



Arthur J. Gonzalez  
Chair and Board Member

**Members**  
Andrew G. Biggs  
John E. Nixon  
Betty A. Rosa

Robert F. Mujica Jr.  
**Executive Director**

**BY ELECTRONIC MAIL**

February 13, 2026

The Honorable Jenniffer A. González Colón  
Governor of Puerto Rico

The Honorable Thomas Rivera Schatz  
President of the Senate of Puerto Rico

The Honorable Carlos Johnny Méndez Núñez  
Speaker of the House of Representatives of Puerto Rico

Dear Governor Gonzalez Colón, President Rivera Schatz, and Speaker Méndez Núñez:

The Financial Oversight and Management Board of Puerto Rico (the “Oversight Board”) writes to you to provide the schedule for developing, submitting, approving, and certifying the Fiscal Year 2027 Budget for the Commonwealth of Puerto Rico (the “FY2027 Commonwealth Budget”). Pursuant to Section 202(a) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”), the schedule is as follows:

- **February 13, 2026** – Pursuant to PROMESA Section 202(b), the Oversight Board will provide the following information included in this letter:
  - A forecast of revenues for the purpose of developing the FY2027 Commonwealth Budget.
  - The FY2027 Commonwealth Budget targets for government entities on a payroll and operating expenditure basis.
- **March 6, 2026** – Pursuant to PROMESA Section 202(c)(1), the Governor shall submit to the Oversight Board a proposed FY2027 Commonwealth Budget based on the forecast of revenues and budget targets together with detailed supporting documentation for any variances. The Government shall also update the inventory listing of all agencies, including agency contacts and details on any consolidation of agencies or new agencies. The Government shall provide a signed certificate from the Office of the Chief Financial Officer indicating that the proposed FY2027 Commonwealth Budget was developed in

accordance with modified accrual accounting standards. Following receipt of the Governor’s submission of the proposed FY2027 Commonwealth Budget, and until April 10, 2026, the Oversight Board and the Government shall participate in collaborative meetings to review the proposed FY2027 Commonwealth Budget.

- **April 17, 2026** – Pursuant to PROMESA Section 202(c)(1)(B)(i), the Oversight Board shall send to the Governor a notice of violation if it determines that the proposed FY2027 Commonwealth Budget is not compliant with the Certified Commonwealth Fiscal Plan.
- **May 1, 2026** – Pursuant to PROMESA Section 202(c)(2), the Governor shall submit a revised proposed FY2027 Commonwealth Budget, as needed.
- **May 8, 2026** – Pursuant to PROMESA Section 202(c)(2), the Oversight Board shall submit a compliant FY2027 Commonwealth Budget to the Governor and the Legislature, as needed.
- **June 5, 2026** – Pursuant to PROMESA Section 202(d)(1), the Legislature shall submit a proposed adopted FY2027 Commonwealth Budget to the Oversight Board.
- **June 15, 2026** – Pursuant to PROMESA Section 202(d)(1)(A)-(B), the Oversight Board shall either issue a compliance certification or send the Legislature a notice of violation.
- **June 24, 2026** – Pursuant to PROMESA Section 202(d)(2), the Legislature shall submit a revised adopted FY2027 Commonwealth Budget to the Oversight Board, as needed.
- **On or before June 30, 2026** – Pursuant to PROMESA Section 202(e), the Oversight Board expects to certify the FY2027 Commonwealth Budget.

### **FY2027 Information Request**

In order to facilitate this upcoming process, we hereby request that the Government submit the information set forth in Appendix A attached hereto no later than **February 27, 2026**. Additionally, the Oversight Board requests that the Government submit the information set forth in Appendix B attached hereto when it submits its proposed FY2027 Commonwealth Budget per the schedule established in this letter.

We note that, to support budget planning discussions, the Office of Management and Budget (“OMB”) provided its own preliminary FY2027 budget targets to government agencies and public corporations on November 18, 2025. Such targets reflect various adjustments, which primarily include reductions to select agencies for budget savings. They were intended to initiate the budget process and guide agencies and public corporations in aligning with key Government strategic initiatives.

The Hon. González Colón  
The Hon. Rivera Schatz  
The Hon. Méndez Núñez  
February 13, 2026  
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### **FY2027 Revenue Forecast**

Pursuant to Section 202(b) of PROMESA, the Oversight Board submits the following forecast of revenues for FY2027 to support expenditure targets consistent with the current year (FY2026) certified budget: (1) General Fund revenues \$13,181 million; and (2) Other Funds revenues \$5,400 million.

### **FY2027 Expenditure Targets**

In addition to complying with the FY2027 revenue forecast provided above, the Oversight Board expects the Governor's March 6, 2026 submission of the proposed FY2027 Commonwealth Budget to follow certain agency payroll and operating expenditure targets. Appendix C attached hereto provides the specific targets for agency level expenditures.

Capital expenditures and pay-as-you-go (PayGo) pension charges are excluded from agency allocations and these expenses must be allocated to specific agencies and fund types in the Governor's proposed FY2027 Commonwealth Budget submission.

Please note the targets in Appendix C reflect information and developments that emerged after OMB provided preliminary targets for the FY2027 Commonwealth Budget. Appendix C reflects payroll adjustments across various entities related to the Civil Service Reform, reflecting approved changes to classification and remuneration plans. Additional appropriations have also been included consistent with the current year (FY2026) certified budget.

The Oversight Board looks forward to continuing working with you to accomplish the requirements and goals of PROMESA for the benefit of the people of Puerto Rico.

Sincerely,



Robert F. Mujica, Jr.  
Executive Director

CC: Mr. Francisco J. Domenech Fernández  
Mr. Orlando Rivera Berríos

## APPENDIX A

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### **FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO FY2027 CONSOLIDATED BUDGET INFORMATION REQUEST CENTRAL GOVERNMENT BUDGET**

#### **List of Agencies/Public Corporations:**

1. Provide an updated list of all agencies that will be allocated budgets in FY2027. The list shall:
  - A. Identify whether they are a public corporation or agency;
  - B. Identify public corporations and agency contacts and the Office of Management and Budget Manager assigned to the agency contact information;
  - C. Detail any consolidation of agencies or new agencies.

#### **Revenue Support Deliverables:**

2. Special Revenue Fund (“SRF”) sources of revenue:
  - A. Provide a list of all sources of SRF revenue for all Commonwealth agencies, public corporations, and instrumentalities. Each source of revenue should be a separate line item.
  - B. Please include detailed descriptions for each revenue source, addressing the following elements:
    - i. The law governing the source of revenue. This should include the law reference number and year of enactment (e.g., Act 60-2019);
    - ii. A brief description of the law’s requirements;
    - iii. The service provided to generate the revenue;
    - iv. Indicate if the revenue source is interagency (received from a Commonwealth entity) or external revenue (received from a third party);
      - a. If the revenue is interagency, please provide the source agency or list.
    - v. Classify each source of revenue into the appropriate Special Revenue Fund type based on the definitions below: Self-generated Revenue (in Spanish Ingresos Propios or “IP”), Special State Funds (in Spanish Fondos Especiales Estatales or “FEE”), and Other Income (in Spanish Otros Ingresos or “OI”).
      - a. Self-generated Revenue (IP) is earned by an agency for providing services internally to government entities and/or externally to patrons requesting governmental services.
      - b. Special State Funds (FEE) are revenues generated by specific tax laws which define the collection and use of the tax revenue.
      - c. Other Income (OI) is a non-recurring source of funds (e.g., asset sales, donations). Note that the Oversight Board will not provide baseline revenue or expenses for OI given these are non-

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recurring. Each agency will need to provide detailed support for OI revenue and expenses to be considered in the FY2027 budget.

- C. For each source of revenue, please provide actual revenues and expenditures collected and incurred in FY26 as of January 31, 2026, an estimate of revenues and expenditures to be collected and spent for the remainder of FY26, and a forecast of FY2027. Additionally, once the budget is submitted to the Oversight Board, please provide an updated report as of February 28, 2025.
  - i. Provide a description or method of how the revenue was forecasted. (e.g., prior year sales, implementation of a new service to be provided by the agency, sales increase driven by price increases). Please ensure that significant variances are appropriately described.
  - ii. Provide a description of when the revenues are collected during the year if there is significant variability month to month.
3. Provide a list of all projected Federal Funds (“FF”) to be received in FY2027 by agency and program, including the Award ID and/or grant number. This should include the following items:
  - A. The state matching percentage amount for each grant as well as any mandatory ‘maintenance of effort<sup>1</sup>’ to the extent it is required.
  - B. A mapping to the U.S. Federal Department providing the source of each federal fund.
  - C. Details on the recurrence of the FF (i.e., one-time (e.g., COVID related funding) or recurring and date of expiration.)
  - D. A description of the nature for each type of FF.
4. Provide a list of all outstanding prior year FF carried forward into FY2026, by agency and Award ID, including the following:
  - A. Actual unliquidated amounts (obligated but not yet drawn)
  - B. Actual liquidated but unspent amounts (obligated and drawn but not yet expended)

If there have been no changes to the ‘chart of accounts’ shared in the prior fiscal year, please provide a certificate stating that there have been no changes. However, if there have been any changes to the prior year ‘chart of accounts’, provide the information detailed below:

- A. The ‘chart of accounts’ mapping all Commonwealth revenue sources to the fund numbers utilized for expenses. Please also identify any consolidating expense accounts. Please identify entities that are excluded from the ‘chart of accounts’ presentation.

### **Expense Support Deliverables:**

5. Provide the total number of participants in the universal healthcare plan for FY2027 and for the prior three years.

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<sup>1</sup> Maintenance of Effort refers to provisions in federal grants that require recipients to maintain non-federal funding for activities described in their application at a specific level during the fiscal years.

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6. Provide additional transparency for payroll headcount and benefits programs:
  - a. Headcount:
    - i. Provide a payroll roster by agency as of January 31, 2026, that includes the following information:
      - a) Position title;
      - b) Whether the position is occupied or vacant;
      - c) Whether the position is classified as career, trust, transitory, or pre-retirement;
      - d) Whether the position is full time or part time;
      - e) Whether position is non-union or union; if associated with a union include union name;
      - f) Annual salary;
      - g) Annual healthcare benefits;
      - h) Other annual fringe benefits/costs (e.g., FICA, workers' compensation, etc.); and
      - i) Fund type the position is associated with: General Fund ("GF"), Special Revenue Funds ("SRF"), or Federal Funds ("FF").
  - b. Benefits:
    - i. Please provide the headcount reduction for each of the early retirement programs.

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### Expense Support Deliverables

1. Provide the budget account file (also known as the Sabana file). Three versions (in separate columns) should be provided: (1) a version that aligns with the Budget Targets, which will be provided at a later date, (2) a version based on agency requests, and (3) the final budget request after OMB's review and recommendation, including explanations for any differences between OMB's recommendations and agency requests. The Sabana file(s) should include the budgets of all Commonwealth agencies and public corporations broken down by fund type (General Fund, Special Revenue Fund and Federal Fund), fund number, program number, program name, concept of spend and account level details (or object codes). Additionally, please identify the resolution line item that corresponds to each line item in the Sabana file. The following resolution line items should be utilized:

Salaries	Training and education professional services
Salaries for Trust employees	Other operating expenses
Overtime	Payments of current and prior period obligations
Christmas bonus	Materials & Supplies - Actuals (Expense + Encumbrances)
Healthcare	Other materials and supplies
Other benefits	Media and Advertisements
Early retirement benefits & voluntary transition programs	Equipment Purchases - Actuals (Expense + Encumbrances)
Other payroll	Other equipment purchases
Payments to PayGo	Other appropriations to non-governmental entities
Payments to PBA	Federal Fund Matching - Actuals (Expense + Encumbrances)
Payments to PRASA	Other federal fund matching
Payments to PREPA	Donations, Subsidies and Distributions - Actuals (Expense + Encumbrances)
Payments for PRIMAS	Other donations and subsidies
Other facilities costs	Other social well-being for Puerto Rico
Maintenance & Repairs	Undistributed Appropriations
Leases (excluding PBA)	Other transportation
Other purchased services	CapEx: CapEx
Information technology (IT) professional services	CapEx: Construction / Infrastructure
Legal professional services	CapEx: Equipment
Labor and human resources professional services	CapEx: Hardware / Software
Finance and accounting professional services	CapEx: Other capex
Engineering and architecture professional services	CapEx: Vehicles
Medical professional services	Debt Service Payments
Title III professional fees	Budgetary Reserve
Other professional services	

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These resolution line items should map to the following concepts of spend:

<u>Concept of Spend</u>	
1	Payroll and Related Costs
2	Facilities and Rent
3	Purchased Services
4	Donations, Subsidies and Distributions
5	Transportation
6	Professional Services
7	Other Operating Expenses
8	Capital Expenditures
9	Debt Service
10	Materials & Supplies
11	Equipment Purchases
12	Advertisement
13	Incentives and Subsidies - Social Wellness
14	Non Government Entities
30	PayGo
81	Undistributed Appropriations
82	Federal Fund Matching
89	Prior Periods Debts
98	Budgetary Reserves

2. Provide the total payment amount by the Commonwealth to PREPA, PRASA, PRIMAS, GSA, and PBA for each agency broken down by all fund types utilized. Identify any past due payments for each category by fund type, agency, and length of time outstanding in a separate line item. If there is a payment plan in place, please provide total amount of installments payments and dates on which these are due.
3. Provide the total pension payment obligation for PayGo for each participating entity broken down by all fund types utilized. Also, include the amounts owed by corporations and municipalities outside of the Commonwealth Fiscal Plan. Please provide an estimate for FY2027 pension related costs such as early withdrawals and death benefits for the Employee Retirement System (“ERS”) and the Teacher’s Retirement System (“TRS”).
4. Provide a detailed description of all the budget allocations included in the following concepts of spend by agency:
  - A. Appropriations to non-governmental entities (concept 14);
  - B. Incentives and Subsidies – Social Wellness (concept 13);
  - C. Donations, subsidies, and Court Sentences (concept 4);
  - D. Media and Public Announcements / Advertisement (concept 12);
  - E. Undistributed Appropriations (concept 81);
  - F. Purchased Services (concept 3);
    - i. If the expense is not related to Maintenance and Repairs or Leases (excluding PBA), please describe the service.
  - G. Other operating expenses (concept 7); and
  - H. Professional Services (concept 6);

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- i. 'Other Professional Services' should only be used if the contract is not best categorized by the existing concepts (e.g., Finance and Accounting, Legal, etc.) in the chart of accounts. If 'Other Professional Services' is used and the budget allocation is greater than 10% of the total professional services budget, explain in detail the nature of contracts as well as the purpose or need for each item.
  - ii. Additionally, for all professional service contracts please indicate the following:
    - a. Recurring or non-recurring;
    - b. Back-office support or to provide direct service (e.g., legal representation for people and student tests);
    - c. Indicate if the professional service fee is paid to a government entity (interagency);
    - d. If the service contract is related to fulfilling a specific SRF law, then please indicate which law; and
    - e. Professional service contracts that are required by Federal consent decrees.
5. Provide a detailed list of items that will be included in the OMB Custody account and Treasury Custody Account, as well as the purpose or need for each item.
  6. Provide a list of all interagency transfers, including the transferring agency, the receiving agency, the amount(s), and the purpose of the transfer or agreement for recurring transfers.
  7. Include a narrative associated with the requested budget. The narrative should explain each of the following:
    - A. The use of funds, planned projects, program requirements, matching requirements, economic factors, employee cost requirements, one-time expenses, recurring expenses, macroeconomic factors, consent decrees, maintenance of effort, new services or programs, status of infrastructure required to support the entities services, new revenue sources, new legal requirements, and any other documentation and support that can explain and demonstrate the budget allocation requirements.
    - B. Please also describe and quantify which expenses are currently being funded by one-time federal funds (e.g., COVID federal relief funds) that will continue to be incurred once those federal funds expire.
    - C. Provide narrative that explains maintenance of effort.
  8. Provide the Title III professional fees for FY2027 by advisor and paying entity.
  9. Provide a list of all consent decrees, lawsuit settlements or any other court mandated obligations including a detailed description of each item.

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10. Provide details on any equipment purchases with procurement cycles that take longer than 1 year and that may have payments that exceed the fiscal year including a detailed description of each item.
11. Provide detailed Federal Fund budget projections, including:
  - A. Allocation by agency, cost-concept, fund number, program number, program name, concept of spend and account level details
  - B. Mapped back to the Award ID and/or grant number that was provided as a part of the revenue support
  - C. Mapped back to the U.S. Federal Department providing the source of each federal fund that will fund the budgeted expenditures
  - D. Detail around cost-match requirements from the Commonwealth
  - E. The Federal Fund budgeted expenditure should be on the Puerto Rico Fiscal Year (7/1/26 through 6/30/27), not the Federal Government's Fiscal Year

### **Capital Plan:**

Capital spending is done to acquire, build, maintain, and improve capital assets, i.e., real or personal property that has a useful life of more than one year. Capital assets include those often referred to as infrastructure assets (roads, bridges, parks, disaster recovery assets etc.) as well as land, buildings, fixtures, vehicles, IT hardware and equipment. Additionally, it includes spending necessary to acquire the asset and make it ready for its intended use and disbursements related to intangible investments such as the acquisition or development of internal use software.

Other spending, such as maintenance contracts, application management services, remote infrastructure management, periodic enhancements, and statutory corrections, do not qualify as capital spending.

12. Provide a detailed Capital Expenditure spending report ("CapEx Plan") that includes the following details for each project or investment (all dollar amounts should be provided in thousands, and the length of time should be in years):
  - A. Agency Information - Agency name and number undertaking the project or investment.
  - B. Project Description and Requirements:
    - i. Brief description of the capital expenditure requirements; and
    - ii. Confirmation of whether the project is required pursuant to a consent decree, legislation, or other mandate.
  - C. Budget Summary:
    - i. Total original approved budget for the capital project.
    - ii. The total amount that has been allocated to the project from the original budget (or appropriation) through FY2026, if any.
    - iii. The remaining amount required to complete the project.

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- iv. The total funding required for the FY2027 to ensure the project continues.
  - v. The amounts expected be expended in each subsequent fiscal year to complete the project.
- D. Cost Breakdown - Provide an expense breakdown of the project budget (purchased asset cost, personnel, service contract, equipment, and other).
- E. Project Duration - Describe if the spending is a one-time expense or will require more than one fiscal year to complete. If more than one year, include the amount of years it will take to complete.
- F. Funding Source - Confirm whether federal funds would be available to cover part of the costs.
- G. Project Timeline - Estimated timeline for the project completion (specify if the timeline extends beyond one fiscal year).
- H. Ongoing Costs - Annual maintenance and operating costs related to the Capital Investment.



Capital and Paygo includes \$2,207.1m of paygo associated to agencies, \$2,031.1m for forecasting expenses held under the Custody of Child and \$21.3m for beneficiaries of assumed Commonwealth charges held under the Custody of Treasury

**Special Revenue Fund Notes:**

- The Department of Labor and Human Resources includes \$290m for unemployment funds
- The Traditional Lottery and Electronic Lottery are budgeted under the Department of Treasury
- Special Revenue Fund Paygo includes \$311m for third-party paygo held under the Custody of the Treasury and \$215m of paygo associated with Commonwealth entities

For the payment of life annuity to Wilfredo Benítez, according to the provisions of JR 726-1995  
 For the payment of flood insurance for recipients of federal disaster assistance  
 Early Retirement Benefits for prior employees of the Puerto Rico Public Broadcasting Corporation  
 To fund the operating expenses of Centros Sor Isolina Ferré, Inc.  
 For payments of judgments against the State - Treasury  
 PayGo for beneficiaries of dissolved Commonwealth entities

8,000  
 1,779,000  
 127,000  
 1,119,000  
 100,000  
 27,887,000

OpEx Core	4	Donations, Subsidies and Distributions
OpEx Core	3	Purchased Services
Payroll	1	Payroll and Related Costs
OpEx Core	14	Non Government Entities
OpEx Core	4	Donations, Subsidies and Distributions
PayGo	30	PayGo

**Total**

**2,741,993,000**

<b>Capital Expenditures</b>					
Unallocated capital expenditures	249,925,000	CapEx	8	Capital Expenditures	
ERP Implementation	10,000,000	CapEx	8	Capital Expenditures	
<b>Pension</b>					
Reserve for non-recurring expenses associated with PayGo	28,481,000	PayGo	30	PayGo	
To support the pension obligations of the Puerto Rico Symphonic Orchestra Corporation	2,000,000	OpEx Core	13	Incentives and Subsidies - Social Wellness	
<b>Total</b>	<b>899,866,000</b>				
<b>Grand Total</b>	<b>3,641,859,000</b>				







**Oversight Board FY27 Budget Targets**

ACT 80 - 2020  
as of 2-13-26

In Actuals, rounded

Agency	Payroll Savings		PRT Contributions	
	GF	SRF	GF	SRF
8 Office of the Comptroller	457,000	-	36,000	-
18 Puerto Rico Planning Board	2,485,000	-	918,000	-
22 Office of The Commissioner of Insurance	-	109,000	-	47,000
23 Puerto Rico Department of State	430,000	-	132,000	-
24 Puerto Rico Department of the Treasury	574,000	-	98,000	-
28 State Elections Commission	182,000	-	32,000	-
30 Puerto Rico Office of Human Resources Management and Transformation	484,000	-	73,000	-
38 Puerto Rico Department of Justice	512,000	-	73,000	-
43 Puerto Rico National Guard	59,000	-	22,000	-
45 Puerto Rico Department of Public Safety	998,000	-	318,000	-
49 Puerto Rico Department of Transportation and Public Works	760,000	-	116,000	-
50 Puerto Rico Department of Natural and Environmental Resources	1,430,000	-	492,000	-
55 Puerto Rico Department of Agriculture	110,000	-	13,000	-
60 Office of the Citizen's Ombudsman	67,000	-	28,000	-
65 Public Service Commission	-	-	-	-
67 Puerto Rico Department of Labor and Human Resources	573,000	-	85,000	-
69 Puerto Rico Department of Consumer Affairs	199,000	-	56,000	-
70 State Insurance Fund Corporation	-	9,107,000	-	2,924,000
71 Department of Health	462,000	-	68,000	-
81 Department of Education	2,920,000	-	389,000	-
87 Department of Recreation and Sports	387,000	-	42,000	-
95 Mental Health and Drug Addiction Services Administration	1,686,000	-	277,000	-
100 Legislative Assembly of the Commonwealth	107,000	-	30,000	-
105 Puerto Rico Industrial Commission	-	558,000	-	184,000
109 Puerto Rico School of Plastic Arts	237,000	-	89,000	-
119 Department of Economic Development and Commerce of Puerto Rico	1,984,000	4,292,000	663,000	1,408,000
121 Government Board of the 911 Service	-	181,000	-	62,000
127 Administration for Socioeconomic Development of the Family	147,000	-	16,000	-
137 Department of Correction and Rehabilitation	782,000	-	101,000	-
139 Parole Board	99,000	-	43,000	-
141 Telecommunications Regulatory Board	-	-	-	-
162 Public Building Authority (PBA)	-	2,491,000	-	860,000
165 Land Authority	-	1,211,000	-	464,000
168 Puerto Rico Ports Authority	-	6,720,000	-	2,246,000
177 Land Administration of Puerto Rico	-	557,000	-	210,000
180 Puerto Rico Tourism Company	-	1,131,000	-	384,000
192 Fine Arts Center Corporation	290,000	-	103,000	-
193 Government Ethics Board	447,000	-	65,000	-
196 Puerto Rico Public Broadcasting Corporation	-	-	-	139,000
198 Agricultural Insurance Corporation	-	85,000	-	35,000
276 Puerto Rico Public Private Partnership Authority	177,000	-	63,000	-
277 Agricultural Enterprises Development Administration (ADEA)	1,079,000	3,478,000	371,000	1,175,000
295 Fiscal Agency & Financial Advisory Authority	676,000	-	283,000	-
298 Public Service Regulatory Board	1,424,000	-	550,000	-
311 Gaming Commission	240,000	-	81,000	-
<b>Grand Total</b>	<b>22,464,000</b>	<b>29,920,000</b>	<b>5,726,000</b>	<b>10,138,000</b>