

FINANCIAL OVERSIGHT & MANAGEMENT BOARD FOR PUERTO RICO



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BY ELECTRONIC MAIL

February 26, 2021

Mr. Juan C. Blanco
Executive Director
Office of Management and Budget
Government of Puerto Rico

Re: FOMB Response to various reapportionment requests

Dear Mr. Blanco,

This letter is in response to various budgetary reprogramming requests including Special Revenue Funds (SRF) prior year fund releases, General Fund (GF) prior year fund releases, SRF recognition, Budget Reapportionments, and Intra-Governmental Transfers. These were submitted by various government agencies through the Office of Management and Budget (“OMB”) to the Financial Oversight and Management Board (“FOMB”) for review and approval. The following agencies requests are resolved herein:

A. Prior Year SRF Releases

The following tables list the SRF previous year unused balance release requests considered in this letter. The following agency requests are resolved herein:

1. 2021-07416 Puerto Rico Department of Consumer Affairs (069-DACO) - Requests a fund release to pay an invoice from a supplier in the amount of \$5,218.69. The merchandise was received and encumbered but the supplier submitted the invoice after the allowed payment period.

Special Revenue Fund (SRF)				Transfers 000's		
Request	Decision	Agency	Account	Cash Release	Amount	Date of extension
07416	Denied source of funds	Puerto Rico Department of Consumer Affairs (069-DACO)	253-0690000-779-2019	NONE	\$ -	N/A

The Oversight Board approves the request subject to the agency providing an alternate source of funds within its current budgetary allocations to pay for these expenses as prior year funds are no longer available.

2. 2021-10827 Puerto Rico Department of Consumer Affairs (069-DACO) - Requests a fund release for the payments of per diem expenses for 26 employees in the amount of \$2,471.36.

Special Revenue Fund (SRF)				Transfers 000's		
Request	Decision	Agency	Account	Cash Release	Amount	Date of extension
10827	Denied source of funds	Puerto Rico Department of Consumer Affairs (069-DACO)	596-0690000-005-2020	NONE	\$ -	N/A

The Oversight Board approves the request subject to the agency providing an alternate source of funds within its current budgetary allocations to pay for these expenses as prior year funds are no longer available.

3. 2021-18860 Department of Health (071-DOH) - Requests a prior year fund release to pay outstanding debts from Fiscal Years 2017 - 2020 to providers of purchased services, professional services, other operating expenses, and materials and supplies.

Special Revenue Fund (SRF)				Transfers 000's		
Request	Decision	Agency	Account	Cash Release	Amount	Date of extension
18860	Denied source of funds	Department of Health (071-DOH)	571-0710000-783-2020	NONE	\$ -	N/A

The Oversight Board approves the request subject to the agency providing an alternate source of funds within its current budgetary allocations to pay for these expenses as prior year funds are no longer available.

As confirmed by the Agency, they were able to cover current year payroll with CARES Act funds, thus, they could use the payroll underspend to cover these invoices.

4. 2021-18465 Department of Labor and Human Resources (067-DLHR) - Requests a fund release of several accounts to pay unemployment, disability, and driver insurance benefits. The Agency also requests the creation of FY21 expense accounts to properly account for the disbursements incurred in the payment of benefits.

Fund Release

Special Revenue Fund (SRF)				Transfers 000's		
Request	Decision	Agency	Account	Cash Release	Amount	Date of extension
18465	Approved with observations	Department of Labor and Human Resources (067-DLHR)	751-0670000-883-2019	Full	\$ 146,489	June 30, 2021
			751-0670000-882-2019	Full	\$ 466,676	
			751-0670000-081-2020	Full	\$ 214,405	
			787-0670000-081-2019	Full	\$ 219	

Fund Recognition - Account Creation

Request	Decision	Agency	Account	Cash Release	Amount	Date of extension
18465	Approved with observations	Department of Labor & Human Resources (067-DLHR)	751-0670000-883-2021	None	-	June 30, 2021
			751-0670000-081-2021	None	-	
			787-0670000-081-2021	None	-	
			751-0670000-881-2021	None	-	
			752-0670000-881-2021	None	-	
			752-0670000-882-2021	None	-	
			785-0670000-995-2021	None	-	

Approval of the Fund Extension and Fund Release is limited to the use of the June 30, 2020 cash balance on bank accounts no. 030-025966 and US Treasury 2055091.

5. 2021-10759 State Historic Preservation Office of Puerto Rico (155) Amended - Requests a fund release of fund 218 until March 31, 2021 to be able to pay the tree grate services that were provided in June 2020.

General Fund (GF)				Transfers 000's		
Request	Decision	Agency	Account	Cash Release	Amount	Date of extension
10759	Approved with observations	State Historic Preservation Office of Puerto Rico (155)	FY2021 Emergency Reserve	Full	\$ 66	March 31, 2021

The original source of funds for this request was account 218-1550000-081-218 whose remaining balance corresponds to FY18 Emergency Reserve funds. Fund 218 is closed and therefore, the new source of funds will be the FY21 Emergency Reserve.

This request was originally approved on December 18, 2020 for \$63k. However, the correct amount is \$66k, resulting in a difference of \$3k. This amendment is for the transfer of the additional \$3k from the authorized source of funds, the FY2021 Emergency Reserve.

B. Prior Year GF Releases

The following table lists the GF previous year unused balance release request considered in this letter. The following agency request is resolved herein:

1. 2021-19385 Puerto Rico Police Bureau (DPS-045-040) - Requests a FY20 Fund Release for the payment of warranties associated to the vehicles purchased by the Bureau.

General Fund (GF)				Transfers 000's		
Request	Decision	Agency	Account	Cash Release	Amount	Date of extension
19385	Denied source of funds	Puerto Rico Police Bureau (DPS-045-040)	111-0450040-1205-003-2020	none	\$ -	n/a

The Oversight Board approves the request subject to the agency providing an alternate source of funds within its current budgetary allocations to pay for these expenses as prior year funds are no longer available. The Bureau may consider account 111-0450040-0001-081-2021 to cover these expenses.

C. SRF Recognition

The following table lists the SRF fund recognition request considered in this letter. The following agency request is resolved herein:

1. 2021-19304 Assignments under the custody of the Department of the Treasury (025-DoT custody) - Requests an account creation to recognize FY21 collections and expenditures in connection with services provided by the US Geological Survey (USGS) to the Puerto Rico Environmental Quality Board (EQB).

Special Revenue Fund (SRF)				Transfers 000's		
Request	Decision	Agency	Account	Cash Release	Amount	Date of extension
19304	Approved	Assignments under the custody of the Department of the Treasury (025-DoT custody)	778-0250000-081-2021	n/a	\$ 998	June 30, 2021

D. Budget Reapportionments

After review and pursuant to the Oversight Board's authority, we approve these reapportionment requests as presented in the tables below. The approved amounts considered do not modify the Commonwealth's total budgetary spending amount. OMB should

communicate to the Department of Treasury the availability of said funds, as well as notify agencies of their granted access to the balances. The transfers should be completed at a cost object level in Appendix A as included.

1. 2021-21134 Department of Public Safety (DPS-045-040) - Requests a reappropriation from Payroll to Prior Year Debts to pay to the US Department of Labor unclaimed and expired checks related to the requirements set forth by the Thomas E. Pérez Federal Case.

General Fund (GF)			Transfers 000's			
			From		To	
Request	Decision	Agency	OpEX	Payroll	OpEX	Payroll
21134	Approved	Department of Public Safety (DPS-045-040)		\$ (36)	\$ 36	

2. 2021-20904 General Services Administration (031 - GSA) - Requests a reappropriation to cover costs such as leasing and the purchase of laptops, associated with the transfer of employees in the implementation of procurement centralization project.

General Fund (GF)			Transfers 000's			
			From		To	
Request	Decision	Agency	OpEX	Payroll	OpEX	Payroll
20904	Approved	General Services Administration (031 - GSA)	\$ (638)		\$ 638	

3. 2021-21493 Department of Education (081-PRDE) – Requests a reappropriation to cover the state portion of the assessment to be performed by the third-party fiduciary agency (TPFA) to be contracted.

General Fund (GF)			Transfers 000's			
			From		To	
Request	Decision	Agency	OpEX	Payroll	OpEX	Payroll
21493	Approved	Department of Education (081-PRDE)	\$ (6,073)		\$ 6,073	

4. 2021-21003 Fine Arts Center Corporation (192) - Requests a reappropriation within Purchase Services to cover PRIMAS and to hire an engineer for Capex project involving the installation of a generator for the main building.

General Fund (GF)			Transfers 000's			
			From		To	
Request	Decision	Agency	OpEX	Payroll	OpEX	Payroll
21003	Approved	Fine Arts Center Corporation (192)	\$ (368)		\$ 368	

The cost of hiring the engineer should be covered with CAPEX funds using the Reg. 49 account 7310 *“Acquisition of Other Improvements by Contract for the Government of Puerto Rico.”*

5. 2021-17339 Department of Housing (78-DV) – Requests a reapportionment from Purchased Services to Federal Fund Matching as it is HUD's requirement that the state agency match with its own funds any administrative expenses incurred in the management of CDBG Municipal Funds.

General Fund (GF)			Transfers 000's			
			From		To	
Request	Decision	Agency	OpEX	Payroll	OpEX	Payroll
17339	Approved	Department of Housing (78-DV)	\$ (1,192)		\$ 1,192	

6. 2021-21314 Department of Transportation and Public Works (049-DTPW) - Requests a budget reapportionment from Payments to PRASA to Payments to PREPA to reduce its amount owed to PREPA.

General Fund (GF)			Transfers 000's			
			From		To	
Request	Decision	Agency	OpEX	Payroll	OpEX	Payroll
21314	Approved	Department of Transportation and Public Works (049-DTPW)	\$ (259)		\$ 259	

7. 2021-20798 Department of Health (071-DOH) - Requests a FY20 reapportionment from Materials and Supplies to Professional Services related to the \$10M assigned during FY20 as an investment for Opioid Treatments.

General Fund (GF)			Transfers 000's			
			From FY 20		To FY 20	
Request	Decision	Agency	OpEX	Payroll	OpEX	Payroll
20798	Approved	Department of Health (071-DOH)	\$ (9,500)		\$ 9,500	

OMB must register the transfer from FY20 account 111-0710000-1630-010-2020 (Materials and Supplies) to account 111-0710000-1630-006-2020 (Professional Services). With this reapportionment approval, FOMB hereby approves the extension of account # 111-0710000-1630-006-2020 until June 30, 2021 and ends the extension of account 111-0710000-1630-010-2020 (Materials and Supplies).

E. Intra-Governmental Transfers

After review and pursuant to the Oversight Board's authority, we approve these intra-governmental transfers as presented in the tables below. The approved amounts considered do not modify the Commonwealth's total budgetary spending amount. OMB should communicate to the Department of Treasury the availability of said funds, as well as notify agencies of their granted

access to the balances. The transfers should be completed at a cost object level as indicated in Appendix A, attached hereto.

1. 2021-21000 Department of Health (071-DOH) - Requests an interagency transfer of \$16.3M in DOH CAPEX funds to be allocated to the Medical Services Administration (ASEM) to reinforce the central building structure to mitigate the risks caused by earthquakes and for improvements of the drinking water storage, distribution and monitoring system.

General Fund (GF)			Transfers 000's			
Request	Decision	Agency	From		To	
			OpEX	Payroll	OpEX	Payroll
21000	Approved	Department of Health (071-DOH)	\$ (16,275)			
		Medical Services Administration of Puerto Rico (090-ASEM)			\$ 16,275	

2. 2021-21201 Department of Education- All Other Programs (081-PRDE) - Requests an interagency transfer to cover the FY19 and FY20 salary increases for 7,570 transitory teachers per court ruling.

General Fund (GF)			Transfers 000's			
Request	Decision	Agency	From		To	
			OpEX	Payroll	OpEX	Payroll
21201	Approved	Appropriations under the custody of the OMB (017)		\$ (18,855)		
		Department of Education (081-PRDE)				\$ 18,855

Furthermore, OMB should allocate the above-mentioned amounts to the appropriate PRIFAS accounts and communicate to the agency their current budgetary allocations by cost object.

We trust the foregoing answers all included requests and look forward to continuing our work together for the benefit of the people of Puerto Rico.

Sincerely,



Natalie A. Jaresko

CC: Mr. Omar Marrero Díaz
 Mr. Francisco Parés Alicea
 Mr. Alexis Torres
 Mr. Carlos Rubio Cancela
 Ms. Karla Mercado
 Ms. Elba Aponte Santos

Mr. Juan C. Blanco

February 26, 2021

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Mr. Carlos Rivera Santiago

Mr. Jetppet Perez de Corcho

Mr. Carlos Mellado

Mr. Jorge E. Matta González

Mr. William Rodríguez Rodríguez

Ms. Eileen M. Vélez Vega

Mr. Edan Rivera Rodriguez

APPENDIX A

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Reapportionments tables

Included are the budgetary transfers to be completed by OMB. The agency should notify the governmental agency of the approval of petitions, the completion of budgetary transfers and their available budgetary resources as allocated after the transfers.

General Fund Transfers:

2021-21134 Department of Public Safety (DPS-045-040)					
Cost Code	Cost Object	Certified FY21 Budget (\$000's)	FY21 Budget As Is (\$000's)	FY21 Requested Transfer (\$000's)	Revised FY21 Budget (\$000's)
1	i.Salaries for full-time employees	575,312	574,353	(36)	574,317
1	ii.Overtime	37,955	37,955		37,955
1	iii.Christmas bonus	-	-		-
1	iv.Healthcare	11,496	11,496		11,496
1	v.Other benefits	81,819	81,819		81,819
1	vi.Early retirement benefits	30,404	30,404		30,404
1	vii.Salaries for Trust employees	2,418	2,418		2,418
1	viii.Other payroll	657	657		657
1	vii.For drug control operations	1,750	1,750		1,750
1	viii.Election related overtime	5,000	5,000		5,000
1	Payroll and Related Items	746,811	745,852	(36)	745,816
89	Prior Year Debts	77,000	77,876	36	77,912

2021-20904 General Services Administration (031 - GSA)					
Cost Code	Cost Object	Certified FY21 Budget (\$000's)	FY21 Budget As Is (\$000's)	FY21 Requested Transfer (\$000's)	Revised FY21 Budget (\$000's)
2	i.Payments to PREPA	-	-		-
2	ii.Payments to PRASA	-	-		-
2	iii.Payments to PBA	-	-	218	218
2	iv.Other facilities costs	52	52		52
2	Facilities and Payments for Public Services	52	52	218	270
7	Other Expenses	245	245	(218)	27
8	i.Other capex	3,384	654	(420)	234
8	Capital Expenditures	3,384	654	(420)	234
10	Materials & Supplies	37	37	20	57
11	Equipment Purchases	29	29	400	429

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2021-21493 Department of Education (081-PRDE) - Special Education Program					
Cost Code	Cost Object	Certified	FY21	FY21	Revised
		FY21 Budget	Budget As Is	Requested Transfer	FY21 Budget
		(\$000's)	(\$000's)	(\$000's)	(\$000's)
5	i. School transportation expenses	58,976	45,455	(6,073)	39,382
5	ii. Other transportation	303	303	-	303
5	Transportation and Subsistence Expenses	59,279	45,758	(6,073)	39,685

2021-21493 Department of Education (081-PRDE) - All Other Programs						
Cost Code		Cost Object	Certified FY21 Budget (\$000's)	FY21 Budget As Is (\$000's)	FY21 Requested Transfer (\$000's)	Revised FY21 Budget (\$ 000's)
6	i.	Information techonology (IT)	4,504	4,504	-	4,504
6	ii.	Legal professional services	454	454	-	454
6	iii.	Free College Board tests to students	2,500	2,500	-	2,500
6	iv.	Student tests	8,800	8,800	-	8,800
6	v.	English Teachers Training program	1,500	1,500	-	1,500
6	vi.	Labor and human resources	10	10	-	10
6	vii.	Other professional services	6,323	6,323	6,073	12,396
6	Professional Services and Consultants		24,091	24,091	6,073	30,164

2021-21003 Fine Arts Center Corporation (192)					
Cost Code	Cost Object	Certified FY21 Budget (\$000's)	FY21 Budget As Is (\$000's)	FY21 Requested Transfer (\$000's)	Revised FY21 Budget (\$000's)
3	i.Payments for PRIMAS	193	193	269	462
3	ii.Leases	-	-	-	-
3	iii.Maintenance & Repairs	380	380	(60)	320
3	iv.Other purchased services	459	459	(209)	250
3	Purchased Services	1,032	1,032	-	1,032
5	Transportation and Subsistence Expenses	-	-	-	-
7	Other Expenses	126	126	(99)	27
8	i.Construction / Infrastructure	1,660	1,660		1,660
8	ii.Equipment	680	680		680
8	iii.Other capex	60	60	99	159
8	Capital Expenditures	2,400	2,400	99	2,499

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2021-21000 Department of Health - Other Programs (071-DOH)					
Cost Code	Cost Object	Certified FY21 Budget (\$000's)	FY21 Budget As Is (\$000's)	FY21 Requested Transfer (\$000's)	Revised FY21 Budget (\$000's)
8	i. Public Hospital Expansion	85,596	26,986	(16,275)	10,711
8	ii. Information Systems for Medicaid Program	25,000	25,000		25,000
8	iii. Information Systems for Public Hospitals	20,000	20,000		20,000
8	iv. Other Permanent Improvements	24,404	17,670		17,670
8	Capital Expenditures	155,000	89,656	(16,275)	73,381

2021-21000 Medical Services Administration of Puerto Rico (090-ASEM)					
Cost Code	Cost Object	Certified FY21 Budget (\$000's)	FY21 Budget As Is (\$000's)	FY21 Requested Transfer (\$000's)	Revised FY21 Budget (\$ 000's)
8	i.Capex	-	-	16,275	16,275
8	Capital Expenditures	-	-	16,275	16,275

2021-20798 Department of Health (DOH-071)					
Cost Code	Cost Object	Certified FY20 Budget (\$000's)	FY20 Budget As Is (\$000's)	FY20 Requested Transfer (\$000's)	Revised FY20 Budget (\$ 000's)
6	Total Professional Services and Consultants	7,814	19,403	9,500	28,903
6	i.Legal expenses	-	-		-
6	ii.Finance/accounting	349	349		349
6	iii.Information Technology (IT)	188	188		188
6	iv.Medical	7,277	7,277		7,277
6	v.Other professional service fees	-	11,589	9,500	21,089
10	Total Materials & Supplies	3,822	16,893	(9,500)	7,393
10	i.Materials and Supplies	3,822	6,893		6,893
10	ii. Opioid Treatment		10,000	(9,500)	500

2021-21314 Department of Transportation and Public Works (049-DTPW)					
Cost Code	Cost Object	Certified FY21 Budget (\$000's)	FY21 Budget As Is (\$000's)	FY21 Requested Transfer (\$000's)	Revised FY21 Budget (\$000's)
2	i.Payments to PREPA	838	838	259	1,097
2	ii.Payments to PRASA	542	542	(259)	283
2	iii.Payments to PBA	1,459	1,459		1,459
2	Facilities and Payments for Public Services	2,839	2,839	-	2,839

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2021-21201 Appropriations under the custody of the OMB (017)					
Cost Code	Cost Object	Certified FY21 Budget (\$000's)	FY21 Budget As Is (\$000's)	FY21 Requested Transfer (\$000's)	Revised FY21 Budget (\$000's)
1	i. Reserve for pending litigation related to one time backpay of transitory teacher funding in Department of Education	22,755	22,755	(18,855)	3,900

2021-21201 Department of Education (081-PRDE) - All Other Programs					
Cost Code	Cost Object	Certified FY21 Budget (\$000's)	FY21 Budget As Is (\$000's)	FY21 Requested Transfer (\$000's)	Revised FY21 Budget (\$000's)
1	i. Salaries for Central Administrative Personnel	12,926	12,599	-	12,599
1	ii. Salaries for Regional Administrative Personnel	12,530	12,213	-	12,213
1	iii. Salaries for Regional School Support Personnel	9,479	9,239	-	9,239
1	iv. Salaries for School Personnel	558,008	543,892	18,262	562,154
1	v. Salaries for trust employees	4,515	4,515	-	4,515
1	vi. Healthcare investment for school nurses	15,000	15,000	-	15,000
1	vii. Overtime	-	-	-	-
1	viii. Christmas bonus	-	-	-	-
1	ix. Healthcare	30,398	30,398	-	30,398
1	x. Other benefits	50,312	45,312	593	45,905
1	xi. Early retirement benefits	4,084	4,084	-	4,084
1	xii. Other payroll	661	661	-	661
1	Payroll and Related Items	697,913	677,913	18,855	696,768

2021-17339 Department of Housing (78-DV)					
Cost Code	Cost Object	Certified FY21 Budget (\$000's)	FY21 Budget As Is (\$000's)	FY21 Requested Transfer (\$000's)	Revised FY21 Budget (\$000's)
3	i.Payments for PRIMAS	13,439	13,439	(1,192)	12,247
3	ii.Leases	81	81		81
3	iii.Maintenance & Repairs	-	-		-
3	iv.Other purchased services	19	19		19
3	Purchased Services	13,539	13,539	(1,192)	12,347
82	Federal Fund Matching	-	-	1,192	1,192