stopped our hard work and our actions prove it. From the first day we have worked without rest to straighten the reins of our precious Island and we will not rest even a second to be able to achieve our objectives.

One of our obligations, and of the most important things we have to do to overcome our problems, is to use responsible budgets that are balanced and in which the expenses and income projections do not depend on the unrealistic estimates that have led us to this crisis. With this Joint Budget Resolution for 2017-2018, we discharge our responsibility to lay the foundation for prosperity in compliance with the Fiscal Plan.

#### 2018 Budget: An Exercise in Fiscal Responsibility

The recommended Budget for Fiscal Year 2018 entailed new challenges and changes in the process of its formulation. First, in promulgating Executive Order 2017-005, we adopted a Zero Base Budget. Under this budgetary methodology, the Government agencies and instrumentalities are required to carefully evaluate their projected expenses and justify them, making sure to comply with their mission and maintaining quality in the services rendered. Also, by implementing the Zero Base Budget we ensure that the agencies correctly account for the items, allocating them where they actually should be intended.

The recommended Budget for Fiscal Year 2017-2018 reflects reductions in payroll and in operating expenses, according to the current norms and the Fiscal Plan. Likewise, it contains an allocation for the payment of pensions of retirees of the Central Retirement System and the Judiciary; and of the Teachers Retirement System.

Already in the past we attempted to reform the three retirement systems. However, these measures did not work and were insufficient, which has led to their finding themselves without liquidity and insolvent. In addition, due to the current profound and serious fiscal crisis we are

undergoing, the Government finds itself impeded from making solvent the three Retirement Systems. For this reason, this Joint Resolution promotes the *pay as you go* system as a new method to guarantee pensions to Government retirees.

### Conclusion

Guiding Puerto Rico toward the right path requires a change in model, as proposed by this administration through the Model for the Socioeconomic Transformation of Puerto Rico, as set forth in the Plan for Puerto Rico. The mission is to establish a new government that facilitates economic development and whose vision is that of a government based on a scientific model, where evidence and results matter and citizen collaboration is the main axis of its validation. To achieve this goal, the government must become a facilitator of economic development, implementing genuine, conclusive reforms; the government structure must be cost-effective, efficient, and transparent; and public service must be based on integrity, excellence, responsibility, and accountability. Similarly, government spending should be aimed at creating an efficient government apparatus that is fiscally responsible[,] that ensures, essential services, and does not impose an unnecessary letter on our taxpayers, and protects those are most vulnerable.

Although there are many obstacles that we must overcome on the road to definitive recovery, there is hope and optimism in our people. There is a new dawn in our country and we cannot defraud Puerto Rico. Puerto Rico is rising stronger than ever. We must seize this moment to face the challenges, and to procure the great changes that Puerto Rico needs. We must confront the crisis as a great challenge, which we can translate into great opportunities. That is the challenge that can lead us to build a fairer, more dignified and progressive society. Therefore, Law 7-2017, as amended, known as the “Puerto Rico Immediate Decolonization Act,” takes the most important step toward the economic, social, and political recovery of Puerto Rico in guiding a process for the immediate decolonization of the Island.

Now, we initiate a process to transform the Government into a more efficient one, rehabilitating its finances and regaining the trust and lost credibility. We are going to have a Government that eliminates unnecessary expenses and that protects those who are most vulnerable. A more agile government that can be held accountable and where every tax dollar is seen in actions and services for the People. Now we rise stronger than ever, to live in a society where opportunities are accessible to every child of this land and where we are all proud to have honored our homeland.

### *BE IT RESOLVED BY THE PUERTO RICO LEGISLATURE:*

Section 1.- The amount of seven billion four hundred forty-seven million one hundred thirty-four thousand dollars (\$ 7,447,134,000) is allocated, charged to the General Fund of the State Treasury, for ordinary operating expenses of the programs and agencies that comprise the Executive Branch and the programs that comprise the Judiciary and the Legislative Branch during the fiscal year ending June 30, 2018, the following amounts or whatever is necessary, for the purposes detailed below:

1.	Puerto Rico Federal Affairs Administration		
	a.	Payroll and Related Costs	\$1,421,000
	b.	Operating Expenses	\$1,518,000
	c.	Operating expenses of the Resident Commissioner of Puerto Rico	\$308,000
		Subtotal	\$3,247,000
2.	Family Socioeconomic Development Administration		
	a.	Payroll and Related Costs	\$32,853,000
	b.	Operating Expenses	25,870,000
	c.	For the Program for the Economic and Social Rehabilitation of Families in Extreme Poverty	\$405,000
		Subtotal	\$59,128,000
3.	Families and Children's Administration		
	a.	Payroll and Related Costs	\$69,760,000
	b.	Operating Expenses	\$110,547,000
	c.	For Elderly Care and Services Centers	\$1,000,000
		Subtotal	\$181,307,000
4.	Natural Resources Administration		
	a.	Payroll and Related Costs	\$26,224,000
	b.	Operating Expenses	\$740,000
		Subtotal	\$26,964,000
5.	Vocational Rehabilitation Administration		
	a.	Payroll and Related Costs	\$990,000
	b.	Operating Expenses	\$13,870,000
		Subtotal	<u>\$14,860,000</u>
6.	Puerto Rico Health Insurance Administration		
	a.	Payroll and Related Costs	\$3,188,000
	b.	Operating expenses and monitoring insurers for cost stabilization and reduction	\$2,855,000
	c.	To pay health insurance based hospital medical services expenses, as provided in Law 72-1993, as amended	\$785,000,000
		Subtotal	\$791,043,000

7.	Mental Health and Addiction Services Administration		
	a.	Payroll and Related Costs	\$29,651,000
	b.	Operating Expenses	\$34,321,000
	c.	For reconciliation adjustment pursuant to the Fiscal Plan	\$30,000,000
		Subtotal	\$93,972,000
8.	Puerto Rico Medical Services Administration		
	a.	Payroll and Related Costs	\$26,488,000
	b.	Operating Expenses	\$4,000,000
	c.	For reconciliation adjustment pursuant to the Fiscal Plan	\$30,000,000
		Subtotal	\$60,488,000
9.	Horse Racing Industry and Sport Administration		
	a.	Payroll and Related Costs	\$1,169,000
	b.	Operating Expenses	\$276,000
		Subtotal	\$1,445,000
10.	Administration for the Care and Integral Development of Childhood		
	a.	Payroll and Related Costs	\$3,446,000
	b.	Operating Expenses	\$6,302,000
	c.	For reconciliation adjustment pursuant to the Fiscal Plan	\$40,000,000
		Subtotal	\$49,748,000
11.	Agricultural Enterprises Development Administration		
	a.	Payroll and Related Costs	\$1,219,000
	b.	Operating Expenses	\$868,000
	c.	For reconciliation adjustment pursuant to the Fiscal Plan	\$25,000,000
		Subtotal	<u>\$27,087,000</u>
12.	Child Support Administration		
	a.	Payroll and Related Costs	\$6,781,000
	b.	Operating Expenses	\$2,625,000
		Subtotal	\$9,406,000

13.	State Agency for Emergency Management and Disaster Administration	
a.	Payroll and Related Costs	\$4,388,000
b.	Operating Expenses and disaster mitigation	\$1,311,000
c.	Operating expenses for 24 hour Seismic Network	\$1,662,000
	Subtotal	\$7,361,000
14.	Puerto Rico Fiscal Agency and Financial Advisory Authority	
a.	Payroll and Related Costs	\$8,634,000
b.	Operating Expenses	\$79,741,000
	Subtotal	\$88,375,000
15.	Legislature	
a.	House of Representatives	\$45,470,000
b.	Puerto Rico Senate	\$38,805,000
c.	Joint Activities	\$20,593,000
	Subtotal	\$104,868,000
16.	Allocations under the Custody of the Office of Management and Budget	
a.	For operating expenses of the Office of the Inspector General	\$4,000,000
b.	To compensate judgments against the State	\$16,000,000
c.	To allocate to the Puerto Rico Police for the purchase of ammunition	\$3,500,000
d.	For the Development and Investment in Public-Private Partnerships	\$14,263,000
e.	For school transportation expenses provided through any government and/or municipal entity	\$6,000,000
f.	To pay services relative to providing therapy and other services to children in the Special Education Program	\$15,000,000
g.	To match Federal Funds of Conservation Districts and signed agricultural infrastructure contracts	\$3,000,000

h.	For the payment of pensions of retirees of the Central Government System and the Judiciary; and of the Teachers Retirement System	\$1,315,188,000
i.	For the payment of Fidelity Bond Premiums:	
	i. Family and Children's Administration (ADFAN, by its Spanish acronym)	\$115,000
	ii. Natural Resources Administration	\$1,893,000
	iii. Vocational Rehabilitation Administration	\$225,000
	iv. Mental Health and Addiction Services Administration (ASSMCA, by its Spanish acronym)	\$517,000
	v. Horse Racing Industry and Sport Administration	\$6,000
	vi. Administration for the Care and Integral Development of Childhood (ACUDEN, by its Spanish acronym)	\$6,000
	vii. Child Support Administration (ASUME, by its Spanish acronym)	\$19,000
	viii. State Agency for Emergency Management and Disaster Administration (AEMEAD, by its Spanish acronym)	\$59,000
	ix. Public Services Appeals Commission	\$6,000
	x. Civil Rights Commission	\$2,000
	xi. Cooperatives Development Commission	\$13,000
	xii. Investigation, Prosecution, and Appeals Commission	\$5,000
	xiii. Public Service Commission	\$7,000
	xiv. Puerto Rico Firefighters Corps	\$341,000
	xv. Department of Agriculture	\$66,000
	xvi. Department of Consumer Affairs	\$10,000
	xvii. Department of Corrections and Rehabilitation	\$1,683,000
	xviii. Department of Education (DE)	\$4,648,000

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xix.	Department of State	\$51,000
xx.	Department of Justice	\$191,000
xxi.	Department of Sports and Recreation	\$1,216,000
xxii.	Department of Health	\$878,000
xxiii.	Department of Transportation and Public Works (DTOP, by its Spanish acronym)	\$188,000
xxiv.	Department of Labor and Human Resources	\$350,000
xxv.	Puerto Rico National Guard	\$397,000
xxvi.	Environmental Quality Board	\$14,000
xxvii.	Parole Board	\$8,000
xxviii.	Planning Board	\$31,000
xxix.	Labor Relations Board	\$3,000
xxx.	State Historic Preservation Office	\$8,000
xxxi.	Puerto Rico Office of Human Resources Management and Transformation (OATRH, by its Spanish acronym)	\$9,000
xxxii.	Office of Management and Budget	\$63,000
xxxiii.	Office of the Women's Ombudsman	\$4,000
xxxiv.	Office of the Commissioner of Municipal Affairs	\$9,000
xxxv.	Office of the Electoral Comptroller	\$4,000
xxxvi.	Office for the Socioeconomic and Community Development of Puerto Rico	\$10,000
xxxvii.	Office of the Governor	\$39,000
xxxviii.	Office of the Ombudsman for Persons with Disabilities	\$9,000
xxxix.	Office of the Ombudsman for the Elderly	\$12,000
xl.	Office of the Ombudsman for Patients	\$3,000
xli.	Office of the Ombudsman for Veterans in Puerto Rico	\$38,000

xlii.	Special Independent Prosecutor Panel	\$10,000
xlili.	Puerto Rico Police	\$3,022,000
xliv.	Secretariat of the Department of the Family	\$156,000
j.	For the payment of services from the Electric Power Authority for Fiscal Year 2018:	
i.	Vocational Rehabilitation Administration	\$176,000
ii.	Puerto Rico Health Insurance Administration	\$200,000
iii.	Mental Health and Addiction Services Administration	3,535,000
iv.	Horse Racing Industry and Sport Administration	\$47,000
v.	Administration for the Care and Integral Development of Childhood (ACUDEN, by its Spanish acronym)	\$276,000
vi.	Child Support Administration	\$74,000
vii.	Puerto Rico Solid Wastes Authority	\$1,581,000
viii.	Puerto Rico Public Broadcasting Corporation	\$886,000
ix.	Corporation for the Musical Arts	\$293,000
x.	Puerto Rico Corporation for the Performing Arts Center	\$668,000
xi.	Puerto Rico Music Conservatory Corporation	\$546,000
xii.	Corporation for the “Caño Martín Peña” Project (ENLACE)	\$26,000
xiii.	Puerto Rico Firefighters Corps	\$284,000
xiv.	Department of Agriculture	\$391,000
xv.	Department of Corrections and Rehabilitation	\$15,494,000
xvi.	Department of Education	\$39,196,000
xvii.	Department of State	\$31,000
xviii.	Department of the Treasury	\$2,002,000
xix.	Department of Justice	\$3,357,000

xx.	Department of Sports and Recreation	\$1,343,000
xxi.	Department of Health	\$12,331,000
xxii.	Department of Labor and Human Resources	\$1,623,000
xxiii.	Department of Transportation and Public Works	\$1,893,000
xxiv.	Department of Housing	\$961,000
xxv.	School of Visual Arts	\$45,000
xxvi.	Puerto Rico National Guard	\$1,000,000
xxvii.	Institute of Forensic Sciences	\$1,544,000
xxviii.	Institute of Puerto Rican Culture	\$1,519,000
xxix.	Institute of Puerto Rico Statistics	\$27,000
xxx.	State Historic Preservation Office	\$291,000
xxxi.	Puerto Rico Office of Human Resources Management and Transformation (OATRH, by its Spanish acronym)	\$127,000
xxxii.	Office of Management and Budget	\$219,000
xxxiii.	Office of the Ombudsman for Women	\$36,000
xxxiv.	Office for the Socioeconomic and Community Development of Puerto Rico	\$5,000
xxxv.	Office of the Governor	\$1,041,000
xxxvi.	Puerto Rico Police	\$12,122,000
xxxvii.	Secretariat of the Department of the Family	\$3,966,000
k.	For payment of services to the Aqueducts and Sewers Authority for the year 2018:	
i.	Families and Children Administration	\$32,000
ii.	Natural Resources Administration	\$11,000
iii.	Vocational Rehabilitation Administration	\$59,000
iv.	Mental Health and Addiction Services Administration	\$1,756,000

v.	Administration for the Care and Integral Development of Childhood (ACUDEN, by its Spanish acronym)	\$32,000
vi.	State Agency for Emergency Management and Disaster Administration	\$10,000
vii.	Culebra Preservation and Development Authority	\$5,000
viii.	Puerto Rico Solid Wastes Authority	\$183,000
ix.	Cooperatives Development Commission	\$2,000
x.	Puerto Rico Public Broadcasting Corporation	\$36,000
xi.	Puerto Rico Performing Arts Center Corporation	\$70,000
xii.	Puerto Rico Music Conservatory Corporation	\$24,000
xiii.	Puerto Rico Firefighters Corps	\$293,000
xiv.	Department of Agriculture	\$6,000
xv.	Department of Corrections and Rehabilitation	\$15,683,000
xvi.	Department of Education	\$12,333,000
xvii.	Department of State	\$28,000
xviii.	Department of Finance	\$281,000
xix.	Department of Justice	\$257,000
xx.	Department of Sports and Recreation	\$469,000
xxi.	Department of Health	\$2,832,000
xxii.	Department of Transportation and Public Works	\$353,000
xxiii.	Department of Labor and Human Resources	\$255,000
xxiv.	Puerto Rico National Guard	\$104,000
xxv.	Institute of Forensic Sciences	\$48,000
xxvi.	State Historic Preservation Office	\$36,000

xxvii.	Office of Management and Budget	\$35,000
xxviii.	Office for Socio-Economic and Community Development of Puerto Rico.	\$2,000
xxix.	Office of the Governor	\$153,000
xxx.	Puerto Rico Police	\$1,342,000
xxxi.	Secretariat of the Department of the Family	\$288,000
	Subtotal	\$1,539,469,000
17.	Highways and Transportation Authority	
a.	For reconciliation adjustment pursuant to the Fiscal Plan	\$1,000,000
	Subtotal	\$1,000,000
18.	Culebra Preservation and Development Authority	
a.	Payroll and Related Costs	\$149,000
b.	Operating Expenses	\$73,000
	Subtotal	\$222,000
19.	Solid Wastes Authority	
a.	Payroll and Related Costs	\$1,814,000
	Subtotal	\$1,814,000
20.	Public-Private Partnerships Authority	
a.	Operating Expenses	\$2,118,000
b.	For reconciliation adjustment pursuant to the Fiscal Plan	\$36,000,000
	Subtotal	\$38,118,000
21.	Puerto Rico Infrastructure Financing Authority	
a.	Payroll and Related Costs	\$1,912,000
b.	Operating Expenses	\$1,688,000
	Subtotal	\$3,600,000
22.	Housing Financing Authority	
a.	Payroll and Related Costs	\$3,378,000
b.	Operating Expenses	\$1,459,000
	Subtotal	\$4,837,000

23.	Public Buildings Authority		
	a.	Operating Expenses	\$69,611,000
	b.	Reimbursement for payment of employee pensions	\$20,389,000
		Subtotal	\$90,000,000
24.	Integrated Transit Authority		
	a.	Payroll and Related Costs	\$15,274,000
	b.	Operating Expenses	\$5,225,000
		Subtotal	\$20,499,000
25.	Port of the Americas Authority		
	a.	Payroll and Related Costs	\$47,000
	b.	Operating Expenses	\$201,000
		Subtotal	\$248,000
26.	Redevelopment of the Lands and Facilities of the Roosevelt Roads Naval Station Authority		
	a.	Payroll and Related Costs	\$95,000
	b.	Operating Expenses	795,000
		Subtotal	\$890,000
27.	Puerto Rico Model Forest		
	a.	Payroll and Related Costs	\$60,000
	b.	Operating Expenses	\$163,000
		Subtotal	\$223,000
28.	Comprehensive Cancer Center		
	a.	For the operation and operating expenses of the Comprehensive Cancer Center, including its Research and Development Building, Radiotherapy Center, and Tertiary Care Hospital	\$12,500,000
		Subtotal	\$12,500,000
29.	Center for Diabetes Research, Education, and Physicians Services		
	a.	Operating expenses for the Diabetes Research, Education, and Physicians Center, as provided in Law 166-2000, as amended	\$450,000
		Subtotal	\$450,000

30.	Public Service Appeals Commission		
	a.	Payroll and Related Costs	\$2,333,000
	b.	Operating Expenses	\$432,000
		Subtotal	\$2,765,000
31.	State Elections Commission		
	a.	Payroll and Related Costs	\$20,172,000
	b.	Operating Expenses	\$9,235,000
		Subtotal	\$29,407,000
32.	Civil Rights Commission		
	a.	Payroll and Related Costs	\$528,000
	b.	Operating Expenses	\$454,000
		Subtotal	\$982,000
33.	Cooperatives Development Commission		
	a.	Payroll and Related Costs	\$1,437,000
	b.	Operating Expenses	\$383,000
		Subtotal	\$1,820,000
34.	Investigation, Prosecution, and Appeals Commission		
	a.	Payroll and Related Costs	\$323,000
	b.	Operating Expenses	\$53,000
		Subtotal	\$376,000
35.	Public Service Commission		
	a.	Payroll and Related Costs	\$3,402,000
	b.	Operating Expenses	\$341,000
		Subtotal	\$3,743,000
36.	Company for the Integral Development of the Cantera Peninsula		
	a.	Payroll and Related Costs	\$283,000
	b.	Operating Expenses	\$150,000
		Subtotal	\$433,000

37.	Puerto Rico Council on Education		
	a.	Payroll and Related Costs	\$1,651,000
	b.	Operating Expenses	\$335,000
		Subtotal	\$1,986,000
38.	Puerto Rico Public Broadcasting Corporation		
	a.	Payroll and Related Costs	\$5,933,000
	b.	Operating Expenses	\$844,000
		Subtotal	\$6,777,000
39.	Musical Arts Corporation		
	a.	Payroll and Related Costs	\$4,095,000
	b.	Operating Expenses	\$1,184,000
	c.	To provide financial support to the Puerto Rico Symphony Orchestra and Youth Symphony Orchestra	\$720,000
	d.	For operating expenses for Teatro Opera Inc.	\$43,000
	e.	To provide financial support for Musical Scenic Arts	\$118,000
		Subtotal	\$6,160,000
40.	Puerto Rico Performing Arts Center Corporation		
	a.	Payroll and Related Costs	\$1,202,000
	b.	Operating Expenses	\$1,170,000
		Subtotal	\$2,372,000
41.	Puerto Rico Conservatory of Music Corporation		
	a.	Payroll and Related Costs	\$3,462,000
	b.	Operating Expenses	\$171,000
		Subtotal	\$3,633,000
42.	Puerto Rico School of Visual Arts and Design Corporation		
	a.	Payroll and Related Costs	\$1,899,000
	b.	Operating Expenses	\$12,000
		Subtotal	\$1,911,000

43.	Corporation for the “Caño Martín Peña” Project (ENLACE)	
a.	Payroll and Related Costs	\$832,000
b.	Operating Expenses	\$83,000
c.	For matching federal funds	\$10,000,000
	Subtotal	\$10,915,000
44.	Puerto Rico Firefighters Corps	
a.	Payroll and Related Costs	\$54,848,000
b.	Operating Expenses	\$185,000
c.	For reconciliation adjustment pursuant to the Fiscal Plan	\$3,000,000
	Subtotal	\$58,033,000
45.	Puerto Rico Medical Emergency Corps	
a.	Payroll and Related Costs	\$18,085,000
b.	Operating Expenses	\$285,000
	Subtotal	\$18,370,000
46.	Office of the Ombudsman for Persons with Disabilities	
a.	Payroll and Related Costs	\$1,112,000
b.	Operating Expenses	\$107,000
	Subtotal	\$1,219,000
47.	Department of Agriculture	
a.	Payroll and Related Costs	\$9,442,000
b.	Operating Expenses	\$360,000
	Subtotal	\$9,802,000
48.	Department of Consumer Affairs	
a.	Payroll and Related Costs	\$5,921,000
	Subtotal	\$5,921,000
49.	Department of Corrections and Rehabilitation	
a.	Payroll and Related Costs	\$268,570,000
b.	Operating Expenses	\$47,415,000

	c.	For reconciliation adjustment pursuant to the Fiscal Plan	\$15,000,000
		Subtotal	\$330,985,000
50.		Department of Economic Development	
	a.	Payroll and Related Costs	\$1,029,000
	b.	Operating Expenses	\$94,000
		Subtotal	\$1,123,000
51.		Department of Education	
	a.	Payroll and Related Costs	\$1,141,431,000
	b.	Operating Expenses	\$236,640,000
	c.	To cover operating expenses of Colegio San Gabriel Inc., specializing in the care of children with hearing problems	\$450,000
	d.	Municipal agreements for the Maintenance Program for public schools administered by the OMEP ( <i>Puerto Rico Office for the Improvement of Public Schools</i> )	\$7,200,000
	e.	For the Proyecto C.A.S.A. ( <i>Student Sustainable Support Center</i> )	\$5,000,000
	f.	For the Alliance for Alternative Education Program	\$10,000,000
	g.	For reconciliation adjustment pursuant to the Fiscal Plan	\$75,000,000
		Subtotal	\$1,475,721,000
52.		Department of State	
	a.	Payroll and Related Costs	\$2,998,000
	b.	Operating Expenses	\$286,000
		Subtotal	\$3,284,000
53.		Department of the Treasury	
	a.	Payroll and Related Costs	\$69,646,000
	b.	Operating Expenses	\$24,400,000
	c.	To be transferred to the Legal Aid Society, to pay for operating expenses	\$9,800,000
	d.	To be transferred to the Legal Office of the Community, Inc., to pay for operating expenses	\$486,000

	e.	To be transferred to Puerto Rico Legal Services, Inc. to pay for Operating Expenses	\$4,460,000
	f.	To be transferred to Pro-Bono, Inc., to pay for operating expenses	\$405,000
	g.	For reconciliation adjustment pursuant to the Fiscal Plan	\$90,000,000
		Subtotal	\$199,197,000
54.		Department of Justice	
	a.	Payroll and Related Costs	\$83,283,000
	b.	Operating Expenses	\$4,704,000
	c.	To pay for the operating expenses of the Specialized Courts Project in cases of controlled substances <i>Drug Courts</i>	\$5,670,000
	d.	For exclusive use to pay attorneys' costs and fees for public defenders appointed by the Tribunal	\$3,600,000
	e.	For reconciliation adjustment pursuant to the Fiscal Plan	\$4,000,000
		Subtotal	\$101,257,000
55.		Department of Sports and Recreation	
	a.	Payroll and Related Costs	\$28,670,000
	b.	Operating Expenses	\$3,308,000
		Subtotal	\$31,978,000
56.		Department of Natural and Environmental Resources	
	a.	Payroll and Related Costs	\$563,000
	b.	Operating Expenses	\$1,986,000
		Subtotal	\$2,549,000
57.		Department of Health	
	a.	Payroll and Related Costs	\$89,170,000
	b.	Operating Expenses	\$76,823,000
	c.	For operation of the <i>Puerto Rico Health Information Network</i>	\$2,200,000
	d.	For reconciliation adjustment pursuant to the Fiscal Plan	\$146,000,000
		Subtotal	\$314,193,000

58.	Department of Transportation and Public Works		
	a.	Payroll and Related Costs	\$23,801,000
	b.	For the Center for Coordination of Excavations and Demolitions	\$5,000
	c.	For reconciliation adjustment pursuant to the Fiscal Plan	\$25,000,000
		Subtotal	\$48,806,000
59.	Department of Housing		
	a.	Payroll and Related Costs	\$10,961,000
	b.	Operating Expenses	\$101,000
		Subtotal	\$11,062,000
60.	Department of Labor and Human Resources		
	a.	Payroll and Related Costs	\$6,412,000
	b.	Operating Expenses	\$523,000
		Subtotal	\$6,935,000
61.	Puerto Rico National Guard		
	a.	Payroll and Related Costs	\$6,024,000
	b.	Operating Expenses	\$3,571,000
		Subtotal	\$9,595,000
62.	Institute of Forensic Sciences		
	a.	Payroll and Related Costs	\$10,720,000
	b.	Operating Expenses	\$2,302,000
		Subtotal	\$13,022,000
63.	Institute of Puerto Rican Culture		
	a.	Payroll and Related Costs	\$5,434,000
	b.	Operating Expenses	\$413,000
		Subtotal	\$5,847,000
64.	Puerto Rico Statistics Institute		
	a.	Payroll and Related Costs	\$688,000
	b.	Operating Expenses	\$1,330,000
		Subtotal	\$2,018,000

65.	Environmental Quality Board		
	a.	Payroll and Related Costs	\$4,426,000
	b.	Operating Expenses	\$979,000
		Subtotal	\$5,405,000
66.	Parole Board		
	a.	Payroll and Related Costs	\$2,162,000
	b.	Operating Expenses	\$78,000
		Subtotal	\$2,240,000
67.	Planning Board		
	a.	Payroll and Related Costs	\$8,560,000
	b.	Operating Expenses	\$107,000
		Subtotal	\$8,667,000
68.	Labor Relations Board		
	a.	Payroll and Related Costs	\$649,000
	b.	Operating Expenses	\$12,000
		Subtotal	\$661,000
69.	State Historic Preservation Office		
	a.	Payroll and Related Costs	\$735,000
		Subtotal	\$735,000
70.	State Energy Public Policy Office		
	a.	Payroll and Related Costs	\$658,000
	b.	Operating Expenses	\$127,000
		Subtotal	\$785,000
71.	Puerto Rico Office of Human Resources Management and Transformation		
	a.	Payroll and Related Costs	\$2,605,000
	b.	Operating Expenses	\$241,000
		Subtotal	\$2,846,000
72.	Office of Government Ethics		
	a.	Payroll, Related Costs, and Operating Expenses	\$9,278,000
		Subtotal	\$9,278,000

73.	Office of Permits Management		
	a.	Payroll and Related Costs	\$4,758,000
	b.	Operating Expenses	\$125,000
	c.	Operating Expenses of the Puerto Rico Surveyors Office	\$1,050,000
		Subtotal	\$5,933,000
74.	Office of Management and Budget		
	a.	Payroll and Related Costs	\$10,361,000
	b.	Operating Expenses	\$4,491,000
	c.	For the purchase of software, licensing fees, and updates	\$2,500,000
		Subtotal	\$17,352,000
75.	Office of the Ombudsman for Women		
	a.	Payroll and Related Costs	\$1,547,000
	b.	Operating Expenses	\$745,000
		Subtotal	\$2,292,000
76.	Office of the Commissioner of Municipal Affairs		
	a.	Payroll and Related Costs	\$1,148,000
	b.	Operating Expenses	<u>\$1,148,000</u>
		Subtotal	\$2,296,000
77.	Office of the Comptroller		
	a.	Payroll, Related Costs, and Operating Expenses	\$37,359,000
		Subtotal	\$37,359,000
78.	Office of the Electoral Comptroller		
	a.	Payroll and Related Costs	\$2,657,000
	b.	Operating Expenses	\$256,000
		Subtotal	\$2,913,000
79.	Office of Socioeconomic and Community Development		
	a.	Payroll and Related Costs	\$1,943,000
	b.	Operating Expenses	\$443,000
		Subtotal	\$2,386,000

80.	Office of the Governor		
	a.	Payroll and Related Costs	\$10,777,000
	b.	Operating Expenses	\$2,938,000
		Subtotal	\$13,715,000
81.	Office of the Ombudsman		
	a.	Payroll and Related Costs	\$2,450,000
	b.	Operating Expenses	\$1,403,000
		Subtotal	\$3,853,000
82.	Office of the Ombudsman for Patients		
	a.	Payroll and Related Costs	\$1,332,000
	b.	Operating Expenses	\$506,000
		Subtotal	\$1,838,000
83.	Office of the Ombudsman for Veterans in Puerto Rico		
	a.	Payroll and Related Costs	\$793,000
	b.	Operating Expenses	\$164,000
		Subtotal	\$957,000
84.	Office of the Ombudsman for the Elderly		
	a.	Payroll and Related Costs	\$653,000
	b.	Operating Expenses	\$948,000
	c.	To fund the Coordination, Education, Evaluation, and Protection Program for projects to benefit the elderly	\$451,000
	d.	For state matching funds federal	\$505,000
		Subtotal	\$2,557,000
85.	Special Independent Prosecutor Panel		
	a.	Payroll and Related Costs	\$937,000
	b.	Operating Expenses	\$1,746,000
		Subtotal	\$2,683,000
86.	Puerto Rico Police		
	a.	Payroll and Related Costs	\$608,052,000
	b.	Operating Expenses	\$28,324,000

	c.	For drug traffic control operations, including materials and related costs	\$2,250,000
	d.	For expenses relative to the Police Reform and the reengineering processes incidental thereto, including procurement concepts, professional services, technology, consulting, and any other expenses deemed useful and pertinent to the Reform	\$20,000,000
	e.	For reconciliation adjustment pursuant to the Fiscal Plan	\$25,000,000
		Subtotal	\$683,626,000
87.		Correctional Health	
	a.	Payroll and Related Costs	\$22,704,000
	b.	Operating Expenses	\$37,958,000
	c.	For the purchase of drugs and urgent needs	\$1,500,000
		Subtotal	\$62,162,000
88.		Secretariat of the Department of the Family	
	a.	Payroll and Related Costs	\$16,604,000
	b.	Operating Expenses	\$525,000
	c.	To pay the operating costs of the Integrated Services Centers for minors victims of sexual assault	\$1,350,000
		Subtotal	\$18,479,000
89.		General Court of Justice	
	a.	To pay the operating expenses of the operation of the Judiciary, Law No. 147 of August 18, 1980, as amended	\$286,719,000
	b.	To reimbursement the payment of the pension of the judiciary	\$29,248,000
		Subtotal	\$315,967,000
90.		Payment of pensions, in the amount of \$282,783,000, as detailed below:	
	a.	Puerto Rico Federal Affairs Administration	\$75,000
	b.	Family Socioeconomic Development Administration	\$5,992,000
	c.	Family and Children's Administration	\$5,764,000

d.	Horse Racing Industry and Sport Administration	\$116,000
e.	Natural Resources Administration	\$2,698,000
f.	Vocational Rehabilitation Administration	\$81,000
g.	Puerto Rico Health Insurance Administration	\$340,000
h.	Mental Health and Addiction Services Administration	\$3,749,000
i.	Puerto Rico Medical Services Administration of Puerto Rico	\$3,712,000
j.	Administration for the Care and Integral Development of Childhood (ACUDEN, by its Spanish acronym)	\$645,000
k.	Child Support Administration	\$890,000
l.	State Agency for Emergency Management and Disaster Administration	\$610,000
m.	Puerto Rico Financial Advisory and Fiscal Agency Authority	\$1,625,000
n.	Culebra Preservation and Development Authority	\$6,000
o.	Puerto Rico Solid Wastes Authority	\$399,000
p.	Integrated Transit Authority	\$4,133,000
q.	Housing Financing Authority	\$563,000
r.	Public Service Appeals Commission	\$204,000
s.	Civil Rights Commission	\$30,000
t.	Cooperatives Development Commission	\$198,000
u.	Investigation, Prosecution, and Appeals Commission	\$33,000
v.	Public Service Commission	\$438,000
w.	State Elections Commission	\$1,216,000
x.	Puerto Rico Council on Education	\$201,000
y.	Musical Arts Corporation	\$243,000
z.	Puerto Corporation for Public Broadcasting	\$725,000
aa.	Puerto Rico Music Conservatory Corporation	\$257,000

bb.	Corporation for the “Caño Martín Peña” Project (ENLACE)	\$134,000
cc.	Puerto Rico Firefighters Corps	\$7,152,000
dd.	Puerto Rico Emergency Medical Corps	\$1,400,000
ee.	Office of the Ombudsman for Persons with Disabilities	\$159,000
ff.	Department of Agriculture	\$1,068,000
gg.	Department of Consumer Affairs	\$99,000
hh.	Department of Corrections and Rehabilitation	\$17,634,000
ii.	Department of Economic Development and Commerce	\$157,000
jj.	Department of Education	\$119,726,000
kk.	Department of State	\$419,000
ll.	Department of the Treasury	\$8,742,000
mm.	Department of Justice	\$6,877,000
nn.	Department of Housing	\$1,039,000
oo.	Department de Sports and Recreation	\$2,309,000
pp.	Department of Natural and Environmental Resources	\$50,000
qq.	Department of Health	\$12,610,000
rr.	Department of Transportation and Works Public	\$2,813,000
ss.	Department of Labor and Human Resources	\$199,000
tt.	Institute of Forensic Sciences	\$1,325,000
uu.	Institute of Puerto Rican Culture	\$665,000
vv.	Institute of Puerto Rico Statistics	\$22,000
ww.	Environmental Quality Board	\$620,000
xx.	Parole Board	\$15,000
yy.	Planning Board	\$1,410,000
zz.	Labor Relations Board	\$117,000
aaa.	Puerto Rico Office of Human Resources Management and Transformation	\$80,000

bbb.	Office of Socioeconomic and Community Development	\$267,000
ccc.	Office of Management and Budget	\$1,168,000
ddd.	Office of the Ombudsman for Women	\$29,000
eee.	Office of the Commissioner of Municipal Affairs	\$115,000
fff.	Office of the Comptroller	\$2,331,000
ggg.	Office of the Electoral Comptroller	\$308,000
hhh.	Office of the Governor	\$895,000
iii.	Office of the Ombudsman for the Elderly	\$66,000
jjj.	Office of the Ombudsman for Patients	\$208,000
kkk.	Office of the Ombudsman for Veterans	\$91,000
lll.	State Historic Preservation Office	\$67,000
mmm.	State Energy Public Policy Office	\$8,000
nnn.	Special Independent Prosecutor Panel	\$50,000
ooo.	Puerto Rico Police	\$51,680,000
ppp.	Correctional Health	\$2,354,000
qqq.	Secretariat of the Department of the Family	\$1,362,000
	Grand Total	\$7,447,134,000

Section 2.- The Department of the Treasury will remit to the Legislative Branch and its components, to the Judiciary, to the University of Puerto Rico, and to the non-profit entities that receive funds from this Resolution, monthly and in advance, the budgetary allotments corresponding to one twelfth of the annual allocation provided in this Joint Resolution for each. Provided that the Office of Management and Budget may authorize the disbursement of up to one hundred percent (100%) of the allocation provided herein.

Section 3.-All allocations authorized in any previous fiscal year, allocations and funds without a given economic year included, are hereby eliminated, except for allocations without an economic year to carry out permanent improvements that have been accounted for and carried in the books. No disbursement of public funds may be covered by such allocations.

In conjunction with the reports that the Governor must submit to the Oversight Board not later than 15 days after the last day of each quarter of the fiscal year according to Section 203 of PROMESA, the Executive Director of the Fiscal Agency and Financial Advisory Authority (AAFAF, by its Spanish acronym) and the Director of the Office of Management and Budget (OGP, by its Spanish acronym) will certify to the Oversight Board that no allocation of any prior fiscal year has been used to cover any expenses.

Any authority of the OGP, the AAFAF, or the Department of the Treasury, including the authorities granted under Law No. 230 of July 23, 1974, as amended, known as the “Government of Puerto Rico Accounting Act,” to authorize the rescheduling or extension of the allocation terms of prior fiscal years is hereby repealed.

Notwithstanding this Section, allocations approved in the budget certified by the Oversight Board may be modified or reprogrammed with the approval of the Oversight Board.

Section 4.-The Office of Management and Budget is authorized, as long as the fiscal situation so allows or it produces savings to the Treasury, to establish the necessary budgetary control mechanisms, including the separation of funds and reserves of twenty percent (20%) of the budget for purchases for the acquisition of goods produced or marketed by micro, small, and medium-sized enterprises, provided that the fiscal situation so allows or it produces savings to the Treasury; by the departments, agencies, instrumentalities, and public corporations whose operating expenses are defrayed in whole or in part by the General Fund, to ensure compliance with the provisions of Law 129-2005, as amended, known as the “Government of the Commonwealth of Puerto Rico Procurement Reserves Act.” In addition, the General Services Administration, on or before August 1, 2017, will prepare and file with the Secretariat of each Legislative Body and with the Office of Management and Budget a detailed report of the purchases made by the entities subject to Law 129-2005 and of the steps taken to monitor that the public funds allocated are used in accordance with the parameters set forth in said Law.

Provided, further, that the Office of Management and Budget will inform the Department of the Treasury that one percent (1%) of the budgetary allocations, or remittance or payment for public services, coming from the General Fund, will be retained from any Department, Instrumentality, dependency, municipality, or public corporation of the Government of Puerto Rico that breaches the provisions of Law 129-2015, *supra*, after the Office of Management and Budget establishes that these constitute a savings to the Treasury.

Section 5.- During the term of this Joint Resolution and as a necessary rule for the responsible disbursement of budgetary allocations for operating and other expenses, the Office of Management and Budget may retain any of the allocations to the agencies of the Executive Branch, whether or not included in this Joint Resolution, the amounts necessary for the *Pay as You Go* payment, unemployment insurance, taxes withheld from their employees, when it determines that this withholding is necessary to ensure compliance with these obligations by the agencies concerned.

Section 6.- The public agencies and instrumentalities, public corporations, and municipalities, with the approval of the Office of Management and Budget, in accordance with current legislation, are authorized to formalize agreements with the Federal Government, other public agencies and instrumentalities, public corporations, or municipalities for the rendering of services based on contracts or the matching of municipal funds and those included in this Joint Resolution.

Section 7.- The Office of Management and Budget and the Department of the Treasury are authorized to authorize and to establish the necessary mechanisms to ensure that when

implementing the concept of mobility, pursuant to the provisions of Law 8-2017, as amended, known as the “Puerto Rico Human Resources Management and Transformation in the Government Act,” the corresponding transfer of funds allocated to payroll and related costs of said employee are to be carried out simultaneously.

Section 8.- In accordance with the provisions of Law 3-2017, known as the “Law to Address the Economic, Fiscal, and Budgetary Crisis to Guarantee the Operation of the Government of Puerto Rico,” every entity of the Executive Branch is ordered to prepare and send the Governor and to the Secretariats of the Puerto Rico Senate and the House of Representatives a quarterly report which indicates in a segmented and detailed manner the steps taken, the results, and all relevant information that shows and can measure compliance with the provisions on fiscal control and economic reconstruction set forth in said Law.

Section 9.- On or before August 1, 2017, the Government, in conjunction with the Oversight Board, will develop a work schedule for the Government to present and certify to the Oversight Board: (1) monthly reports of actual cash revenues, actual cash expenses, and cash flow for each government agency; (2) monthly and quarterly reports detailing actual versus projected results of each government agency based on a modified accrual basis; (3) monthly monitoring by each government agency of key performance indicators for each of the fiscal reform measures; and (4) quarterly reports on macroeconomic performance. Notwithstanding the foregoing, during the period in which the above work schedule is developed, the Government will present and certify to the Oversight Board all reports on liquidity or expenses that it can generate based on available financial information.

The reports required under this Section are in addition to the reports that the Governor must present to the Oversight Board under Section 203 of PROMESA.

Section 10.- If during the fiscal year the Government fails to comply with the liquidity and budgetary savings measures required by the Government of Puerto Rico’s Fiscal Plan dated March 13, 2017, as amended and certified by the Oversight Board, the Office of Management and Budget, with the approval of the Oversight Board, will reprogram or transfer allocations among: (1) departments, agencies, or instrumentalities; (2) accounts, programs, or units of different departments, agencies, or instrumentalities; or (3) accounts, programs, or units within a department, agency, or instrumentality, so that the budget complies with the Fiscal Plan certified by the Oversight Board.

Section 11. - If the Oversight Board determines that the measures to increase collections or reduce expenditures do not generate sufficient cash and budgetary savings to meet the revenue and expense projections of the Fiscal Plan, this Joint Resolution will be amended to reflect: (i) a proportional reduction in the workday of the public employees of the agencies, instrumentalities, or public corporations of the Government of Puerto Rico; or (ii) a proportional reduction in the amount of the Christmas Bonus granted to those public employees; or (iii) both reductions. Such reduction or reductions must be equal to the negative variance in collections or expenditures.

Section 12.-With the approval of this Joint Resolution, the following is provided and adopted, as necessary and reasonable:

- 1) that the General Fund, through the system of *pay as you go* assumes the payments that the three Retirement Systems cannot make;
- 2) that the three Retirement Systems continue fulfilling their obligations to their beneficiaries and retirees by contributing to the General Fund their available funds and the funds from the liquidations of their assets;
- 3) the elimination of the employer's contributions of the Central Government, the Public Corporations, and the Municipalities to the Government of Puerto Rico Employees Retirement System and to the Teachers Retirement System Teachers due to the burden assumed on the General Fund of making the corresponding payments to these systems' retirees;
- 4) that the obligation to pay the Additional Uniform Contribution be eliminated; and
- 5) that the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAF, by its Spanish acronym) establish and implement all the necessary mechanisms so that the Central Government, the Municipalities, and the Public Corporations contribute to the financing of the *pay as you go* system.

The provisions of this Section are approved in the exercise of the power of reason of the State and in protection of the life, health, and wellbeing of the people of Puerto Rico during the fiscal emergency that we are experiencing. In addition, they are approved pursuant to the actions required under the protection of the Federal *Puerto Rico Oversight, Management and Economic Stability Act* (PROMESA) and the Fiscal Plan approved and certified by the Fiscal Oversight Board. For this reason, these provisions will prevail and they suspend the validity of any other that is contrary thereto.

Section 13.-If any clause, paragraph, subparagraph, sentence, word, letter, article, provision, section, subsection, title, chapter, subchapter, heading, or part of this Joint Resolution is annulled or declared unconstitutional, the resolution, decision, or judgment entered to that effect will not affect, harm, or invalidate the remainder of this Joint Resolution. The effect of such judgment will be limited to the clause, paragraph, subparagraph, sentence, word, letter, article, provision, section, subsection, title, chapter, subchapter, heading, or part thereof that has been annulled or declared unconstitutional. If the application to a person or circumstance of any clause, paragraph, subparagraph, sentence, word, article, provision, section, subsection, title, chapter, subchapter, heading, or part of this Joint Resolution is invalidated or declared unconstitutional, the decision, opinion, or judgment entered to that effect will not affect or invalidate the application of the remainder of this Joint Resolution to those persons or circumstances in which it can validly apply. It is the express and unequivocal will of this Legislature that the courts enforce the provisions and the application of this Joint Resolution to the greatest extent possible, even if any of its parts is set aside, annulled, invalidated, prejudiced, or declared unconstitutional, or even if its application to any person or circumstance is annulled, invalidated, or declared unconstitutional. This Legislature would have approved this Joint Resolution regardless of the finding of severability that the Court may make.

Section 14.-This Joint Resolution will be known as the “Joint Resolution of the General Budget for Fiscal Year 2017-2018.”

Section 15.-This Joint Resolution will enter into effect as of July 1, 2017.