

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO**



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Executive Director

BY ELECTRONIC MAIL

February 22, 2018

The Honorable Ricardo A. Rosselló Nevares
Governor of Puerto Rico
La Fortaleza
P.O. Box 9020082
San Juan, PR 00902-0082

Honorable Thomas Rivera Schatz
President of the Senate of Puerto Rico

Honorable Carlos J. Méndez Núñez
Speaker of the House of Representatives of Puerto Rico

Dear Governor Rosselló Nevares, Senator Rivera Schatz, and Speaker Méndez Núñez:

As a follow-up to our fiscal plan deadline extension letter dated December 20, 2017, we are writing to provide a revised FY19 Budget process schedule. Pursuant to a press release issued on February 16, the Board announced it would extend the certification timeline for the Fiscal Plan of the Government of Puerto Rico, as well as the Fiscal Plans for the Puerto Rico Electric and Power Authority and the Puerto Rico Aqueduct & Sewer Authority. The Board expects to certify Revised Fiscal Plans for the Commonwealth, PREPA, PRASA on or before March 30th, 2018.

The new schedule for your submission and our certification of the FY19 Budgets is based on certification of the Revised Fiscal Plans on or before March 30th, 2018 and is as outlined below. To the extent the Fiscal Plans are certified earlier than the March 30th, 2018 deadline, the milestones below are subject to change.

Central Government:

- January 10 – Along with the submission of the Fiscal Plan, the Government provides a complete inventory listing of all agencies, corporations, and funds included in the Commonwealth Fiscal Plan
- February 23 – The Government provides a preliminary estimate of revenues (and/or sources of funds) for each agency, corporation, and fund along with supporting details, including all relevant third-party certifications
- March 26 – The Government provides finalized proposed revenues (and/or sources of funds) for each agency, corporation, and fund along with supporting details, including all relevant third-party certifications, including a reconciliation of the changes in revenues provided to the board on February 23rd.
- April 2 – Consistent with Section 202(b), the Oversight Board sends the Governor, Legislature, and Boards of Directors, the forecast of revenues for the period covered by all applicable Budgets
- April 16 – Consistent with Section 202(c), the Government and Boards of Directors provide proposed budgets to the Oversight Board along with supporting detail, including a detailed reconciliation of budgeted expenses to revenues and supporting detail to evidence consistency with historical actual expenditures and/or explanations if there is a significant difference. The Government and Boards of Directors provide proposed key performance indicators (“KPIs”) for reporting post-certification
- May 14 – Consistent with Section 202(c), the Oversight Board provides the FY19 General Fund budget to Legislature. The Oversight Board provides/approves reporting blueprints for each fund type (templates and timing)
- June 29 – Consistent with Section 202(e), the Oversight Board approves the FY19 Budgets

PREPA/PRASA:

- January 10 – The Government provides a complete inventory listing of all entities included in the PREPA and PRASA Fiscal Plans
- February 23 – The Government provides a preliminary estimate of revenues (and/or sources of funds) for PREPA and PRASA along with supporting details, including all relevant third-party certifications
- March 26 – The Government provides finalized proposed revenues (and/or sources of funds) for PREPA and PRASA along with supporting details, including all relevant third-party certifications, including a reconciliation of the changes in revenues provided to the board on February 23rd.
- April 2 – Consistent with Section 202(b), the Oversight Board sends the Governor and Boards of Directors the forecast of revenues for the period covered by all applicable Budgets
- April 16 – Consistent with Section 202(c), the Government and/or Boards of Directors provide proposed budgets to the Oversight Board along with supporting detail, including a detailed reconciliation of budgeted expenses to revenues and supporting detail to evidence consistency with historical actual expenditures and/or explanations

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if there is a significant difference, including Capital Improvement Plans where applicable. The Government and/or Boards of Directors provide KPIs for reporting post-certification


- June 29 – Consistent with Section 202(e), the Oversight Board approves the FY19 Budgets and the reporting blueprints for each fund type (templates and timing)

UPR/HTA/GDB/COSSEC:

- January 10 – The Government transmits a complete inventory listing of all funds / entities included in the UPR, HTA, GDB, and COSSEC Fiscal Plans
- April 20 – The Government provides proposed revenues (and/or sources of funds) for UPR, HTA, GDB, and COSSEC along with supporting details, including all relevant third-party certifications
- April 27 – Consistent with Section 202(b), the Oversight Board sends the Governor and Boards of Directors the forecast of revenues for the period covered by all applicable Budgets
- May 11 – Consistent with Section 202(c), the Government and/or Boards of Directors provide proposed budgets to the Oversight Board along with supporting detail, including a detailed reconciliation of budgeted expenses to revenues and supporting detail to evidence consistency with historical actual expenditures and/or explanations if there is a significant difference, including Capital Improvement Plans where applicable. The Government and/or Boards of Directors provide KPIs for reporting post-certification
- June 29 – Consistent with Section 202(e), the Oversight Board approves the FY19 Budgets and the reporting blueprints for each fund type (templates and timing)

Please consider this a revision to the formal notice under Section 202(a) for the schedule for developing, submitting, approving, and certifying budgets for the entire Commonwealth, PREPA, PRASA, UPR, HTA, GDB, and COSSEC. Subsequent clarifications of due dates and deliverables will follow as appropriate.

Sincerely,


Natalie A. Jaresko

CC: José B. Carrión III
Christian Sobrino Vega
Gerardo Portela Franco