

**UPR RIO PIEDRAS CAMPUS  
UNIVERSITY OF PUERTO RICO**



## **APPENDICES FOR:**

**Supplemental Information Report Update to the  
Middle States Commission on Higher Education**

## 1. CERTIFICATION CEPR 2018-210



# GOVERNMENT OF PUERTO RICO

Puerto Rico Council on Education

Certification Number 2018-210  
English Version

I, Edward Moreno- Alonso, President of the Puerto Rico Council of Education, hereby CERTIFY:-----

That the Puerto Rico Council of Education, by its ordinary meeting of June 26, 2018, pursuant to the authority conferred by the Reorganization Plan Number 1, of July 26, 2010, as amended, granted the Renewal License to University of Puerto Rico to continue operating as a higher education institution in Puerto Rico. This license is valid for five (5) years term (June 26, 2018, to June 25, 2023) and is granted on the basis of the academic offerings mentioned below and the place where these are offered.

### Río PIEDRAS CAMPUS

Address: Ave. Ponce de León Parada 39 1/2 Río Piedras, Puerto Rico 00931

<u>Academic Programs</u>	<u>Credits</u>
Bachelor in Business Administration – General	130
Bachelor in Business Administration with major in Accounting	130
Bachelor in Business Administration with major in Applied Statistics	130
Bachelor in Business Administration with major in Computer Information Systems	130
Bachelor in Business Administration with major in Economics	130
Bachelor in Business Administration with major in Finance	130
Bachelor in Business Administration with major in Human Resources Management	130
Bachelor in Business Administration with major in Marketing Management	130
Bachelor in Business Administration with major in Management of Operations and Supplies	130
Bachelor in Computer Science	130
Bachelor in Environmental Design	131
Bachelor in Office Management	130
Bachelor of Arts for the Education of the Family and Community	125
Bachelor of Arts in Communication with major in Audiovisual Communication	120
Bachelor of Arts in Communication with major in Information and Journalism	120
Bachelor of Arts in Communication with major in Public Relations and Publicity	120
Bachelor of Arts in Secondary Education with major in Mathematics	123
Bachelor of Arts in Secondary Education with major in Chemistry	129
Bachelor of Arts in Education with major in Arts	133
Bachelor of Arts in Education with major in Music	132
Bachelor of Arts in Education with major in Recreation	120
Bachelor of Arts in Education with major in Theater	133
Bachelor of Arts in Elementary Education with major in Elementary Education (K-3)	129
Bachelor of Arts in Elementary Education with major in Elementary Education (4-6)	133
Bachelor of Arts in Elementary Education with major in Special Education	133
Bachelor of Arts in Elementary Education with major in Teaching English to Spanish-Speakers	128
Bachelor of Arts in English with major in Linguistics and Communication	
Bachelor of Arts in English with major in Literature	
Bachelor of Arts in General Studies	



<b>Academic Programs</b>	<b>Credits</b>
Bachelor of Arts in Preschool Education	130
Bachelor of Arts in Secondary Education with major in Biology	126
Bachelor of Arts in Secondary Education with major in History	125
Bachelor of Arts in Secondary Education with major in Physical Education	128
Bachelor of Arts in Secondary Education with major in Physics	129
Bachelor of Arts in Secondary Education with major in Sciences	126
Bachelor of Arts in Secondary Education with major in Social Studies	125
Bachelor of Arts in Secondary Education with major in Spanish	122
Bachelor of Arts in Secondary Education with major in Teaching English to Spanish-Speakers	128
Bachelor of Arts with major in Anthropology	120
Bachelor of Arts with major in Comparative Literature	129
Bachelor of Arts with major in Drama	129
Bachelor of Arts with major in Economics	120
Bachelor of Arts with major in European History	129
Bachelor of Arts with major in Geography	120
Bachelor of Arts with major in Hispanic Studies	129
Bachelor of Arts with major in History of Art	129
Bachelor of Arts with major in History of the Americas	129
Bachelor of Arts with major in Interdisciplinary Studies	129
Bachelor of Arts with major in Labor Relations	120
Bachelor of Arts with major in Modern Languages	129
Bachelor of Arts with major in Music	129
Bachelor of Arts with major in Philosophy	129
Bachelor of Arts with major in Plastic Arts	129
Bachelor of Arts with major in Political Sciences	120
Bachelor of Arts with major in Psychology	121
Bachelor of Arts with major in Social Sciences	120
Bachelor of Arts with major in Social Work	130
Bachelor of Arts with major in Sociology	120
Bachelor of Science with major in Biology	126
Bachelor of Science with major in Chemistry	130
Bachelor of Science with major in Environmental Sciences	130
Bachelor of Science with major in Interdisciplinary Studies	121
Bachelor of Science with major in Mathematics	124
Bachelor of Science with major in Nutrition and Dietetics	134
Bachelor of Science with major in Physics	129
Graduate Certificate of Specialized Translator	18
Post Bachelor Certificate in Records Management and Archives	18
Post Bachelor Certificate in School Librarian (On Line)	22
Post Graduate Certificate in Applied Linguistics in Spanish	18
Master in Management and Development of Cooperatives and Community Based Organizations	30
Master of Architecture	56
Master of Arts in Clinical Psychology	44
Master of Arts in Communication in Journalism	30

<b>Academic Programs</b>	<b>Credits</b>
Master of Arts in Communication in Theory and Research	30
Master of Arts in Community Social Psychology	43
Master of Arts in Comparative Literature	30
Master of Arts in Cultural Management and Administration	30
Master of Arts in Economics	30
Master of Arts in English	30
Master of Arts in Hispanic Studies	30
Master of Arts in History	30
Master of Arts in Industrial Organizational Psychology	44
Master of Arts in Linguistics	30
Master of Arts in Philosophy	30
Master of Arts in Research and Academic Psychology	43
Master of Arts in Sociology	29
Master of Arts in Translation	45
Master of Business Administration	42
Master of Education in Child Education (Preschool)	30
Master of Education in Child Education (Reading)	42
Master of Education in Curriculum and Teaching	36
Master of Education in Educational Research and Evaluation	36
Master of Education in Family Ecology and Nutrition	36
Master of Education in Guidance and Counseling	39
Master of Education in Leadership in Educational Organizations	30
Master of Education in Special Education	30
Master of Education in Teaching English as a Second Language	40
Master of Exercise Science in Exercise Physiology	34
Master of Information Science (MIS)	36
Master of Laws (LL.M)	24
Master of Planning	48
Master of Public Administration in Government and Public Policy	37
Master of Public Administration in Human Resources Management and Labor relations	37
Master of Public Administration in Public Management	37
Master of Rehabilitation Counseling	55
Master of Science in Biology	30
Master of Science in Chemistry	35
Master of Science in Environmental Science	32
Master of Science in Mathematics	30
Master of Science in Physics	32
Master of Social Work	54
Post Master Certificate in Public and Special Academic Library Administration	16
Juris Doctor (JD)	92
Doctor of Education in Curriculum and Teaching	51
Doctor of Education in Guidance and Counseling	60
Doctor of Education in Leadership in Educational Organizations	51
Doctor of Philosophy and Letters in English	36
Doctor of Philosophy in Biology	60
Doctor of Philosophy in Business Administration in Finance	64

<b>Academic Programs</b>	<b>Credits</b>
Doctor of Philosophy in Business Administration in International Commerce	64
Doctor of Philosophy in Chemistry	74
Doctor of Philosophy in Environmental Sciences	42
Doctor of Philosophy in Hispanic Studies	30
Doctor of Philosophy in History	30
Doctor of Philosophy in Mathematics	69
Doctor of Philosophy in Physics-Chemistry	69
Doctor of Philosophy in Psychology	80
Doctor of Philosophy in Social Work	42

**MAYAGÜEZ CAMPUS:**

Address: Boulevard Alfonso Valdés 259, Edificio de Diego 201, Mayagüez, Puerto Rico 00680

<b>Academic Programs</b>	<b>Credits</b>
Bachelor in Office Administration	124
Bachelor of Agricultural Science	139
Bachelor of Agricultural Science in Agricultural and Environmental Systems	143
Bachelor of Agricultural Science in Agricultural Economics	142
Bachelor of Agricultural Science in Agricultural Education	142
Bachelor of Agricultural Science in Agricultural Extension	142
Bachelor of Agricultural Science in Agronomy	140
Bachelor of Agricultural Science in Animal Science	139
Bachelor of Agricultural Science in Crop Protection	142
Bachelor of Agricultural Science in Horticulture	142
Bachelor of Agricultural Science in Soil	140
Bachelor of Agricultural Sciences in Agribusiness	141
Bachelor of Arts in Comparative Literature	137
Bachelor of Arts in Economics	134
Bachelor of Arts in English	134
Bachelor of Arts in French Language and Literature	137
Bachelor of Arts in Hispanic Studies	136
Bachelor of Arts in History	134-136
Bachelor of Arts in Philosophy	140
Bachelor of Arts in Physical Education - Coaching and Officiating	133-135
Bachelor of Arts in Physical Education - Teaching	135-137
Bachelor of Arts in Plastic Arts	140
Bachelor of Arts in Political Sciences	134-136
Bachelor of Arts in Psychology	133-135
Bachelor of Arts in Social Sciences	134-136
Bachelor of Arts in Sociology	134-136
Bachelor of Arts in Theory of Art	140
Bachelor of Science in Biology	141
Bachelor of Science in Business Administration in Accounting	140
Bachelor of Science in Business Administration in Computerized Information Systems	139
Bachelor of Science in Business Administration in Finance	137

<b>Academic Programs</b>	<b>Credits</b>
Bachelor of Science in Business Administration in Marketing	137
Bachelor of Science in Business Administration with major in Human Resources Management	137
Bachelor of Science in Business Administration with major in Operations Management	137
Bachelor of Science in Chemical Engineering	172
Bachelor of Science in Chemistry	139
Bachelor of Science in Civil Engineering	180
Bachelor of Science in Computer Engineering	167
Bachelor of Science in Computer Sciences	139
Bachelor of Science in Computer Sciences and Engineering	155
Bachelor of Science in Electrical Engineering	165
Bachelor of Science in Geology	141
Bachelor of Science in Industrial Biotechnology	164
Bachelor of Science in Industrial Engineering	175
Bachelor of Science in Industrial Microbiology	140-141
Bachelor of Science in Mathematics	139
Bachelor of Science in Mathematics Education	139
Bachelor of Science in Mechanical Engineering	159
Bachelor of Science in Nursing	144
Bachelor of Science in Physical Sciences	142
Bachelor of Science in Physics	141
Bachelor of Science in Pre-Medical Studies	142
Bachelor of Science in Software Engineering	155
Bachelor of Science in Surveying and Topography	148
Master in Bioengineering	31
Master of Arts in English Education	30-36
Master of Arts in Hispanic Studies	36
Master of Arts in Kinesiology	31-34
Master of Business Administration	48
Master of Business Administration in Finance	48
Master of Business Administration in Human Resources	48
Master of Business Administration in Industrial Management	48
Master of Engineering in Chemical Engineering	30-36
Master of Engineering in Civil Engineering	30-36
Master of Engineering in Computer Engineering	30-36
Master of Engineering in Electrical Engineering	30-36
Master of Engineering in Industrial Engineering	30-36
Master of Engineering in Materials Science and Engineering	35
Master of Engineering in Mechanical Engineering	30-36
Master of Science in Agricultural Economics	30
Master of Science in Agricultural Education	30
Master of Science in Agricultural Extension	30
Master of Science in Agronomy	30
Master of Science in Animal Science	30
Master of Science in Applied Mathematics	32-36
Master of Science in Bioengineering	31-37

<b>Academic Programs</b>	<b>Credits</b>
Master of Science in Biology	30
Master of Science in Chemical Engineering	30-36
Master of Science in Chemistry	30
Master of Science in Civil Engineering	30-36
Master of Science in Computer Engineering	30-36
Master of Science in Crop Protection	30
Master of Science in Electrical Engineering	30-36
Master of Science in Food Science and Technology	30
Master of Science in Geology	30
Master of Science in Horticulture	30
Master of Science in Industrial Engineering	30-36
Master of Science in Marine Sciences	35
Master of Science in Materials Science and Engineering	35
Master of Science in Mechanical Engineering	30-36
Master of Science in Physics	30
Master of Science in Pure Mathematics	32-36
Master of Science in Scientific Computing	32-36
Master of Science in Soils	30
Master of Science in Statistics Mathematics	32-36
Master of Science in Teaching Mathematics at Secondary Level	36
Doctor of Philosophy in Applied Chemistry	52-55
Doctor of Philosophy in Bioengineering	49
Doctor of Philosophy in Chemical Engineering	52
Doctor of Philosophy in Civil Engineering	72
Doctor of Philosophy in Computing and Information Sciences and Engineering	57
Doctor of Philosophy in Electrical Engineering	59
Doctor of Philosophy in Marine Sciences	72
Doctor of Philosophy in Mechanical Engineering	61

**MEDICAL SCIENCES CAMPUS:**

Address: Terrenos Centro Médico de Puerto Rico, Edificio Principal, Río Piedras, Puerto Rico 00936

<b>Academic Programs</b>	<b>Credits</b>
Associate Degree in Dental Assisting with Expanded Functions	74
Associate Degree in Ophthalmic Technology	72
Associate Degree in Radiological Technology	95
Bachelor of Health Education	132
Bachelor of Health Sciences	152
Bachelor of Science in Medical Technology	154
Bachelor of Science in Nuclear Medicine Technology	135
Bachelor of Science in Nursing	127
Bachelor of Science in Veterinary Technology	130
Post Bachelor Certificate in Citotechnology	38
Post Bachelor Certificate in Dietetic Internship	11 months
Post Bachelor Certificate in Science in Medical Technology	54



<b>Academic Programs</b>	<b>Credits</b>
Master of Health Information Management	72
Master of Health Science with specialty in Nutrition	53
Master of Health Services Administration	77
Master of Public Health (General Program)	54
Master of Public Health Education (MPHE)	62
Master of Public Health with specialty in Biostatistics	55
Master of Public Health with specialty in Environmental Health	67
Master of Public Health with specialty in Epidemiology	54
Master of Public Health with specialty in Gerontology	54
Master of Science in Clinical and Translational Research	30
Master of Science in Clinical Laboratory	36
Master of Science in Demography	70
Master of Science in Dentistry with specialty in Oral and Maxillofacial Surgery	94
Master of Science in Dentistry with specialty in Orthodontics	125
Master of Science in Dentistry with specialty in Pediatric Dentistry	67
Master of Science in Dentistry with specialty in Prosthodontics	149
Master of Science in Industrial Hygiene	67
Master of Science in Nursing	104
Master of Science in Nursing with specialty in Anesthesia	67
Master of Science in Occupational Therapy	83
Master of Science in Pharmacy with specialty in Industrial Pharmacy	40
Master of Science in Pharmacy with specialty in Pharmaceutical Sciences	40
Master of Science in Physical Therapy	80
Master of Science in Speech-Language Pathology	62
Master of Science with specialty in Anatomy	36
Master of Science with specialty in Biochemistry	33
Master of Science with specialty in Epidemiology	76
Master of Science with specialty in Evaluation Research of Health Systems	71
Master of Science with specialty in Microbiology	33
Master of Science with specialty in Pharmacology	35
Master of Science with specialty in Physiology	31
Master of Science with specialty in Toxicology	34
Graduate Certificate in Developmental Disabilities- Early Intervention	26
Graduate Certificate in Gerontology	20
Graduate Certificate in School Health Promotion	20
Doctor of Philosophy in Biochemistry	63
Doctor of Audiology	132
Doctor of Dental Medicine	4,487 hrs.
Doctor of Medicine	4,692 hrs.
Doctor of Nursing Science (DNS)	54
Doctor of Pharmacy	144
Doctor of Philosophy in Anatomy	64-65
Doctor of Philosophy in Biology (in consortium with UPRRP)	60
Doctor of Philosophy in Microbiology	61
Doctor of Philosophy in Pharmacology	60
Doctor of Philosophy in Physiology	61

<b>Academic Programs</b>	<b>Credits</b>
Doctor of Philosophy in Toxicology	59
Doctor of Physical Therapy	132.5
Doctor of Public Health in Environmental Health	56
Doctor of Public Health in Health Systems Analysis and Management	57
Doctor of Public Health in Social Determinants of Health	55
Post Doctoral Certificate in Oral and Maxillofacial Surgery	79
Post Doctoral Certificate in General Dentistry	43
Post Doctoral Certificate in Pediatric Dentistry	56
Post Doctoral Certificate in Orthodontics	117
Post Doctoral Certificate in Prosthodontics	138

**UNIVERSITY OF PUERTO RICO AT HUMACAO**

Address: Bo. Tejas 100 Carr. 908 Humacao, Puerto Rico 00791

<b>Academic Programs</b>	<b>Credits</b>
Associate Degree in Chemical Technology	69
Associate Degree in Electronics Technology	68
Associate Degree in Occupational Therapy	74
Associate Degree in Physical Therapy	70
Bachelor in Business Administration with major in Accounting	137
Bachelor in Business Administration with major in Human Resources	137
Bachelor in Business Administration with major in International Commerce	131
Bachelor in Business Administration with major in Management	137
Bachelor in Elementary Education with major in Primary Level Education and Special Education	137
Bachelor in Office Systems Administration	124
Bachelor in Social Sciences with major in Social Action Research	128
Bachelor of Arts in English with major in Elementary Education	128
Bachelor of Arts in English with major in Secondary Education	129
Bachelor of Arts in Social Work	131
Bachelor of Arts with major in Communication Technology	129
Bachelor of Arts with major in Puerto Rican and Caribbean Studies	125
Bachelor of Science in Nursing	131
Bachelor of Science with major in Coastal Marine Biology	132
Bachelor of Science with major in Computational Mathematics	130
Bachelor of Science with major in General Biology	133
Bachelor of Science with major in Industrial Chemistry	134
Bachelor of Science with major in Microbiology	133
Bachelor of Science with major in Physics Applied to Electronics	133
Bachelor of Science with major in Wildlife Management	133

**UNIVERSITY OF PUERTO RICO AT CAYEY**

Address: 205 Ave. Antonio Barceló, Cayey, Puerto Rico 00736

<b>Academic Programs</b>	<b>Credits</b>
Bachelor in Business Administration with major in Accounting	136
Bachelor in Business Administration with major in Management	133
Bachelor in Natural Sciences	132
Bachelor in Technology and Office Administration with major in Office Management	135
Bachelor of Arts in Elementary Education with major in English	130
Bachelor of Arts in Elementary Education with major in Mathematics	130
Bachelor of Arts in Elementary Education with major in Natural Sciences	130
Bachelor of Arts in Elementary Education with major in Spanish	130
Bachelor of Arts in Elementary Education with major in Special Education	128
Bachelor of Arts in Secondary Education with major in English	129
Bachelor of Arts in Secondary Education with major in Mathematics	129
Bachelor of Arts in Secondary Education with major in Natural Sciences	129
Bachelor of Arts in Secondary Education with major in Physical Education	130
Bachelor of Arts in Secondary Education with major in Spanish	129
Bachelor of Arts with major in English	128
Bachelor of Arts with major in Hispanic Studies	129
Bachelor of Arts with major in History	129
Bachelor of Arts with major in Humanities	129
Bachelor of Arts with major in Psychology	129
Bachelor of Arts with major in Psychology and Community Mental Health	130
Bachelor of Arts with major in Social Sciences	128
Bachelor of Arts with major in Sociology	132
Bachelor of Science with major in Biology	131
Bachelor of Science with major in Chemistry	131
Bachelor of Science with major in Mathematics	129

**UNIVERSITY OF PUERTO RICO AT ARECIBO**

Address: Carr. 653 Km. 08 Sector Barrancas, Arecibo, Puerto Rico 00614

<b>Academic Programs</b>	<b>Credits</b>
Associate Degree in Nursing	68
Associate Degree in Chemical Engineering Technology	67
Associate Degree in Veterinary Technology	65
Associate Degree in Biotechnology Operations	66
Bachelor in Business Administration with major in Accounting	138
Bachelor in Business Administration with major in Finance	132
Bachelor in Business Administration with major in Management	130
Bachelor in Business Administration with major in Marketing	129
Bachelor of Arts in Education with major in Physical Education for Elementary Level	128
Bachelor of Arts in Elementary Education	137
Bachelor of Science with major in Computer Science	131

<b>Academic Programs</b>	<b>Credits</b>
Bachelor of Science with major in Microbiology	127
Bachelor of Science in Nursing	134
Bachelor of Social Sciences with major in Iberoamerican Studies	123
Bachelor of Social Sciences with major in Industrial Organizational Psychology	124
Bachelor in Office Systems	127-130
Bachelor in Television and Radio Communication Technology	123
Bachelor in Industrial Chemical Processes Technology	137
Post-Baccalaureate Professional Certificate in Gastroenterology Nursing Care	18

**UNIVERSITY OF PUERTO RICO AT PONCE**

Address: 2151 Ave. Santiago de los Caballeros Ponce, Puerto Rico 00716

<b>Academic Programs</b>	<b>Credits</b>
Associate Degree in Architectural Drafting for Civil Engineering Technology	70
Associate Degree in Construction for Civil Engineering Technology	69
Associate Degree in Industrial Engineering Technology	71
Associate Degree in Physical Therapy	72
Bachelor in Athletic Therapeutics	135
Bachelor in Business Administration with major in Accounting	132-134
Bachelor in Business Administration with major in Finance	125
Bachelor in Business Administration with major in Management	125
Bachelor in Business Administration with major in Marketing	125.0
Bachelor in Office Systems	130
Bachelor of Arts in Elementary Education	136
Bachelor of Arts in Social Sciences with major in Forensic Psychology	132
Bachelor of Arts in Social Sciences with major in Psychology and Mental Health	132
Bachelor of Natural Sciences with major in Biology	125
Bachelor of Natural Sciences with major in Biomedics	126
Bachelor in Computerized Information Systems	132

**UNIVERSITY OF PUERTO RICO AT BAYAMÓN**

Address: Carr. 174 Núm. 170 Industrial Minillas, Bayamón, Puerto Rico 00956-1911

<b>Academic Programs</b>	<b>Credits</b>
Associate Degree in Automation, Instrumentation, and Control Systems Technology	70
Associate Degree in Civil Engineering Technology	71
Associate Degree in Construction, Surveying and Roads Engineering Technology	70
Associate Degree in Industrial Engineering Technology	68
Bachelor in Business Administration with major in Accounting	141
Bachelor in Business Administration with major in Finance	138
Bachelor in Business Administration with major in Management	139
Bachelor in Business Administration with major in Marketing	141
Bachelor in Computer Science	136
Bachelor in Materials Management	127
Bachelor in Natural Sciences with major in Biology	134

<b>Academic Programs</b>	<b>Credits</b>
Bachelor in Natural Sciences with major in Biology-Human Approach	134
Bachelor in Office Systems	132
Bachelor in Preschool and Elementary Education	137
Bachelor in Special and Elementary Physical Education	138
Bachelor of Science with major in Electronic Engineering Technology	132

**UNIVERSITY OF PUERTO RICO AT AGUADILLA**

Address: Calle Belt Base Ramey, Aguadilla, Puerto Rico 00604

<b>Academic Programs</b>	<b>Credits</b>
Associate Degree in Aeronautics and Aerospace Technology	72
Associate Degree in Electronics Technology	67
Bachelor in Business Administration-General	121
Bachelor in Business Administration with major in Accounting	127
Bachelor in Business Administration with major in Computer Information Systems	121
Bachelor in Business Administration with major in Finance	123
Bachelor in Business Administration with major in Human Resources	121
Bachelor in Business Administration with major in Marketing	121
Bachelor in Office Systems	122
Bachelor of Arts in Education with major in English Multimedia Technology	120
Bachelor of Arts in Elementary Education	129
Bachelor of Science in Electronic Engineering Technology	134
Bachelor of Science in Environmental Technology	124
Bachelor of Science with major in Biology	121

**UNIVERSITY OF PUERTO RICO AT CAROLINA**

Address: Ave. Sur 2100 Carolina, Puerto Rico 00987-4807

<b>Academic Programs</b>	<b>Credits</b>
Associate Degree in Automotive Technology	69
Associate Degree in Hotel Administration	71
Associate Degree in Instrumentation and Control Systems Engineering Technology	73
Associate Degree in Interior Design	68
Associate Degree in Mechanical Engineering Technology	72
Bachelor in Business Administration with major in Finance	134
Bachelor in Business Administration with major in Management	134
Bachelor in Commercial Advertising Technology	128
Bachelor in Graphic Arts	128
Bachelor in Hotel and Restaurant Administration	132
Bachelor in Multidisciplinary Studies with major in Tourism Culture	129
Bachelor in Office Systems	131
Bachelor of Arts in Secondary Education with major in Occupational Education	129
Bachelor of Arts in Secondary Education with major in Education and Technology	129
Bachelor of Arts in Social Sciences in Criminal Justice with major in Law and Society	127

<b>Academic Programs</b>	<b>Credits</b>
Bachelor of Arts in Social Sciences in Criminal Justice with major in Forensic Psychology	127
Bachelor of Arts with major in Interior Design	132

**UNIVERSITY OF PUERTO RICO AT UTUADO**

Address: Carr. 123 Km. 52.5 Bo. Salto Arriba Utuado, Puerto Rico 00641

<b>Academic Programs</b>	<b>Credits</b>
Associate Degree in Agricultural Production Technology	65
Associate Degree in Arts in Education	60
Associate Degree in Arts in Humanities	60
Associate Degree in Arts in Social Sciences	60
Associate Degree in Food Processing Technology	62
Associate Degree in Horticulture Technology	64
Associate Degree in Livestock Industry Technology	64
Associate Degree in Sciences in Natural Sciences	60
Bachelor in Business Administration with major in Accounting	135
Bachelor in Office Systems	132
Bachelor of Arts in Elementary Education	137
Bachelor of Arts in Sustainable Agriculture	121

<b>ACADEMIC PROGRAMS IN MORATORIUM</b>
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**RÍO PIEDRAS CAMPUS**

- Bachelor of Arts in Secondary Education with major in Commercial Education-General
- Bachelor of Arts in Secondary Education with major in Commercial Education- Secretary Program
- Bachelor of Arts in Secondary Education with major in Family Ecology
- Master of Education in Family Ecology and Nutrition
- Master of Public Administration in Administration and Financial Policy
- Master of Public Administration-General
- Post Bachelor Certificate in Electronic Information Resources
- Post Master Certificate in Information Services Consultant
- Post Master Certificate in Legal Information Specialist

**MEDICAL SCIENCES CAMPUS**

- Master of Public Health with specialty in Nurse Midwifery
- Certificate in Nurse Midwife

**UNIVERSITY OF PUERTO RICO AT CAYEY**

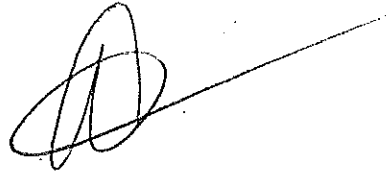
- Bachelor in Business Administration
- Bachelor of Arts in Secondary Education with major in History

**UNIVERSITY OF PUERTO RICO AT UTUADO**

- Associate Degree in Business Administration
- Associate Degree in Office Systems
- Associate Degree in Pest Control Technology

This certification is issued according to Articles 17 and 22 of the Regulations for the Licensing of Higher Education Institutions in Puerto Rico, No. 8265 of 2012. The Institution must comply with the responsibilities in this license. The CEPR retains its authority to verify the fulfillment of said responsibilities in any instance during the course of the validity of the license.

And for the witness therefore, I issue this certification in San Juan, Puerto Rico today, June 27, 2018

A handwritten signature in black ink, consisting of a large, stylized initial 'E' followed by a long horizontal line extending to the right.

Edward Moreno Alonso, Ed. D.  
President

2. STRATEGIC PLAN COMMITMENT 2018-2023,  
CERT. 79, 2017-18, ACADEMIC SENATE.





# **STRATEGIC PLAN**

***Commitment 2018 - 2023***

**Approved by the Río Piedras Academic Senate  
Cert. 79, 2017-2018.**

**May 24, 2018**

## Introduction

For more than 100 years, the Río Piedras Campus of the University of Puerto Rico (UPRRP) has maintained its commitment to the social and economic development of Puerto Rico. This Strategic Plan: Commitment 2018-2023 (*Commitment 2023*) renews that path. It proposes strengthening the relationship of the Campus with Puerto Rico, as well as increasing the presence and recognition of our institution worldwide. The strategic areas point to the necessary changes needed to create a future of opportunities in a challenging and uncertain social and economic environment. Innovative action is crucial given the diverse realities of newly admitted students and the complex context which they will be exposed to as graduates. University students in the 21<sup>st</sup> century are citizens who see their country and the world as their stage; they are the protagonists of their own learning. Teaching and service processes must incorporate continual advances in communications, the massive presence of technology in higher education, and the technological diversity that the graduates will aggregate in their personal and professional activities.

Public higher education faces difficult economic, social, and demographic scenarios that lead to profound changes in our institution. In light of those challenges, the Río Piedras campus has implemented precautionary measures of expenditure reduction and has generated initiatives to optimize its resources without undermining the excellent education that it offers. The significant questions that the campus faces point to new developments that will boost efficiency and effectiveness in institutional processes. Towards that change, through this Strategic Plan, the campus will prioritize its efforts to establish an effective balance between excellence in results and fiscally sustainable management approaches.

The Strategic Plan focuses on decision-making for resource allocation. Its priority areas are framed by the Campus Mission (Annex 1). **Commitment 2023** defines four concerted priority areas (Figure 1): 1. Research/creation consistent with the constant developments in the disciplines and the urgency to solve problems that critically affect the quality of life of Puerto Rican society and the world. 2. Innovative and distance education in line with labor market trends, student profile diversity, as well as the development of the necessary skills to lead entrepreneurial processes for a more sustainable society and Institution; 3. The roles of service and community bonding through social, cultural and scientific initiatives

## THE PLAN'S VISION

### ***Commitment 2023***

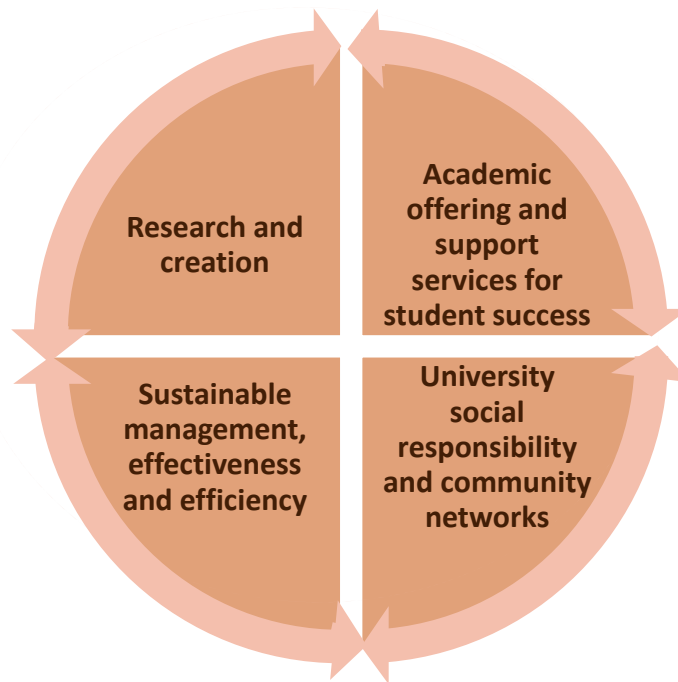
**The Plan strengthens the role of the campus as a promoter of the social and economic development of the Puerto Rican society and the world. It harmonizes the different recommendations and positions of the university community and other collaborating groups for the training of the professionals Puerto Rico needs in the coming years. It establishes a guide to implement action strategies that are innovative and consistent with the strengths of the institution and its present and future challenges.**

## **THE PLAN'S MISSION**

### ***Commitment 2023***

**To provide a roadmap for making priority decisions during the next five years, and address fundamental changes required by the Campus, reaffirming its commitment to excellence in research, creation, teaching, and service.**

in multiple areas of knowledge; and 4. The optimization of resources to strengthen the quality of services, facilitate teaching, creation, and research to advance our Mission.



*Figure 1: Priority Areas*

## **The Río Piedras Campus**

UPRRP's contributions to Puerto Rico and the international community are sustained by the success of its graduates, by the accomplishments and honors of a first-rate faculty, and by the continued support from qualified staff. The Río Piedras Campus of the University of Puerto Rico is also recognized for its comprehensive cultural offer that nurtures the student experience and the Puerto Rican and international society.

The Carnegie classification has been the main frame of reference for recognizing and describing diversity in higher education in the United States for the last 44 years.<sup>1</sup> The Campus was classified as a doctoral research institution until the last review in 2015 when it was distinguished as the only university in Puerto Rico cataloged as a Doctoral University of Higher Research Activity (R2).<sup>1</sup> This classification, the result of the combined efforts of all sectors of our community, positions it in the top 6% among more than 4,000 institutions classified in the United States.<sup>2</sup> To maintain this classification, the Campus has to facilitate research/creation by undergraduate and graduate students and professors, in addition to strengthening its culture of entrepreneurship and sustainability in research activity.

The Campus' prestigious and diverse faculty has professional expertise, international experience, and solid academic credentials. Approximately 1,000 professors teach full-time and 84% of those with tenure or tenure-track hold a doctorate or the highest degree in their field.<sup>2</sup> The excellent and high productivity of professors in creative work, and peer-reviewed and cited publications has been widely recognized. The Campus will enhance this strength through a more diversified and enriched dissemination of the intellectual property at the local and international levels.

UPRRP is also distinguished by the diversity of its academic offerings. It offers 68 bachelors, 44 masters, 15 doctorates, one first professional degree and 8 postgraduate certificates, representing the widest range available on the island, particularly at the doctorate level<sup>3</sup>, and contributes 24 unique programs to the UPR system. 90% of the programs susceptible to accreditation are accredited which indicates the high standards the institution expects of its academic offerings.<sup>4</sup> The Campus stands out for its honors program, continuing education, and service to the external community. It has begun to increase its offer of distance learning courses, and is working towards making available online programs. This initiative will open new opportunities in the Caribbean region, presenting itself as an educational alternative for the Spanish-speaking population. This online offer is vital for a transformation that addresses the sociocultural changes brought about by the widespread use of information and communication technologies. An agile curriculum management that responds to new paths of knowledge will provide diverse learning environments for new student populations and for achieving student success.

Academic activity on Campus is comprehensive, complex, and diverse. Graduate and undergraduate students receive a rigorous academic preparation that is strengthened by service, research, and creation activities. They stand out and are awarded in conferences and competitions at the international level. During the first semester of the 2017-2018 academic

year, UPRRP received 11,981 undergraduates and 3,117 graduate students most of them enrolled full-time<sup>5</sup>. 43% of students come from public schools and 39% are male.<sup>5</sup> During the 2016-2017 academic year, the institution awarded 2,331 degrees; the rate of retention for the past five years averages 88%, and in 2017 the undergraduate level graduation rate was 56% in 6 years<sup>6</sup>, the highest among comparable institutions of higher education in Puerto Rico.

The Campus welcomes students with cultural patterns and lifestyles that differ in important aspects from those admitted in previous decades. The strong presence of information technologies and communication in higher education along with the changing student needs lead to a comprehensive move that integrates technology into academic programs and specialized services.<sup>7</sup> The development of skills associated with these technologies is vital to respond to the needs of Puerto Rico and for alumni in their lives to successfully face a job market that evolves constantly worldwide.<sup>8</sup> Given this panorama, entrepreneurship, self-management, and the skills for sustainability as citizens and professionals are increasingly necessary.

The university community of the IUPI, as the Campus is affectionately known, participates in varied teaching, practice, internship, and volunteering activities. Through these, UPRRP maintains and strengthens its social role and community network while offering an enriching experience for students. The Campus cultivates its outreach through supportive social, cultural, and environmental action. In accordance with its Mission, the IUPI provides various community services which, in turn, enrich the campus as well (Urban, Community, and Business Action Center; Pro-Bono Program of the School of Law; University Education in the Correctional System Pilot Project, among others). To strengthen the bond of service to the community, the campus will encourage collaborative agreements with businesses to serve as laboratory or work experience. Collaborative efforts will be strengthened, and community projects will be promoted, ensuring their integration into course offerings. Likewise, the Campus maintains its cultural activities that heighten student's life and the community in general.

## **Challenges**

The Campus faces fiscal fragility marked by the reduction of government resources and a demographic shift in the country which impacts the population it serves. The fiscal crisis scenario generates a significant reduction in public funds received by UPRRP. Harmonizing this reality with the commitment to excellence that distinguishes the Campus requires articulating an increase in fiscal sustainability and the renewal of academic and administrative processes, with the optimization of services that use technology and the creation of productive alliances. The decrease in funds allocated to the institution has been considered in the preparation of this plan. The Campus has experienced a decline in its operational budget of nearly 50 million dollars in the past three years. The UPR system projects a reduction in its public funds of more than 200 million by 2023, according to the Fiscal Plan approved in April of 2018.<sup>9</sup>

The drop in birthrate, the aging of the population, and emigration must be considered as significant variables when generating an academic and professional offering that is innovative, relevant and competitive.<sup>10</sup> Recent data from the Board of Education of Puerto Rico shows a 9% decrease in the higher education enrollment from 2010 to 2016<sup>11</sup>; the educational level of the

labor force of Puerto Rico in 2014 indicates that 54.9% have university studies.<sup>12</sup> In addition, in 2016 only 25% of the population of 25 years or older had completed at least one bachelor's degree, compared to 30% of this population in the United States.<sup>13</sup> The Campus, in its mission of providing educational opportunities to the different sectors of Puerto Rico, will offer alternatives that respond to the changing demands and professional needs of non-traditional students. In response to these challenges, the Campus proposes to expand its offer of innovative programs focused on self-management and the emerging discipline- attached scenarios and the labor market, collaborating with a workforce targeted to achieve the country's development goals.

**Commitment 2023** includes, as a crucial component in all its priority areas, the intensive integration of technology, both for the development of skills required of alumni to succeed in a labor market of continuous changes, as in the provision of services and support for teaching and research. Confronted with reduced government funding, the Campus has as challenge investing in technology to revitalize curricula while strengthening the service and support to the university community and the country.

The Campus is committed to a student success policy that maximizes retention and graduation rates, and which facilitates the integration of graduates to entrepreneurship, the labor market, or graduate studies and research. The student experience, fostered by inclusion and respect for diversity, will be sustained by assessment of learning outcomes, institutional effectiveness, and support networks. The Campus will promote meeting spaces that contribute to the humanistic, social, and professional formation of students and boost their university identity so that they feel like IUPI alumni for life. In this community project, the Campus prioritizes research and the development of an institutional culture that supports and facilitates research by professors and students.

The Río Piedras Campus is embracing fundamental changes that will result in the formation of the professionals that Puerto Rico expects and needs in the coming years. With equal attention, it intensifies its contributions to the social and economic recovery of Puerto Rican society. At the same time, it strengthens its relationship with the country and extends its international connections as a core element to contribute to the creation of knowledge and to the enrichment of the student experience.

## Goals, Objectives and Indicators

<b>Priority Area1:</b>	<b>Research and creation</b>
<p><b>The Río Piedras Campus of the University of Puerto Rico is the only higher education institution with the Carnegie classification of Doctoral University of Higher Level of Research (R2) in Puerto Rico. This classification distinguishes it among the top universities in the United States for its wide range of doctoral offerings and its investments in research and development. To maintain this level or achieve a higher level of recognition, the Campus strengthens its culture of self-management and entrepreneurship in research, and creates strategies for institutional supports that facilitates research and creation for students and professors, as well as enhance intellectual development, dissemination, and production.</b></p>	

Goal	Objective	Suggested Indicators
<p><b>1.1 The Campus will increase the production of innovative knowledge through research and creative activity.</b></p>	<p>1.1.1 Increase resource allocation to support research and creation.</p>	<p>1.1.a Amount of funds allocated for credit substitution and research assistantships.</p>
	<p>1.1.2. In collaboration with academic programs, develop and implement a plan for recruitment and retention of professors of excellence, according to changes in the disciplines, emerging areas of research and creation, and requirements of accrediting agencies.</p>	<p>1.1.b Number of professors recruited.</p> <p>1.1.c Number of interdisciplinary and transdisciplinary projects.</p> <p>1.1.d Number of collaborative projects developed in research institutes.</p> <p>1.1.e Number of peer-reviewed</p>

Goal	Objective	Suggested Indicators
	1.1.3 Strengthen research institutes on campus through interdisciplinary and transdisciplinary collaborations among programs, other units of the UPR system, and with universities and centers at the international level.	<p>publications.</p> <p>1.1.f Amount of funding for the acquisition and conservation of electronic and printed bibliographic resources essential for research and creation.</p>
<p><b>1.2 The Campus will increase external funds through research and creation</b></p>	1.2.1 Increase external funds coming from competitive proposals.	1.2.a Amount of dollars resulting from the acquisition of external funds for research and development purposes.
	1.2.2 Increase the commercialization of patents and innovative projects.	<p>1.2.b Number of requests for patents and business collaborations.</p> <p>1.2.c Number of innovative <del>commercial</del> projects marketed.</p>
<p><b>1.3 The Campus will consolidate the local and international recognition of its academic excellence through research and creative production.</b></p>	1.3.1 Increase the dissemination of research and creative production at the local and international level.	1.3.a Number of publications by students and professors (articles in peer-reviewed journals, papers published in conference proceedings, books and reviews).
	1.3.2 Sponsor local and international conferences for the dissemination of research and creation.	1.3.b Number of participations in local and international conferences and exhibitions for professors and students.



Goal	Objective	Suggested Indicators
		1.3.c Number of local and international congresses sponsored by the campus.

<b>Priority Area 2:</b>	<b>Academic offering and support services for student success</b>
<p>The Río Piedras Campus is committed to comprehensive innovation and transformation in its academic programs and specialized services. Academic renewal intensively integrates technologies and responds to the paths of knowledge, the challenges of professional sustainability, the emerging scenarios of the labor market, and life in society. UPRRP ensures an academic undergraduate, graduate and professional offer, in face-to-face, hybrid, and distance modalities, as well as in alliance with other entities at the local and international levels. It provides its students with a rigorous educational experience consistent with the highest standards of the disciplines and professions. Strengthens learning environments focused on the formation of responsible citizens with different interests, levels of capacities, intellectual curiosity, and life experiences. Develops the necessary competencies in a changing and interconnected world to shape students into critical and ethical thinkers, societal leaders, researchers and creators, professionals and entrepreneurs. It creates the conditions for changing into a culture of service through a holistic experience focused on student success. Articulates and strengthens educational practices and support services, based on outcomes of learning and institutional effectiveness assessment, and the use of information and communication technologies for continuous improvement.</p>	

Goal	Objective	Suggested Indicators
<b>2.1 The Campus will develop an academic and professional offering of distance learning of the highest quality that responds to the needs, opportunities, and educational trends in Puerto Rico, the Caribbean, Latin America and the Hispanic communities in the United States and internationally.</b>	2.1.1 Offer professional and academic certificates, short continuing education courses and distance learning academic programs in the areas of greatest interest and impact for student success.	2.1.a Number of distance learning certificates and short-term courses developed and offered.
	2.1.2 Implement a distance learning structure of services for students and professors that supports the creation and offering of distance learning programs.	2.1.b Number of proposals for distance learning academic programs, elaborated and under evaluation or approved and implemented.
	2.1.3 Ensure international reach through the successful implementation of international agreements by the campus's academic programs.	2.1.c Number of distance learning services developed and offered to professors and students.

Goal	Objective	Suggested Indicators
		2.1.d Number of international agreements implemented.
<b>2.2 The Campus will renew academic offerings, including specialized services,<sup>1</sup> to maintain the highest academic quality and respond to the development of the disciplines.</b>	2.2.1 Incorporate curricular and technological innovation alongside opportunities for entrepreneurship and social collaboration into academic programs and specialized services.	2.2.a Number of undergraduate and graduate academic programs that incorporate curricular innovation activities.
	2.2.2 Develop formative experiences in areas of research, creation, community service, internships and/or professional activities in academic programs.	2.2.b Number of specialized services involving shares of curricular innovation.  2.2.c Number of formative research and creation experiences developed in academic programs.  2.2.d Number of internship and professional activity experiences in academic programs.
<b>2.3 The Campus will adopt a student success policy that achieves a sustained impact on success indicators and fosters access, inclusion and respect for diversity.</b>	2.3.1 Establish the institutional student success policy, which articulates an inclusive educational experience with high quality services to facilitate student recruitment, academic advancement and the integration of graduates into the labor market.	2.3.a Local and international student admission rates. <sup>2</sup>  2.3.b Graduation and retention rates of the graduate and undergraduate academic

<sup>1</sup> Museums, library, counseling, medical services.

<sup>2</sup> These rates should contain specific figures regarding gender and part/full time student status in the statistics to be presented.

Goal	Objective	Suggested Indicators
	2.3.2 Increase retention and graduation rates in academic, graduate, and undergraduate programs experiencing low rates.	programs.
	2.3.3 Develop mentoring programs which support undergraduate and graduate students and professionals for student success.	2.3.c Time to degree. 2.3.d Rate of employability and entrepreneurship.

<b>Priority Area 3:</b>	<b>University social responsibility and community networks</b>
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The Río Piedras Campus emphasizes its role of social responsibility and network of service to communities. This network is formed through the activities of professorship, research, on- and off-campus practices, internships, and volunteering, among others, in which students, professors, other staff and communities participate. The Campus cultivates its outreach through supportive social, cultural, and environmental action. To do so, it includes programs, projects, physical spaces, and other new and existing structures to support, facilitate, document and give visibility to communities, their needs, and the institutional contributions of the campus. The Campus focuses on the achievement of a more sustainable social and environmental development of the institution and of the communities with which it is linked.

<b>Goal</b>	<b>Objective</b>	<b>Suggested Indicators</b>
<b>3.1 The Rio Piedras Campus will strengthen its ties to its social and physical environment through teaching, research, assistance in the formulation of public policy, cultural management, and service to communities.</b>	3.1.1 Relocate offices, services and other university activities in the communities surrounding the Campus to encourage economic activity and social interaction.	3.1.a Number of proposed and implemented projects in communities surrounding the Campus <sup>3</sup> .  3.1.b Number of students in practice courses and internships with one or more

<sup>3</sup> The sum of relocations in areas surrounding the campus; the partnerships, alliances, and outside activities created to support and strengthen initiatives by or with communities; and the academic and professional projects in service of the communities, through inter-faculty initiatives, integrated services, and course offerings for this purpose.

Goal	Objective	Suggested Indicators
	3.1.2 Increase initiatives of collaborative efforts, improving community conditions and community support through: the departments/schools, academic programs, practical and internship courses, volunteer work, and tasks assigned or led by students; el <i>Centro de Acción Urbana, Comunitaria y Empresarial</i> (CAUCE, “Center for urban, community, and entrepreneurial action”) and other units or projects of the campus. <sup>4</sup>	community components.  3.1.c Number of projects generated by the participants of the community service experiences.  3.1.d Number of forums in which members of the university community participate or which are carried out by the university community aimed at the discussion, development and promotion of public policies.
	3.1.3 Promote the implementation of discussion and entrepreneurial forums that contribute to the development of the country, with emphasis on the dimensions of university social responsibility and community networks.	3.1.e Number of cultural activities open to the community with attendance details (emphasis on the Museum of History, Anthropology and Art; UPR Theater; and Radio Universidad).
	3.1.4 Promote the implementation of an attractive cultural offering appealing to various groups within and outside of the Campus and which stimulates humanistic and creative reflection.	

<sup>4</sup> Through CAUCE, in conjunction with the Community Board of Río Piedras, in the Advisory Body (Act No. 75-1995, as amended in Act No. 39- 2016). As CAUCE points out, "one of the most important aspects that reflects the amendments to this act is the responsibility of the university to serve as a link in various proposals for the rehabilitation of the urban center of Río Piedras. In consolidation of this community-university link, at CAUCE we promote and support efforts to improve the physical, economic and socio-cultural aspects of our university city." Other units or projects of the campus include: Museum of History, Anthropology and Art; UPR Theater; Radio Universidad; Pro Bono Program (School of Law); University Education in the Correctional System Pilot Project; the Institute of Psychological Research (IPsi); University Center of Psychological Services and Studies (CUSEP); and the Legal Aid Clinic (School of Law), among others.

Goal	Objective	Suggested Indicators
<p><b>3.2 Campus management will incorporate environmentally-responsible institutional practices.</b></p>	<p>3.2.1 Establish a sustainable campus policy identifying concrete actions that address urgent environmental challenges.</p>	<p>3.2.a Number of measures and actions implemented in concrete projects in five years, aimed at having a sustainable and/or environmentally responsible campus.</p> <p>3.2.b Number of maintenance developments and programs of the facilities and natural areas of the campus that promote intellectual and creative work.</p>
	<p>3.2.2 Develop facilities and natural areas that promote the intellectual and creative work, enrich the quality of life, and demonstrate respect for the environment.</p>	

<b>Priority Area 4:</b>	<b>Sustainable management, effectiveness, and efficiency</b>
<p>The Río Piedras Campus (UPRRP) faces a scenario of unprecedented fiscal fragility marked by the significant reduction in the public funds it receives. It renews its approaches, strategies, and actions to convert its uncertain budgetary picture into opportunities for the institution and Puerto Rico. UPRRP realigns its commitment to excellence in research, creation, teaching, and service with greater fiscal sustainability; and, refreshes with greater intensity its entrepreneurial spirit to build productive alliances. The Campus transforms its academic and administrative processes and procedures to attract new revenue and operate with a high degree of efficiency and effectiveness. It uses technology to update and optimize its services. UPRRP extends its borders and makes its competitive areas known to attract collaboration and financial support from different sectors in Puerto Rico and abroad.</p>	

Goal	Objective	Suggested Indicators
<b>4.1 The Campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.</b>	4.1.1 Increase collaborative partnerships with government and private, local and international organizations, other universities, and units of the UPR system, contributing to society and knowledge and providing new sources of income to the institution.	4.1.a Number of local and international collaborative partnerships described by institutional contribution and income provided by to the institution.
	4.1.2 Strengthen the Alumni Division in a way that enriches the relationship of the Campus with its graduates.	4.1.b Number of records of alumni in the Office of Marketing, Development and Communications (OMDC) platform.
	4.1.3 Implement a new operations model for the Division of Continuing Education and Professional Studies (DECEP) in order to support the fiscal sustainability of the campus.	4.1.c. Amount in dollars of private donations collected by the OMDC that includes from alumni.
	4.1.4 Increase Intramural Practice in the Campu	



Goal	Objective	Suggested Indicators
	4.1.5 Implement innovative ways to raise new operational income.	<p>4.1.d Dollar amount of new revenue from the implementation of the new operational model of the DECEP.</p> <p>4.1.e Number of services or activities of Intramural Practice on campus with dollar amount.</p> <p>4.1.f Number of projects and initiatives conducive to the generation of new revenues and dollar amount of the collections not covered by previous indicators.</p>
<p><b>4.2 The Campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, teaching, and service.</b></p>	4.2.1 Restructure units, academic processes, and administrative approaches and intensely incorporate technology to facilitate fast, efficient, and effective professor performance and student success.	4.2.a Inventory of restructurings, reorganizations, improvements to spaces, and integration of technology/online approaches.
	4.2.2 Practice effective and efficient institutional management.	<p>4.2.b Economies generated by operational adjustments.</p> <p>4.2.c Number of trainings and redefinitions of tasks or descriptors of positions</p> <p>4.2.d Index of institutional</p>

Goal	Objective	Suggested Indicators
		<p>effectiveness which will take into account proper supervision, personnel training, use of the effectiveness assessment results, and alignment between resources and goals, among others.</p> <p>4.2.d Level or percentage of progress of strategic indicators.</p>
<p><b>4.3 The campus will increase the recognition of its contributions to society and knowledge.</b></p>	<p>4.3.1 Implement a communications plan broadly disseminated locally and internationally.</p>	<p>4.3.a Number of dissemination activities carried out, by mode and reach.<sup>5</sup></p>
	<p>4.3.2 Document, in a systematic and sustainable way, the initiatives related to community, cultural management, research and creative work that are conducted on and from the campus.</p>	<p>4.3.b Number of initiatives, by type of management, included in the documentation system created.<sup>6</sup></p>

<sup>5</sup> The data collection for this indicator should include details of the modes of dissemination utilized, such as: internet, newspapers, radio, television, newsletters, social networks, communication displays in the lobbies of departments, schools, or others. In addition, if the scope of the dissemination is within the campus, island-wide, and/or international.

<sup>6</sup> The platform or forms for data collection should request that entries identify the type or focus of the initiative (community networking, cultural activity, research/creation or others) and include themes or areas to be addressed for each initiative, the schedule and venue, and a brief description.

## Planning Process

**Commitment 2023** is the result of an extensive process of discussion and reflection by the university community (Annex 2). It was designed to serve as a guide for the next five years, which requires an operational plan to ensure its effective implementation, as well as continuous monitoring and periodic measurement of achievements. Below is a summary of the process:

- August 2014      The Think Tank Committee regarding strategic planning was named. This Committee produced a report output with strengths and limitations relating to the design and implementation of the 2016 University Vision. The report highlights the need for the Strategic Plan to be based on the fiscal and economic reality of Puerto Rico and the institution.
- June 2015        The Ad Hoc Working Group for Strategic Planning is designated. The Committee prepared the documents: Report to the Academic Senate on the Ad Hoc Working Group for Strategic and Financial Planning (March 8, 2016) and Considerations for Preparing the Strategic Plan of the Río Piedras Campus (June 9, 2017).
- September 2016    The Academic Senate receives the report “The Special Committee’s Recommendations and Comments on the Institutional Effectiveness of the Academic Senate of the Río Piedras Campus related to the UPR’s 2016-2021 Strategic Plan: Process and proposal according to the documents submitted by the faculties, schools and programs”. This report, together with the responses from several units of the Campus to the proposal, presents a framework of what our university community expects of the Strategic Plan.
- November 2017    The Ad Hoc Working Group for Strategic Planning is strengthened by new members. The conclusions and recommendations of the related reports are discussed. In addition, the group takes into account the impact of hurricanes Irma and María; the Fiscal Plan for Puerto Rico and the Fiscal Plan of the University, both in review process; the report of the 2016 UPRRP self-study; and the Monitoring Report submitted to the Middle States Commission on Higher Education (MSCHE) in August of 2017.
- December 2017    The Ad Hoc Working Group for Strategic Planning approves four priority areas and is divided into four working groups. The first report on the Strategic Plan is discussed before the Academic Senate. The report “Work Timeline to Approve the Strategic Plan of the Río Piedras Campus” is included.
- February 2018     There are talks aimed at encouraging the exchange of ideas with academic senators, students, other members of the university

community, and public and private sector representatives.


- March 2018      The Consultation on the Draft of the Strategic Plan (2018-2023) of the Río Piedras Campus is made available on the UPRRP webpage March 7-23 to receive input from the university community. Tuesday, March 20, the draft of the Strategic Plan and recommendations are presented to the Academic Senate.
- May 2018      The final draft of the Strategic Plan was approved by the Academic Senate (Cert. 7.9, 2017-2018).

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## Annex 1: Mission of the University of Puerto Rico, Río Piedras Campus.


*The Río Piedras Campus, founded in 1903 as Escuela Normal, is the oldest, most diverse, and most complex of the public system of higher education in Puerto Rico. As mandated by law, with the broadest autonomy, freedom of research and professorship, and like the rest of the units of the system, it must uphold the general mission, as set out in Article 2 (B) of the University of Puerto Rico Act of January 20, 1966. In addition to sharing this general mission, the Río Piedras campus has a unique mission that arises from and is based on its history and cultural heritage, which distinguish it from the other campuses and units of the system. This cultural heritage is what provides the basis for its development and defines its mission and unique contribution within the University of Puerto Rico system. In this sense, the campus has as its mission to:*




*Promote students' integral formation through curricula that promote intellectual curiosity, critical capacity, continuous learning, effective communication, the appreciation and cultivation of ethical and aesthetic values, participation in campus processes, as well as social conscience and responsibility.*




*Provide graduate education of the highest quality whose core elements are research and creation, and which will help to strengthen undergraduate education. Furthermore, provide post-Bachelor's programs for the training of the highest caliber professionals, committed to the ideals and values of Puerto Rican society.*



*Provide excellent undergraduate education that provides a comprehensive view of knowledge. This should include general education and specialized training and develop the capacities for independent study and research.*



*Develop the education, research and community service and integration in accordance with the historical-social reality of Puerto Rico, in accordance with its Caribbean and Latin American sphere, and reaching the international community. Enrich and strengthen the bodies of knowledge relevant to the consolidation of Puerto Rican nationality, history, language, and culture. Lead also to the development and dissemination of knowledge at the international level.*



*Develop innovative and relevant programs of research, community service and continuing education, to respond and contribute to the academic and professional tasks of the campus. These should contribute, in addition, to the transformation and continuous progress of Puerto Rican society, the analysis and the formulation of solutions to the country's socio-economic and political problems, and improving the quality of life.*

## Annex 2: Institutional Framework

To develop the Strategic Plan *Commitment 2018-2023*, the current situations of the University and the island as well as the 2017-2022 Systemic Strategic Plan were considered. The 2016 Campus Self-Study Report and the final report of the MSCHE Peer Assessment Committee of the MSCHE served as valuable input. In addition, the observations and recommendations of the Academic Senate, as well as those which emerged through various means during the elaboration of the plan were considered.

This new plan is framed in the regulations that apply to the campus, of which we highlight:

- Law 1 of January 20, 1966, as amended, Law of the University of Puerto Rico
- Certification 67 of the Academic Senate of the Río Piedras Campus (RPC) on the Mission of the Río Piedras Campus of the University of Puerto Rico (1989-1990)
- Certification 123 of the Board of Trustees (2005-2006) on *Diez para la Década: Una agenda de planificación*
- Certification 26 of the Academic Senate of the RPC (2006-2007) on the Vision of the Río Piedras Campus
- Certification 38 of the Administrative Board of the RPC (2011-2012) on the Manual for Strategic Planning, the Allocation of Resources, and the Assessment of Institutional Effectiveness
- Certification 38 of the Academic Senate of the RPC (2012-2013) on the Academic Policy for the Graduate Studies of the Río Piedras Campus (under review in the Academic Senate)
- Certification 145 of the Board of Governors (2014-2015) on measures to optimize the use of available resources of the UPR by restructuring institutional processes and practices
- Certification 50 of the Board of Trustees (2016-2017), Strategic Plan 2017-2022: *Una nueva era de innovación y transformación para el éxito estudiantil*

### **Vision of the Río Piedras Campus of the University of Puerto Rico**


**A distinguished doctoral  
university community  
endowed with resources  
of the first order,  
dedicated to research,  
creation and the  
dissemination  
of knowledge;  
committed to the  
integral formation of  
students and their  
lifelong learning, and  
recognized for the  
excellence of its  
contribution to the  
development and  
intellectual enrichment  
of Puerto Rican,  
Caribbean, and  
international society.**

### 3. ACADEMIC CALENDAR FIRST SEMESTER AY 2018-19.





UNIVERSIDAD DE PUERTO RICO  
RECINTO DE RÍO PIEDRAS  
OFICINA DEL REGISTRADOR  
PO BOX 23303  
SAN JUAN PR 00931-3303

VoBo:   
Luis A. Ferrao Delgado  
Rector Interino  
Fecha: **APR 23 2018**

## CALENDARIO ACADÉMICO PRIMER SEMESTRE 2018-2019

13 - 15 de agosto (lunes a miércoles)	Periodo de ajustes a la factura, en horario de 8:00am a 3:30pm, para los estudiantes que hicieron selección de cursos. <b>Estudiantes que completen requisitos a grado al finalizar este semestre deberán llenar solicitud, no más tarde del 21 de septiembre.</b>
15 de agosto (miércoles)	Fecha límite para <b>pagar matrícula</b> ; de no hacerlo se cancelarán los cursos <sup>1</sup> . Horario de pago hasta las 6:00pm.
16 de agosto (jueves)	Análisis de matrícula inscrita y procesamiento de datos. <b>No hay matrícula.</b>
17, 20, y 21 de agosto	<b>Matrícula de estudiantes que NO hicieron selección de cursos</b> en el horario de 8:00am a 3:30pm.
<b>20 de agosto (lunes)</b>	<b>COMIENZAN LAS CLASES DIURNAS Y NOCTURNAS EN EL RECINTO</b>
<b>25 de agosto (sábado)</b>	<b>COMIENZAN LAS CLASES EN LOS CURSOS SABATINOS</b>
20 - 22 de agosto (lunes a miércoles)	Periodo de cambios al programa matriculado. Fecha límite <b>reembolso del 100%</b> en bajas de cursos.
22 de agosto (miércoles)	Fecha límite para pagar <b>SIN</b> recargos matrículas iniciadas el 20 de agosto.
24 de agosto (viernes)	Matrícula <b>CON</b> recargos. Se cancelarán los cursos si no hace el pago a esta fecha. Horario de pago hasta las 3:00pm.
28 de agosto (martes)	Se reunirán las clases de los LUNES
31 de agosto (viernes)	Periodo para <b>darse de baja con derecho a reembolso del 50%</b> del cargo de matrícula por créditos pagados <sup>2</sup> .
3 de septiembre (lunes)	<b>DÍA FERIADO.</b>
17 de septiembre (lunes)	Termina el periodo para radicar solicitud de revisión de <b>Progreso Académico</b> en el Decanato de Estudiantes.
	Termina el proceso para solicitar autorización para <b>tomar cursos fuera del Recinto (Permiso Especial)</b> <sup>3-4</sup> .
	Termina el periodo de solicitar <b>Readmisión</b> para el Segundo Semestre <sup>3</sup> (nivel subgraduado).
	Termina el periodo para los estudiantes del Recinto de Río Piedras solicitar <b>Traslado</b> a otras unidades del Sistema Universitario <sup>2</sup> .
17-18 de septiembre (lunes y martes)	Termina el periodo para radicar en la Oficina de Admisiones Solicitud de <b>Admisión al Recinto</b> para el Segundo Semestre de estudiantes procedentes de otras universidades (nivel subgraduado).
	Termina el periodo para solicitar <b>Cambio de Facultad o Concentración</b> (reclasificación) <sup>3</sup> .
20 de septiembre (jueves)	Termina el periodo para radicar <b>Solicitud de Graduación</b> los candidatos a grado en esta sesión académica <sup>2</sup> .
	Termina el periodo para solicitar opción para los <b>exámenes de aprovechamiento</b> (Certificación 88 -2003-2004- del Senado Académico del Recinto de Río Piedras) <sup>3</sup> .
	Termina el periodo para las facultades someter al Decanato de Asuntos Académicos la <b>creación y/o modificación</b> de cursos a ofrecerse en el Segundo Semestre.
26 de septiembre (miércoles)	<b>Se reunirán las clases de los VIERNES.</b>
12 de octubre (viernes)	<b>DÍA FERIADO.</b>
15 de octubre (lunes)	Termina el periodo para facultades someter a la Oficina del Registrador los <b>Horarios de Clases</b> del Segundo Semestre.
15 de octubre (lunes)	Comienza periodo de evaluación parcial académica por parte de los profesores a estudiantes matriculados en cursos subgraduados.

29 de octubre (lunes)	Fecha límite tardía para <b>Admisión por Transferencia y Readmisión</b> al nivel subgraduado. Se pagará 1.5 vez el derecho de solicitud correspondiente.
5 de noviembre (lunes)	Fecha límite para los profesores entregar los <b>informes de evaluación parciales subgraduados</b> al Registrador.
7 de noviembre (miércoles)	Notas de evaluación parcial disponibles en Internet (MIUPI).
7 - 16 de noviembre (miércoles a viernes)	Periodo de <b>selección de cursos</b> para el Segundo Semestre (el estudiante verificará el calendario interno de su facultad).
16 de noviembre (viernes)	Fecha límite de <b>bajas parciales</b> en cursos subgraduados.
11 de noviembre (domingo-Se traslada a lunes)	<b>DÍA FERIADO: DÍA DEL VETERANO.</b>
19 de noviembre (lunes)	<b>DÍA DEL DESCUBRIMIENTO DE PR.</b>
22 - 24 de noviembre (jueves a sábado)	Receso Académico y Administrativo de Acción de Gracias.
3 de diciembre (lunes)	Termina el periodo para radicar <b>Solicitud de Ingreso</b> para los estudiantes procedentes de escuela superior (sujeto a cambios por la Oficina Central de Admisiones) <sup>4</sup> .
<b>8 de diciembre (sábado)</b>	<b>ÚLTIMO DÍA DE CLASES PARA LOS CURSOS SABATINOS.</b>
<b>10 de diciembre (lunes)</b>	<b>ÚLTIMO DÍA DE CLASES EN EL RECINTO Y ÚLTIMO DÍA PARA BAJAS TOTALES.</b>
11 de diciembre (martes)	Día de Repaso.
15 de diciembre (sábado)	<b>Exámenes finales de los cursos sabatinos.</b>
12 al 19 de diciembre (miércoles a miércoles )	<b>Periodo de Exámenes Finales en el Recinto de Río Piedras.</b>
24 - 25 de diciembre (lunes, martes)	<b>Receso y Feriado de Navidad.</b>
26 - 31 de diciembre (miércoles a lunes)	<b>Receso Académico y Administrativo.</b>
21 de diciembre (viernes)	Vence el periodo para entregar los <b>informes de calificaciones finales</b> al Registrador y para remover los incompletos del semestre anterior y Verano.

**Notas:**

1. El estudiante que no pague su matrícula para dicha fecha perderá los cursos y no quedará matriculado. Si interesa continuar estudios para la próxima sesión académica, deberá radicar solicitud de readmisión en la fecha límite.
2. Se deberán radicar en la Oficina del Registrador.
3. Se radican en la Oficina de Asuntos Estudiantiles de la Facultad que ofrece el programa
4. Información disponible en <http://estudiantes.upr.edu>

El Recinto de Río Piedras de la UPR es un patrono con igualdad de oportunidades en el empleo. No se discrimina en contra de ningún miembro del personal universitario o en contra de aspirante a empleo por razón de raza, color, orientación sexual, género, nacimiento, edad, impedimento físico o mental, origen o condición social ni por ideas políticas o religiosas.

Cumple con las disposiciones de la Certificación Núm. 95 (1996-97) del Senado Académico del Recinto de Río Piedras sobre el requisito de que todas las combinaciones de días del calendario estén completas.

4. “TRANSFORMATION AND INNOVATION IN THE AWAKE OF  
DEVASTATION; AN ECONOMIC AND DISASTER RECOVERY PLAN  
FOR PUERTO RICO”

# TRANSFORMATION AND INNOVATION IN THE WAKE OF DEVASTATION

AN ECONOMIC AND DISASTER RECOVERY PLAN  
FOR PUERTO RICO



**COR**<sup>3</sup>  
CENTRAL OFFICE FOR  
RECOVERY, RECONSTRUCTION AND RESILIENCY



RICARDO ROSSELLÓ NEVARES  
GOVERNOR OF PUERTO RICO

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# FOREWORD FROM THE GOVERNOR



## TRANSFORMATION AND INNOVATION IN THE WAKE OF DEVASTATION: AN ECONOMIC AND DISASTER RECOVERY PLAN FOR PUERTO RICO

**P**uerto Rico experienced a disaster that was unprecedented not only in the Island's history but in the history of the United States. In September 2017, Puerto Rico was hit by two ravaging hurricanes, Irma and Maria, with Category 4 or greater winds within weeks of each other—something that had never happened anywhere in the nation. It is unparalleled that an entire state population lost power, water, communication systems, and basic services, with devastation so extreme that it has taken months to fully restore these services on an emergency basis. Being an island, none of the solutions to our challenges was easy, and the logistics chain to bring in needed resources has been long, expensive, and time-consuming. As we approach the one-year anniversary, we have only just begun permanent reconstruction efforts. Based on this, in many ways, this is the first truly catastrophic natural disaster in modern U.S. history.

As bad as the situation has been, there is reason for real hope. The complete and widespread devastation gives us an opportunity to view our island as a blank canvas, upon which we can implement innovative solutions that can make Puerto Rico a showcase for the world with a modern and more resilient infrastructure, a newer and stronger housing stock, and a more vibrant and competitive economy.

Toward that end, I have spent substantial amounts of time engaging with stakeholders across Puerto Rico, as well as with the best minds across the United States and around the world, to develop a shared vision for the future that can capitalize on the opportunities before us.

My concept for Puerto Rico's recovery is built around the four core principles of (1) promoting effective governance and transparency, (2) investing in building the capacity we need both for reconstruction and for the future of Puerto Rico, (3) incorporating resiliency into everything that we build and do, and (4) pursuing innovation in our recovery wherever possible.

Building on these principles, the vision for Puerto Rico seeks to define how we will fit into the economy, environment, and the society of the future at not only the national but also the global levels. Puerto Rico has much to contribute to America's success as a global leader, and this recovery plan will set the foundation for a strong, resilient, and thriving Puerto Rico. In this plan, I address how we can accomplish this through developing Puerto Rico as (1) a source of the "Human Cloud," (2) a platform for innovation, (3) "open for business," (4) a connector of the Americas, and (5) a place that enhances the quality of life of the U.S. citizens of Puerto Rico. Each of these components of the vision strengthens the Island's ability to be a leader in a global economy.

The path presented in this plan not only is essential to Puerto Rico's recovery and reconstruction but also marks a key opportunity for America to correct course on the patchwork of oftentimes unequal and incoherent federal laws and policies that have limited Puerto Rico from reaching its full potential to date. The plan presents an opportunity to build on the policies of

fiscal stabilization and debt restructuring laid out in the Puerto Rico Oversight, Management, and Economic Stability Act and to invest in a way that revitalizes our island and people as an asset for America's national and global economic success.

The recovery funding that Congress has appropriated to date should provide the resources needed to jumpstart this vision. I realize the magnitude of the responsibility before us, and I am fully committed to working together with you to invest those federal resources responsibly and wisely and to taking the actions necessary to modernize our government structures so that we can truly transform Puerto Rico. Toward that end, I established the Central Office of Recovery, Reconstruction, and Resiliency (COR3) to serve as a focal point for strategic thought and management of the recovery. This group will lead the implementation of my vision and coordinate with other stakeholders across the Island and across the country to make it a reality.

The publication of *Transformation and Innovation in the Wake of Devastation: An Economic and Disaster Recovery Plan for Puerto Rico* marks the definitive transition from the emergency phase of our island's recovery into longer-term recovery and the strengthening of our infrastructure, our economy, and our people. It establishes an initial "road map" that describes and clearly justifies the need for resources and identifies some of the impactful ways in which we can invest them into our recovery to capture the opportunities before us and achieve the results the U.S. citizens of Puerto Rico so desperately need and deserve. In its development, COR3 worked closely with a long list of federal government agencies, the Homeland Security Operational Analysis Center (HSOAC, a federally funded research and development center operated by the RAND Corporation under contract with the U.S. Department of Homeland Security), municipalities, the private sector, the nonprofit sector, and others to begin the process of developing and operationalizing this shared vision for Puerto Rico. COR3 will now guide recovery investment and policy in the days, months, and years ahead.

To make the vision for the future of Puerto Rico laid out here a reality, we must come together as Americans. We will certainly encounter significant challenges and obstacles along the way that will require partnerships and creative approaches to resolve. We will need to pull together both resources and expertise from countless public and private-sector partners. We will need to secure whatever additional funding is necessary from Congress, federal departments and agencies, and the private sector to fully implement the vision. More importantly, to be confident both now and in the future that the inequities experienced in our past will fade forever, we will need to put Puerto Rico on a path to full equality through statehood. From that point forward, we will be fully empowered as citizens of the United States, with equal rights and responsibilities, to contribute to the success not only of Puerto Rico but of the United States as a whole.

I am confident that the Government and people of Puerto Rico are committed to building a stronger and brighter future and making this vision a reality. With your participation and engagement, we will achieve our goal.



The Honorable Ricardo Rosselló Nevares,  
Governor of Puerto Rico

AUGUST 8, 2018



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# EXECUTIVE SUMMARY



**It has been almost a year since Hurricanes Irma and Maria devastated Puerto Rico, but the Island's recovery is far from over. The Government of Puerto Rico proposes a transformational plan that will help the Island recover from the hurricanes, become more resilient to future disasters, and turn around the economic decline that Puerto Rico has been struggling with for more than a decade. To achieve this ambitious vision, the Government of Puerto Rico will seek out \$139 billion in funding—from the federal government, foundations and other nonprofits, and Puerto Rico's own budget—to invest in a robust and resilient future.**

**This economic and disaster recovery plan lays out the Government of Puerto Rico's strategic vision and goals and provides a detailed framework for achieving them.**

### **Catastrophic disaster**

In September 2017, Puerto Rico suffered catastrophic damage as Hurricane Irma passed just north of San Juan. Hurricane Maria made a direct hit on the Island two weeks later. The hurricanes' effects on people's health and safety were devastating. Damage to critical infrastructure resulted in cascading failures of the lifeline systems of energy, telecommunications, water, and transportation. Because the disaster occurred at the end of a very active hurricane season, federal resources for disaster response were stretched. In addition, aid from other states was not readily available due to a lack of mutual assistance compacts and the geographical separation of more than 1,000 miles between Puerto Rico and the continental United States. Given the scale of the disaster, the limited response resources, and the failure of lifeline systems, emergency services were severely compromised and residents lacked electricity, food, and water for a prolonged period. And with roads impassable, residents had limited access to medical care. After the hurricanes, people lost their jobs, schools were closed, government services and private enterprise could no longer operate effectively, landslides caused flooding hazards, and wastewater polluted marine environments. While the hurricanes touched

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**The Government of Puerto Rico views the recovery effort as an opportunity to transform the Island by implementing solutions that are cost-effective and forward-looking, harness innovative thinking and best practices, and revitalize economic growth.**

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virtually every segment of the population, older adults, children, individuals with disabilities or chronic illnesses, and women were disproportionately affected by this disaster.

Catastrophic hurricanes and the resulting disasters are not unique to Puerto Rico. Coastal communities affected by Hurricane Katrina in 2005 also suffered widespread damage, severe interruption of essential services, and deep economic losses. Lessons learned from these past disasters suggest that the Island now faces a lengthy recovery. Although Puerto Rico has been working to restore services, reopen schools and other public buildings, and help residents return to normal life since the 2017 hurricane season, much work remains to be done.

Critically, Puerto Rico has been grappling with preexisting conditions that exacerbated the impact of the hurricanes, including an economic crisis spanning more than a decade and structural, demographic, health, social, and infrastructure stresses; in addition, it has been responding to demands for improved government transparency. Efforts to address these challenges—including Governor Ricardo Rosselló’s *Plan for Puerto Rico*; the *New Fiscal Plan for Puerto Rico: Restoring Growth and Prosperity*, which was certified by the Financial Oversight and Management Board; and the *CDBG-DR Action Plan* approved on July 30, 2018—are foundational documents that outline the Governor’s vision for Puerto Rico. His vision for transforming Puerto Rico for the future is grounded in the present, taking into account a variety of preexisting factors that will continue to challenge the Island and its citizens in the years ahead. These include Puerto Rico’s location and geography, changing demographics, the economic trends and fiscal conditions prior to the hurricanes, and the limited maintenance of critical infrastructure. This recovery effort represents more than simply the effort to physically repair and reconstruct the damage caused to the Island by the hurricanes; it is also an opportunity to implement the social, governmental, fiscal, and economic reforms that will lead to a 21st-century Puerto Rico.

### **The plan for recovery**

The Government of Puerto Rico—in particular, the Central Office of Recovery, Reconstruction, and Resiliency (COR3)—was supported by the Federal Emergency Management Agency (FEMA) and the Homeland Security Operational Analysis Center (HSOAC) to develop a recovery plan in response to the Bipartisan Budget Act of 2018 (Public Law 115-123). The effort involved extensive outreach to and collaboration with a broad group

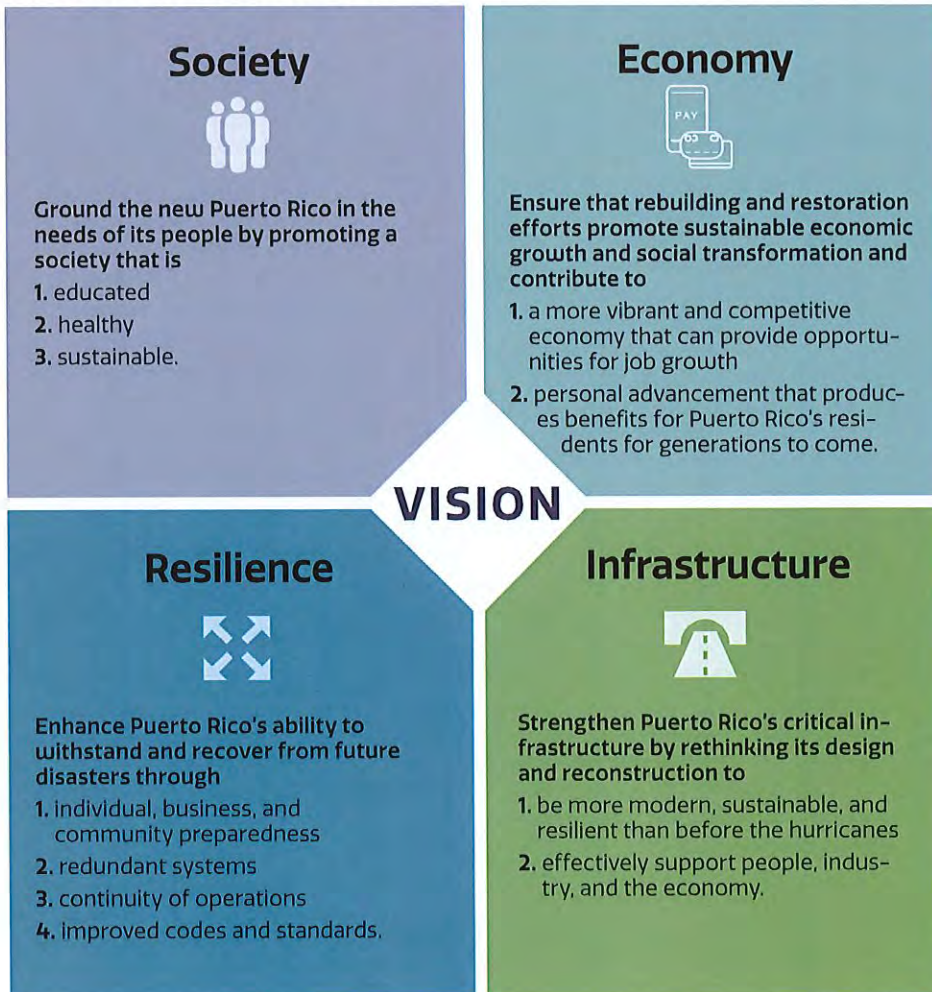
of federal agencies, state and municipal government agencies within Puerto Rico, private-sector and nonprofit entities, and the group most affected by the hurricanes—the people of Puerto Rico.

### A transformational vision for Puerto Rico

The Government of Puerto Rico views the recovery effort as an opportunity to transform the Island by implementing solutions that are cost-effective and forward-looking, harness innovative thinking and best practices, and revitalize economic growth. The Governor is sharing this economic and disaster recovery plan consistent with his vision:

**To build the new Puerto Rico to meet the current and future needs of the people through sustainable economic development and social transformation; transparent and innovative approaches to governance; resilient, modern, and state-of-the-art infrastructure; and a safe, educated, healthy, and sustainable society.**

To achieve the Governor's ambitious vision, the recovery plan is focused on the following four primary goals



### Priority short-term and long-term needs

As it decides how to best invest recovery dollars, the Government of Puerto Rico must take a strategic approach to ensure that its plans account for the challenges it has faced in the past, the interdependence of systems that caused failures to cascade, and its vision for how to grow and thrive in an uncertain future. Recovery planning for Puerto Rico requires balancing solutions that quickly tackle the immense scope of short-term needs with decisions that adequately address long-term resilience needs.

The most-immediate key priorities for Puerto Rico in the short term (1-2 years) are as follows:

- **Reestablish lifeline systems** to provide affordable and reliable energy, telecommunications, water, and transportation. These are important to the economy and necessary to ensure the functioning of government. Furthermore, these systems and the services they provide are crucial to giving Puerto Ricans a sense of normalcy, protecting their health and well-being, and confirming that all regions will take part in the recovery. It is vital to create an energy grid that is reliable enough to get water treatment plants, hospitals, and other critical infrastructure off of emergency generators and make them less vulnerable to crashes, outages, or future hurricanes.
- **Repair or rebuild the approximately 166,000 residential structures** damaged or destroyed during the hurricanes. This effort is particularly important for homes built before more-protective building codes were adopted or for which building codes were not enforced. Increasing the number of qualified inspectors and requiring building permits before construction can proceed are critical to enforcing building permit requirements. Noncompliant houses that were not damaged by the hurricanes also remain at risk unless they too are brought up to code.
- **Improve emergency preparedness infrastructure** and develop the government workforce so that all residents and businesses are better protected in advance of a future disaster. Just 37 percent of municipalities reported that their response plans worked adequately given the scope and scale of Hurricanes Irma and Maria. With the arrival of a new hurricane season, it is imperative for Puerto Rico to address gaps in the emergency preparedness infrastructure. The Puerto Rico Emergency Management Agency is working

to update or develop plans for all 78 municipalities with the support of FEMA, which is also educating residents on preparedness and developing the government workforce. Coordinating the parties responsible for the emergency response and for stockpiling materials, resources, and personnel are short-term priorities.

- **Clarify ownership and responsibility** for various infrastructure, assets, and services so that repairs can be completed efficiently and rebuilding reduces risk. Creating a comprehensive inventory and management system is a next step for the energy, transportation, housing, and public buildings sectors, in particular. Consensus is emerging about the need to rethink how services are delivered—for example, creating regional structures—to improve efficiency, reduce costs, and improve the lives of citizens. This reorganization is needed to respond to future disasters and streamline service delivery, but it will have broad implications that likely require involving key stakeholders in Puerto Rico and incorporating municipal input.

In the longer term (3–11 years), the key priorities for Puerto Rico’s recovery are as follows:

- **Stem the flow of residents away** from the Island and encourage economic growth by lowering the costs of doing business, incentivizing formal labor force participation, broadening the tax base, and increasing fiscal discipline.
- **Revitalize urban centers** to focus economic recovery efforts.
- **Scale social services, health, education, and infrastructure systems** to meet the health, social, and economic needs of the current and future population.
- **Rebuild infrastructure to meet modern codes and standards**, and enforce the laws and regulations governing construction, water supply connections, and electricity metering.
- **Establish modern methods for providing both the public and private sectors with timely, accurate, and comprehensive information** to make effective decisions about recovery and day-to-day operations.

Although these are longer-term priorities that will remain enduring efforts on longer timelines, work on addressing them will need to begin immediately to take advantage of the short-term rebuilding and recovery efforts.



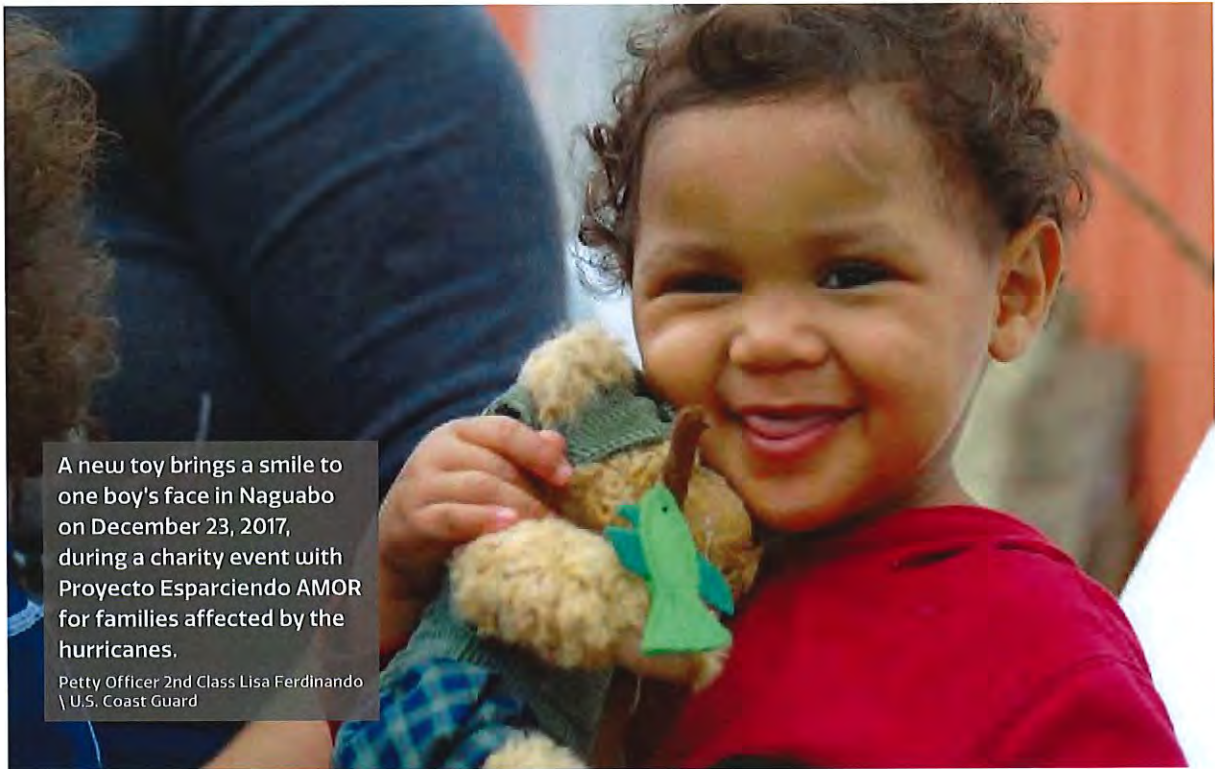
Delivery drivers for FEMA contractor Estes Express Lines volunteer at the Hogar Escuela Sor María Rafaela school for girls in Bayamon on February 1, 2018. The volunteers repaired damaged roofs, tables, benches, and playground equipment during their free time.

Kenneth Wilsey / FEMA

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## Meeting these needs

To address these priorities, the Government of Puerto Rico is focusing on nine areas of physical, natural, and human **capital investments of approximately \$132 billion** (roughly 75 percent for upfront costs and 25 percent for recurring costs, which reflect 11 years of annual costs from 2018–2028 for ongoing activities, such as operations and maintenance). Some of this total amount has already been provided by federal disaster relief, private insurance, the private sector, and philanthropic sources. In addition, the Government of Puerto Rico has identified eight strategic initiatives that build on the nine fundamental capital investments and capitalize on Puerto Rico’s unique assets and strengths to promote economic growth that is grounded in innovation, sustainability, and resilience. These **strategic initiatives add approximately \$6.6 billion** in estimated marginal costs. The Government of Puerto Rico has identified more than 270 specific courses of action—including their estimated costs, possible funding sources, and potential implementers—that will be pursued to ensure that capital investments and strategic initiatives achieve the ambitious objectives indicated in the graphic on the next page.



A new toy brings a smile to one boy's face in Naguabo on December 23, 2017, during a charity event with Proyecto Esparciendo AMOR for families affected by the hurricanes.

Petty Officer 2nd Class Lisa Ferdinando  
U.S. Coast Guard



## CAPITAL INVESTMENTS

### Physical Capital

#### ENERGY

**Transform** the energy system to ensure customer-centric, affordable, reliable, and scalable electricity that incorporates more renewables, microgrids, and distributed energy resources; can drive new businesses and employment opportunities; and can support residents' well-being.

#### COMMUNICATIONS/INFORMATION TECHNOLOGY

**Modernize** the telecommunications system to ensure fast, reliable, and resilient residential, commercial, and emergency communications that drive Puerto Rico's economy, prosperity, and well-being.

#### WATER

**Rethink** water systems to be safer, more reliable, and protected from future disasters to ensure the well-being of Puerto Ricans and the environment as well as the operations of government and businesses.

#### TRANSPORTATION

**Rebuild** and strengthen maritime, surface, and air transportation to ensure a flexible and reliable transportation system that moves people and goods, ensures economic continuity, and facilitates disaster response.

#### HOUSING

**Repair** and rebuild resilient residential housing that is safe and affordable to create a better built environment.

#### PUBLIC BUILDINGS

**Repair**, rebuild, and right-size the public buildings inventory to ensure stronger and more resilient public buildings that meet today's standards, mitigate against future disasters, represent innovative designs, and meet communities' needs.

### Human Capital

#### EDUCATION

**Transform** the education system to produce competitive graduates with the knowledge and skills needed to adapt to changes in the economy, the environment, and technology.

#### HEALTH AND WELL-BEING

**Rebuild** and enhance health and social service infrastructure and regional health care networks to ensure reliable and equitable access to health and social services and health-promoting communities, including an efficient and effective response to public health crises and other future disasters.

### Natural Capital

#### NATURAL ENVIRONMENT

**Restore**, plan for, and develop the natural environment so that marine and terrestrial ecosystems coexist sustainably with tourism, promote the economic development of Puerto Rico, serve as natural infrastructure to protect against storm damage, manage waste, and preserve the natural and cultural heritage of Puerto Ricans.

## STRATEGIC INITIATIVES

#### OCEAN ECONOMY (BLUEtide)

**Integrate** and promote all of Puerto Rico's ocean-dependent industries and ecosystems as a cohesive effort to promote economic growth, improve quality of life for residents, and enhance the visitor's experience.

#### VISITOR ECONOMY

**Develop** a strong visitor economy to help position Puerto Rico as a global destination of investment, production, and wealth.

#### EMERGENCY SERVICES MODERNIZATION

**Enhance** public safety and first responders' ability to deliver reliable, modern, and integrated emergency services.

#### AGRICULTURAL TRANSFORMATION

**Modernize** agriculture to promote greater productivity and output and improve exports.

#### DIGITAL TRANSFORMATION

**Build** the capabilities and workforce needed to fundamentally transform key industry and government processes to become more user-focused, relevant, and efficient at addressing local needs and delivering basic services.

#### 21ST-CENTURY WORKFORCE

**Develop** and protect human capital to establish a world-class workforce, increase labor force flexibility, and create high-quality employment opportunities aligned with economic growth strategies.

#### ENTREPRENEURSHIP

**Expand** opportunities for entrepreneurship and development of small to medium local businesses that can compete globally to promote economic development.

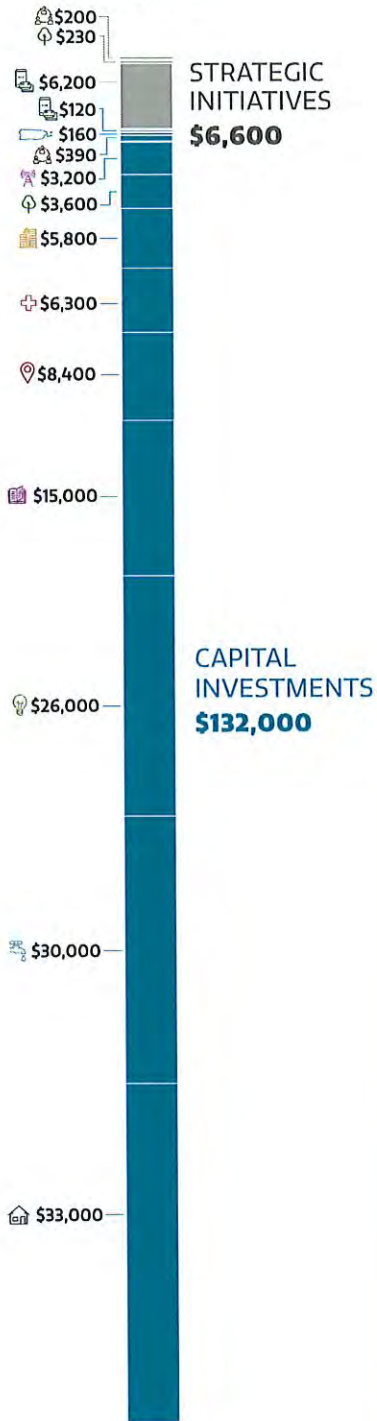
#### ADVANCED MANUFACTURING

**Address** policy and structural barriers to increase opportunities for investment and the growth of private-public partnerships.

Roughly 270 specific courses of action have been linked with these capital investments and strategic initiatives.

Descriptions of these recovery actions—including estimated costs, possible funding sources, and potential implementers—are available in Chapter 12.

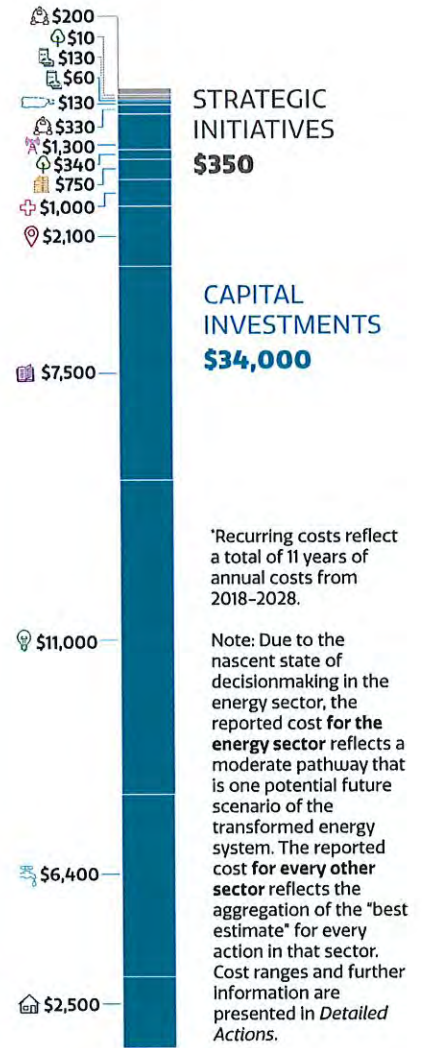
**Total costs  
(in millions)  
\$139,000**



**Upfront costs  
(in millions)  
\$105,000**



**Recurring costs\*  
(in millions)  
\$34,000**



The three bars are not in proportion to each other for legibility. Sector costs have been rounded and may not add up to the totals shown.

## Funding Puerto Rico's recovery

Carrying out this economic and disaster recovery plan will require substantial resources. The funds will need to be invested wisely—in a coordinated way over many years—to ensure that they align efficiently and effectively with Puerto Rico's vision. By identifying actions that will help Puerto Rico recover, this strategic plan provides a path to help decisionmakers start identifying and asking questions about potential funding sources. It is clear that multiple federal agencies, as well as private insurance proceeds and the private sector—including public-private partnerships, charitable foundations, corporate foundations, and institutional investors—will play a part in funding the recovery. As recovery actions are implemented in specific programs, the details of those programs will dictate the appropriate sources of funding. The graphic on the next page describes potential funding sources identified to date, with estimates of the money available from each.

## Ensuring transparency

To ensure fiscal transparency in investments and promote global best practices in accountability and coordination of recovery efforts, COR3 plans to use third-party assistance to manage recovery funds and optimize the long-term reconstruction process. The Government of Puerto Rico will employ a set of recovery indicators—tracking both Puerto Rico's recovery from Hurricanes Irma and Maria and progress toward the goals outlined in this plan.

## A better future

The voices of citizens, community leaders, mayors, agency heads, representatives from supporting federal agencies, subject-matter experts, and other stakeholders have been brought together to support the development of this plan. Using many other sources of data and analysis, the Government of Puerto Rico has developed a comprehensive strategy that goes far beyond simply building back what was destroyed by the hurricanes. This economic and disaster recovery plan builds on the considerable efforts that Puerto Rico has undertaken in recent years in fundamental ways to propose a path to a more equitable, resilient, self-sufficient, and prosperous society for all Puerto Ricans.

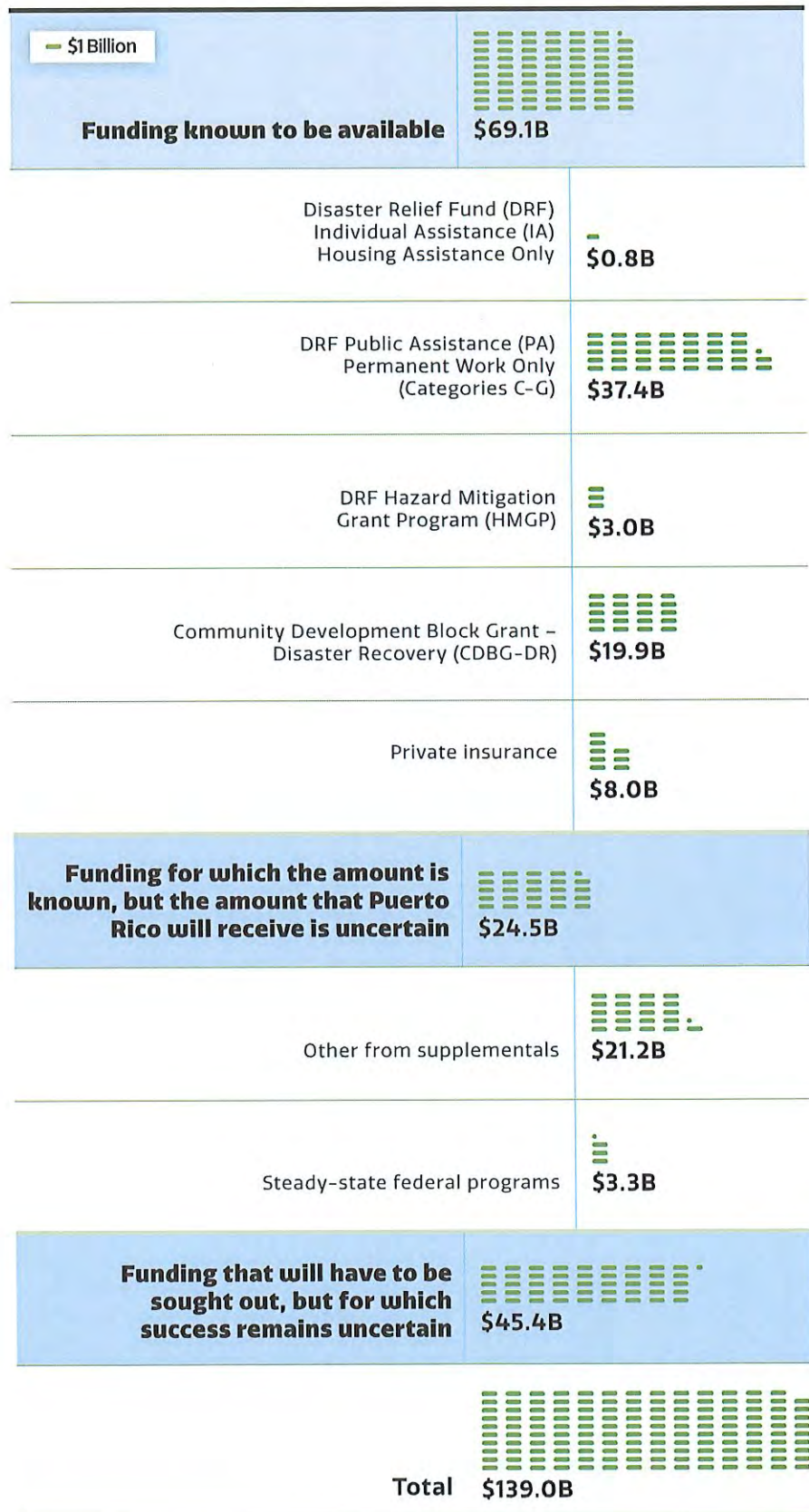
Puerto Rico will also take actions, including providing funding, to ensure there is an environment that is attractive to the private sector and investors through public-private partnerships.

---

**The voices of citizens, community leaders, mayors, agency heads, representatives from supporting federal agencies, subject-matter experts, and other stakeholders have been brought together to support the development of this plan.**

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## Estimated resources available to Puerto Rico for disaster recovery



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5. CERTIFICATION 118: 2017-18  
UPR BOARD OF GOVERNORS



JUNTA DE GOBIERNO  
UNIVERSIDAD DE PUERTO RICO

ENMENDADA  
CERTIFICACIÓN NÚMERO 118  
2017-2018

Yo, Luis Berríos Amadeo, Secretario de la Junta de Gobierno de la Universidad de Puerto Rico, CERTIFICO QUE:

La Junta de Gobierno, en su reunión ordinaria del 29 de junio de 2018, habiendo considerado la recomendación del presidente interino de la Universidad de Puerto Rico, y de su Comité de Asuntos Financieros, acordó:

Aprobar el Presupuesto para Gastos Operacionales con cargo al Fondo General de la Universidad de Puerto Rico para el Año Fiscal 2018-2019 por la cantidad de \$886,717,221, de conformidad con los cambios aprobados por la Junta de Gobierno al presupuesto presentado por el Presidente Interino UPR.

El Resumen Ejecutivo con los cambios al Presupuesto aprobados, se incorpora como parte integral de esta Certificación.

Se dispone además, que quedará sin efecto cualesquiera otra certificación, norma o circular que puedan existir o estar en vigor en la Universidad de Puerto Rico, que estén en contravención con lo aquí dispuesto.

Y PARA QUE ASÍ CONSTE, expido la presente Certificación, en San Juan, Puerto Rico, hoy 29 de junio de 2018.



Luis Berríos Amadeo  
Secretario



# **Universidad de Puerto Rico**

## **Presupuesto Año Fiscal 2018-19**

### **Resumen Ejecutivo**

San Juan, Puerto Rico

Junio 29, 2018



# Detalles del Presupuesto Aprobado

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## Aportaciones de Gobierno

- Se alinearon los datos con las últimas proyecciones de Turismo. Cualquier enmienda responderá a cambios en las proyecciones del Gobierno Central.

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## Ingresos Propios

1. **Matrícula Sub Graduada:** Alineada con el Plan Fiscal UPR a \$122MM.
2. **Cuota de Mantenimiento:** Alineada con el Plan Fiscal UPR.
3. **Programas Académicos NO Tradicionales:** Alineada con el Plan Fiscal UPR.
4. **Intereses Sobre Inversiones:** Alineada con el Plan Fiscal UPR.
5. **Reembolso de costos indirectos:** Se asumirán las proyecciones de Administración Central. Aunque no está alineado con el Plan Fiscal UPR, entendemos que el dato se sostiene con el análisis.
6. **Becas Legislativas:** Alineada con el Plan Fiscal UPR.
7. **Derechos de Laboratorios y otros:** Alineada con el Plan Fiscal UPR. Esto está incluido en la partida de “Cuotas y Servicios”.
8. **Iniciativa de Gobierno:** Alineada con el Plan Fiscal UPR. Se considera una partida no recurrente.
9. **Reserva AF 2016-17:** No aplica este año por ser una partida no recurrente.
10. **Reserva Adiestramiento Gobierno:** Se alineará con el Plan Fiscal de JSF a \$17MM y se contempla la cuantía bruta. La partida para la ejecución de los adiestramientos se debe presentar como gasto (a razón de 40%).
11. **Matrícula Graduada:** Se ajustará a \$27,963,866. Esta es la cifra que se incluyó en el Plan Fiscal UPR.
12. **Cuota de tecnología:** Alineada con el Plan Fiscal UPR.
13. **Otros Ingresos:** Alineada con el Plan Fiscal UPR.
14. **Exenciones:** El ingreso por ajuste de exenciones se fijó en \$14.5MM. Se otorgará el 100% de las exenciones de matrícula de honor, ayudantías de investigación graduada y representantes estudiantiles ante la Junta Universitaria y Junta de Gobierno. Todas las demás serán reducidas a un 50% de gasto.
15. **Cuotas y Servicios:** Alineada con el Plan Fiscal UPR.



Universidad de Puerto Rico  
Presupuesto Recomendado – Fondo General  
Año Fiscal 2018-2019

	1	2	3	4
Unidades	Presupuesto Original Año Fiscal 2017-2018	Presupuesto Recomendado Año Fiscal 2018-2019	Cambio (Col 2 – Col 1)	Porcentaje (Col 3 – Col 1)
Recinto Universitario de Río Piedras	215,806,542	212,904,438	(2,902,104)	-1.34%
Recinto Universitario de Mayagüez	135,113,085	134,578,621	(534,464)	-0.40%
Servicio de Extensión Agrícola	17,453,219	16,453,219	(1,000,000)	-5.73%
Estación Experimental Agrícola	14,705,710	13,705,710	(1,000,000)	-6.80%
Recinto de Ciencias Médicas	114,182,051	118,353,984	4,171,933	3.65%
UPR en Cayey	33,535,182	31,826,974	(1,708,208)	-5.09%
UPR en Humacao	41,132,119	39,117,931	(2,014,188)	-4.90%
UPR en Aguadilla	20,638,097	20,594,444	(43,653)	-0.21%
UPR en Arecibo	30,597,778	29,570,029	(1,027,749)	-3.36%
UPR en Bayamón	36,565,352	35,261,700	(1,303,652)	-3.57%
UPR en Carolina	25,508,546	25,315,733	(192,813)	-0.76%
UPR en Ponce	23,696,379	23,068,820	(627,559)	-2.65%
UPR en Utuado	14,155,888	13,790,235	(365,653)	-2.58%
Pago Deuda Pública	48,196,250	48,196,250	-	0.00%
Junta de Gobierno	1,464,112	1,464,112	-	0.00%
Auditoría Interna	1,751,950	1,751,950	-	0.00%
PMO	-	10,000,000	10,000,000	--
Administración Sistema Universitario	12,983,892	11,486,396	(1,497,496)	-11.53%
Centro Investigación Ciencias Moleculares	2,200,000	2,000,000	(200,000)	-9.09%
Serv. Act. Sistema Universitario (SASU)	44,111,006	69,717,451	25,606,445	58.05%
Editorial de la Universidad de Puerto Rico	789, 510	606,621	(182,889)	-23.16%
AT- Asignaciones a Transferir	41,142,332	26,952,603	(14,189,729)	-34.49%
AT – Restitución Fondos y Reserva Contingencias UPR	5,000,000	-	(5,000,000)	-----
<b>TOTAL</b>	<b>880,729,000</b>	<b>886,717,221</b>	<b>5,988,221</b>	

6. BUDGET PROJECT CERTIFICATION 100, UPR BOARD OF  
TRUSTEES 2005-06



JUNTA DE SÍNDICOS  
UNIVERSIDAD DE PUERTO RICO

CERTIFICACIÓN NÚMERO 100  
2005-2006

Yo, Salvador Antonetti Zequeira, Secretario de la Junta de Síndicos de la Universidad de Puerto Rico, CERTIFICO QUE:

La Junta de Síndicos de la Universidad de Puerto Rico, en su reunión ordinaria del sábado, 22 de abril de 2006, habiendo considerado las recomendaciones de su Comité de Ley y Reglamento, y con el endoso del Presidente de la Universidad de Puerto Rico, acordó:

**Aprobar el REGLAMENTO DE PRESUPUESTO DE LA UNIVERSIDAD DE PUERTO RICO que se incorpora y forma parte de esta Certificación.**

**Disponer que este Reglamento entrará en vigor en la fecha de aprobación de esta Certificación.**

**Derogar, a partir de la vigencia de este Reglamento las Certificaciones Núm. 112 (1984-1985), Núm. 2 (1986-1987) y Núm. 93-051 del antiguo Consejo de Educación Superior, toda reglamentación anterior con relación al presupuesto, en todo el Sistema Universitario, y, además, dejar sin efecto cualquier otra política, reglamentación, certificación, norma, procedimiento, circular, directriz o disposición que conflija o esté en contravención con el Reglamento aprobado.**

Y PARA QUE ASÍ CONSTE, expido la presente Certificación, en San Juan, Puerto Rico, hoy día 24 de abril de 2006.



  
Salvador Antonetti Zequeira  
Secretario



**REGLAMENTO DE PRESUPUESTO  
DE LA UNIVERSIDAD DE PUERTO RICO**



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**Artículo 1 — Título.**

Este cuerpo de normas, se conocerá como el “Reglamento de Presupuesto de la Universidad de Puerto Rico”.

**Artículo 2 — Base Legal.**

Este Reglamento se adopta en virtud de lo dispuesto en la Ley de la Universidad de Puerto Rico, Ley Núm. 1 del 20 de enero de 1966, según enmendada, y del Reglamento General de la Universidad de Puerto Rico.

**Artículo 3 — Alcance.**

Este Reglamento será de aplicación a todo el Sistema Universitario, según definido en la Sección 12.1 del Reglamento General de la Universidad de Puerto Rico.

**Artículo 4 — Propósitos y Fundamentos.**

El objetivo de este Reglamento es regular de manera coordinada la formulación, ejecución, control y evaluación del presupuesto integrado institucional, que es un instrumento clave para coadyuvar al cumplimiento de la misión educativa encomendada a la Universidad, alcanzar sus metas y lograr sus objetivos. En consecuencia, la elaboración del presupuesto institucional deberá estar guiada por criterios de calidad, eficiencia y responsabilidad institucional que permitan su evaluación regular y periódicamente. El presupuesto institucional estará dirigido a la utilización eficiente y efectiva de todos los recursos económicos, independientemente de su proveniencia, así como a potenciar el fortalecimiento financiero de la Universidad. Además, el presupuesto y su elaboración deben promover los procesos de planificación y asignación de recursos sistemáticamente en función de las prioridades y proyecciones programáticas, la diversidad de sus unidades institucionales y la coherencia y articulación de la Universidad como sistema.

**Artículo 5 — Significado de Palabras y Frases.**

Las palabras y frases que se utilizan en este Reglamento, tendrán el significado que se establece en la Ley, el Reglamento General de la Universidad de Puerto Rico y la Certificación Núm. 90 (2002-2003), Reorganización de la Oficina del Presidente de la Universidad de Puerto Rico, salvo que su contexto exija otro significado. Todo término utilizado para referirse a una persona o puesto se refiere a ambos géneros.

**Artículo 6 — La Elaboración del Presupuesto.**

- A. El objetivo de la elaboración del presupuesto es la formulación del proyecto de presupuesto integrado para el Sistema Universitario que el Presidente de la Universidad deberá someter para la consideración y aprobación de la Junta de Síndicos, con las recomendaciones de la Junta Universitaria. La elaboración considerará los proyectos de presupuesto que los Rectores sometan al Presidente de conformidad con la Ley de la Universidad y las disposiciones de este reglamento.



B. Participarán en el proceso el Comité de Presupuesto de la Universidad de Puerto Rico, la Oficina de Presupuesto de la Oficina del Presidente de la U.P.R. (en adelante “Oficina de Presupuesto”), Oficina de Finanzas de la Oficina del Presidente de la U.P.R. (en adelante “Oficina de Finanzas”) y las Oficinas de Presupuesto de las unidades institucionales, los cuales actuarán como asesores de los cuerpos y funcionarios que por ley tienen la facultad de formular, recomendar, considerar o aprobar el referido proyecto de presupuesto integrado.

#### **Artículo 7 — Comité de Presupuesto de la Universidad de Puerto Rico.**

A. *Composición:* El Comité de Presupuesto de la Universidad de Puerto Rico (en adelante “Comité de Presupuesto”) estará integrado por el Director de la Oficina de Presupuesto, quien será su presidente, las Vicepresidentas en Asuntos Académicos y en Tecnología e Investigación, el Director de Finanzas de la Universidad, la Directora de la Oficina de Desarrollo Físico e Infraestructura y hasta tres (3) miembros adicionales nombrados por el Presidente de la Universidad.

B. *Funciones y Deberes:* El Comité tendrá las funciones y deberes siguientes:

1. Asesorar y asistir al Presidente en todo lo concerniente a la elaboración del presupuesto integrado, incluyendo el contenido sustantivo o procedimental de las disposiciones normativas y cartas circulares presupuestarias correspondientes que se puedan emitir periódicamente.
2. Proponer las disposiciones sobre política presupuestaria y los procesos derivados de la misma, así como las cartas circulares presupuestarias para asegurar que el presupuesto se elabora:
  - a. Ciñéndose a criterios de calidad, eficiencia y responsabilidad institucional que permitan su evaluación regular y periódicamente y estén guiados por la cultura y normas de evaluación establecidas.
  - b. Basándose en la planificación institucional adoptada por la Universidad de Puerto Rico como dirección estratégica de su desarrollo.
  - c. Ponderando factores financieros y económicos que impactan sus fuentes de ingresos y la disponibilidad de los recursos, así como la capacidad de generar nuevos ingresos de fuentes externas e internas. También se considerará en este proceso, entre otros, la cantidad de estudiantes servidos, la naturaleza y actividades de investigación, la docencia y el fortalecimiento de los servicios que ofrece cada unidad.
  - d. Fomentando la utilización eficiente y efectiva de todos los recursos económicos, independientemente de su proveniencia, para potenciar el fortalecimiento financiero de la Universidad.
  - e. Asegurando que la asignación de recursos se realiza sistemáticamente en función de las prioridades y proyecciones programáticas, los proyectos de





infraestructura física o tecnológica, la diversidad de las unidades institucionales y la coherencia y articulación de la Universidad como sistema.

3. Considerar y discutir la proyección de ingresos y gastos que preparará el Director de la Oficina de Presupuesto para cada año fiscal, basada en los estimados de ingresos provenientes de las diversas fuentes de ingresos institucionales, así como de sus revisiones.
4. Hacer recomendaciones de todas aquellas alternativas, medidas y sugerencias que puedan conducir a una eficaz distribución de los recursos fiscales.
5. Mantener una comunicación efectiva con los Rectores en materia presupuestaria y, particularmente, respecto a sus proyectos de presupuesto.
6. Realizar cualquiera otra encomienda que determine el Presidente de la Universidad.

#### **Artículo 8 — Oficina de Presupuesto de la Oficina del Presidente de la U.P.R.**

A. *Composición:* La Oficina de Presupuesto de la Oficina del Presidente de la U.P.R. está dirigida por el Director de Presupuesto y está compuesta de conformidad a lo determinado por la Junta de Síndicos en la Certificación Núm. 90 (2002-2003).

B. *Funciones y deberes:* La Oficina tendrá las funciones y deberes siguientes:

1. La Oficina de Presupuesto tiene como función básica el asesorar al Presidente en la formulación, control y evaluación del Presupuesto de la Universidad.
2. Estudiar y analizar, en coordinación con el Director de Finanzas, los recursos disponibles de la Universidad para el presupuesto anual de gastos de funcionamiento, incluyendo los que provienen de fuentes internas o propias y de fuentes federales y particulares.
3. Preparar, asimismo, la proyección de ingresos y gastos para cada año fiscal, basada en los estimados de ingresos provenientes de las diversas fuentes de ingresos institucionales, así como de sus revisiones.
4. Examinar los programas de mejoras permanentes incluidos en el plan de desarrollo institucional en la etapa de programas, planes esquemáticos y preliminares, en lo relativo a sus efectos presupuestarios de funcionamiento y hacer las recomendaciones correspondientes al Presidente.
5. Estudiar y hacer recomendaciones al Presidente sobre el efecto presupuestario de las actividades propuestas, incluyendo la creación, modificación o evaluación de programas académicos, servicios estudiantiles y administrativos, así como lo concerniente a la planificación institucional o cualquier otro asunto de impacto fiscal.



6. Recomendar al Presidente de la Universidad un proyecto anual de presupuesto integrado basado en el estudio y análisis de los recursos disponibles y la consideración de los proyectos de presupuesto sometidos por los Rectores conforme a las recomendaciones del Comité de Presupuesto. En la elaboración del presupuesto integrado, el Director de Presupuesto velará porque el mismo cumpla con los propósitos, objetivos y fundamentos de este reglamento y con la política presupuestaria establecida.
7. Preparar los documentos de presupuesto a someterse a los cuerpos y funcionarios que por ley tienen la facultad de formular, recomendar, considerar o aprobar el presupuesto integrado, así como a las ramas pertinentes del gobierno.
8. Preparar y someter al Presidente, proyecciones de presupuesto a mediano y largo plazo, de los gastos operacionales, por programas principales y por unidad institucional.
9. Integrar y coordinar con las unidades las fases de preparación, ejecución y administración del presupuesto integrado.
10. Preparar y emitir cartas circulares sobre aspectos presupuestarios.
11. Realizar cualquiera otra encomienda que determine el Presidente de la Universidad.

#### **Artículo 9 — Oficina de Presupuesto de las Unidades Institucionales.**

- A. *Composición:* Los Rectores determinarán la composición y organización de las Oficinas de Presupuesto de sus unidades, conforme al ordenamiento reglamentario vigente.
- B. *Funciones y deberes:* Las Oficinas de Presupuesto de las unidades tendrán las funciones y deberes siguientes:
  1. Las Oficinas de Presupuesto de las unidades institucionales tienen como función básica el asesorar al Rector de la unidad en la formulación, elaboración, ejecución, control y evaluación del presupuesto.
  2. Elaborar, para la consideración del Rector, un presupuesto operacional consolidado basado en las prioridades y proyecciones programáticas identificadas en concordancia con el instrumento vigente para la planificación de la Universidad de Puerto Rico y con arreglo a las cartas circulares presupuestarias sobre ingresos y gastos provista por la Oficina de Presupuesto de la Universidad de Puerto Rico y a los estimados de recursos externos que asegure la unidad.
  3. Colaborar y comunicarse pro activamente con la Oficina de Presupuesto para lograr los fines programáticos de cada unidad con la más clara y actualizada



información sobre los recursos disponibles y puedan efectuarse aquellos ajustes que requiera dicha actualización.

4. Dirigir los esfuerzos para lograr que el presupuesto integrado propuesto, articule cabalmente con la planificación interna, atienda las expectativas de desarrollo y los niveles de servicio en conformidad con los recursos económicos proyectados. Asimismo, considerar detenidamente las propuestas y recomendaciones de las facultades, departamentos y otras dependencias. Estudie, analice y determine los costos de cada programa, según sus necesidades inmediatas y futuras.
5. Estudiar y analizar, en coordinación con el Director de Finanzas de la unidad, los recursos disponibles de la unidad para el presupuesto anual de gastos de funcionamiento, incluyendo los que provienen de fuentes internas o propias y de fuentes externas, gubernamentales, federales y particulares.
6. En colaboración con la Oficina de Finanzas de la unidad, establecer las cuentas de cada unidad presupuestaria para que éstas puedan dar cumplimiento a su programa de trabajo y velar para que las transacciones presupuestarias se analicen de acuerdo con las normas, reglas y reglamentos establecidos.
7. Preparar, analizar y comunicar al Rector periódicamente el resultado de las proyecciones de gastos y someter las recomendaciones para atender cualquier situación en cumplimiento con lo establecido en la reglamentación vigente.
8. Someter análisis y recomendaciones de aspectos fiscales al Rector o al funcionario que éste designe, sobre la implantación de nuevos programas académicos o la evaluación de los programas existentes, las actividades de investigación, así como los proyectos de infraestructura física o tecnológica.
9. Diseñar y elaborar informes y estudios especiales, haciendo uso de metodología estadística para el análisis económico de asuntos, sean éstos de naturaleza cuantitativa o cualitativa.
10. Evaluar programas, actividades o unidades, en términos de economía, eficiencia y efectividad, y someter informes al Rector o al funcionario que éste designe.
11. Realizar cualquiera otra encomienda que determine el Rector de la unidad.

#### **Artículo 10 — Procedimiento a Seguirse en la Elaboración del Documento de Presupuesto para el Año Fiscal.**

- A. El Director de la Oficina de Presupuesto establecerá el programa y calendario de trabajo para elaborar el presupuesto para el siguiente año fiscal, de conformidad con la política y reglamentación vigente sobre materia presupuestaria. El referido programa proveerá para lo siguiente:



1. La preparación de la proyección final de ingresos y gastos para el próximo año fiscal en o antes del 30 de abril, basada en los estimados de ingresos provenientes de las diversas fuentes de ingresos institucionales y en la confirmación de la Oficina de Gerencia y Presupuesto de los ingresos gubernamentales, según dispuesto en este reglamento.
  2. La producción del informe sobre los resultados de la operación presupuestaria del año fiscal transcurrido. Este informe se someterá en o antes del 30 de julio de cada año.
  3. Los medios de comunicación entre los participantes para la elaboración del presupuesto, respecto a identificación de las necesidades y prioridades a ser atendidas en el mismo.
  4. El calendario de actividades para la preparación del proyecto de presupuesto que deberá realizarse durante el año fiscal y los resultados a obtenerse al final de cada etapa.
  5. Los funcionarios, oficinas y personas responsables de realizar las diversas tareas, proveer información, rendir cuentas y actividades necesarias.
  6. Los periodos de tiempo, fechas límites y otras consideraciones de tiempo, de forma o de método necesarias para realizar el trabajo.
- B. Los Rectores de las unidades elaborarán un presupuesto integrado para su unidad basado en las prioridades y proyecciones programáticas identificadas en concordancia con el instrumento vigente para la planificación de la Universidad de Puerto Rico y con arreglo a las cartas circulares presupuestarias sobre ingresos y gastos provista por la Oficina de Presupuesto, los estimados de recursos externos y propios que asegure la unidad, la cantidad de estudiantes servidos, la naturaleza y actividades de la investigación, de la docencia y de sus servicios. El Rector de la unidad someterá el proyecto de presupuesto a la Oficina de Presupuesto, la cual lo enviará a la consideración del Comité de Presupuesto en la fecha determinada en el calendario de trabajo.
- C. Se formulará un Proyecto de Presupuesto integrado basado en el estimado de ingresos y gastos para el periodo fiscal y en los datos e información generada según programado, el cual integrará los presupuestos de las unidades universitarias en función de los lineamientos de la planificación institucional, de las obligaciones de la institución, de la calibración de los escenarios económicos pertinentes y de la actualización de los recursos económicos disponibles.
- D. El Presidente someterá el Proyecto de Presupuesto a la consideración de la Junta Universitaria para que formule las recomendaciones que juzgue pertinentes.
- E. La Oficina de Presupuesto preparará el proyecto final de presupuesto tomando en consideración las recomendaciones de la Junta Universitaria.



F. El Presidente someterá el Proyecto Final de Presupuesto para la consideración y aprobación de la Junta de Síndicos.

G. La Junta de Síndicos, luego de la consideración correspondiente del proyecto presentado, aprobará el presupuesto de la Universidad antes del comienzo de año fiscal correspondiente.

**Artículo 11 — De la Contabilización del Presupuesto Aprobado para la Universidad.**

- A. La Oficina de Presupuesto en coordinación con la Oficina de Finanzas preparará los documentos correspondientes para la creación de cuentas y la contabilización de las asignaciones presupuestarias de acuerdo al presupuesto aprobado por la Junta de Síndicos para tener vigencia el 1ro de julio de cada año. Las asignaciones deben estar contabilizadas durante el mes de julio del año fiscal que comienza.
- B. Las unidades institucionales registrarán en sus libros de contabilidad las asignaciones presupuestarias siguiendo la presentación programática según establece la certificación que emita la Junta de Síndicos sobre el presupuesto aprobado.
- C. Las unidades utilizarán los sistemas electrónicos y la programación adquirida para uniformar la contabilidad de todas sus operaciones, de suerte que todas las transacciones se recopilen en una base de datos ágil, eficiente y actualizada, al alcance de todos los usuarios autorizados.

**Artículo 12 — Administración y Ejecución General del Presupuesto.**

- A. La administración del presupuesto de la Universidad de Puerto Rico se regirá por parámetros de responsabilidad y rendición de cuentas en el uso de los fondos públicos y de otras fuentes.
- B. Las unidades institucionales se abstendrán de autorizar o incurrir en gastos y compromisos que excedan los límites del Presupuesto Integrado aprobado por la Junta de Síndicos a dicha unidad.
- C. La administración de los fondos externos y extra universitarios se regirá por los parámetros de la normativa institucional vigente y por los parámetros fiscales y programáticos establecidos por las agencias, los donantes y los propósitos para los cuales fueron creados.
- D. Las transferencias de fondos entre programas o líneas de gastos se considerarán transferencias internas que serán aprobadas por las unidades, excepto cuando se especifiquen limitaciones a éstas en las disposiciones sobre la administración de los presupuestos anuales, según aprobadas por la Junta de Síndicos.



- E. El Presidente de la Universidad queda autorizado a transferir aquellas cantidades de las partidas legislativas para asistencia económica a estudiantes de una unidad a otra cuando así se requiera.

**Artículo 13 — Administración Interna del Presupuesto Aprobado para las Unidades Institucionales.**

- A. Los Rectores, habiendo consultado a la Junta Administrativa, establecerán las normas internas que juzguen pertinentes para la administración del presupuesto aprobado por la Junta de Síndicos para su unidad, las cuales deberán ser consistentes con las disposiciones de este Reglamento.
- B. Los Rectores y las Juntas Administrativas de las unidades institucionales se abstendrán de aprobar acciones que tengan efecto presupuestario recurrente para el próximo año fiscal sin que medie autorización del Presidente de la Universidad, previa evaluación de la correspondiente justificación. Bajo esta disposición no se permitirán, entre otras, las siguientes acciones:
1. Creación de plazas regulares con cargo a economías generadas en cada unidad institucional.
  2. Creación de plazas regulares con asignaciones no recurrentes.
  3. Acciones mediante las cuales se modifican los sueldos aprobados para el personal universitario sin que para ello se haya aprobado en el presupuesto la asignación correspondiente.
  4. Uso de asignaciones de plazas que estén vacantes para crear nuevas plazas regulares sin que se elimine la plaza donde procede la asignación.
  5. División de una plaza en dos o más plazas, siempre que esta división conlleve una proyección para el próximo ejercicio fiscal.
  6. Creación de plazas nuevas sin la identificación de la asignación presupuestaria correspondiente.
  7. Ascensos en rango y reclasificación de puestos sin identificar los fondos recurrentes requeridos para atender la acción propuesta.
  8. Reducir las partidas que se aprueben exclusivamente para cubrir aportaciones patronales a los Sistemas de Retiro, Seguro Social Federal, Medicare, Fondo del Seguro del Estado, Plan Médico de los Empleados y mantenimiento o conservación de las instalaciones.
  9. Reducir asignaciones presupuestarias a partidas de gastos que habrán de incurrirse.

**Artículo 14 — Informes.**

- A. Trimestralmente cada unidad someterá a la Oficina de Presupuesto un informe acumulativo por objetos de gasto del estado de las asignaciones presupuestarias aprobadas.
- B. El Director de la Oficina de Presupuesto establecerá los otros informes que deberán someter las unidades institucionales a la Oficina de Presupuesto, la naturaleza y contenido de los mismos, las fechas o periodos en que deberán someterse y las formas y métodos para hacerlo. Las normas proveerán para que en estos informes las unidades incluyan los ajustes presupuestarios necesarios para cumplir con los disponiéndose generales establecidos por la Junta de Síndicos para la administración y ejecución del presupuesto de cada año fiscal.

**Artículo 15 — Normas y procedimiento. Interpretación. Situaciones Imprevistas.**

- A. *Normas:* El Presidente de la Universidad de Puerto Rico o su representante autorizado, podrá promulgar las normas, directrices y procedimientos para implantar lo dispuesto en este Reglamento, facilitar el cumplimiento con sus disposiciones y asegurar la implantación y administración uniforme de las mismas.
- B. *Interpretación:* Corresponderá al Presidente de la Universidad interpretar las disposiciones de este Reglamento y las normas y procedimientos que se promulguen a tenor con la misma, así como decidir cualquier controversia en relación con las mismas o con situaciones no previstas o particulares relacionadas con la elaboración, administración y evaluación del presupuesto institucional.
- C. *Situaciones imprevistas:* El Presidente de la Universidad podrá suspender la aplicación de disposiciones de este Reglamento en casos de fuerza mayor, incluyendo desastres naturales o necesidades o condiciones que ineludiblemente obligan a así hacerlo, o de situaciones imprevistas que limiten, inhabiliten o imposibiliten el cumplimiento con las disposiciones en cuestión. El Presidente informará a la Junta de Síndicos sobre la medida tomada.

**Artículo 16 — Enmiendas.**

Este Reglamento podrá ser enmendado en cualquier momento por la Junta de Síndicos, por iniciativa propia o por recomendación del Presidente.

**Artículo 17 — Separabilidad.**

Las disposiciones de este Reglamento son separables entre sí y la nulidad de uno o más artículos no afectará los otros que puedan ser aplicados independientemente de los declarados nulos.

**Artículo 18 — Vigencia.**

Este Reglamento entrará en vigor una vez sea aprobado por la Junta de Síndicos.



**Artículo 19 — Derogación.**

A partir de la vigencia de este Reglamento quedarán derogadas las Certificaciones Núm. 112 (1984-1985), Núm. 2 (1986-1987) y Núm. 93-051 del antiguo Consejo de Educación Superior, toda reglamentación anterior con relación al presupuesto, en todo el Sistema Universitario, y, además, queda sin efecto cualquier otra política, reglamentación, certificación, norma, procedimiento, circular, directriz o disposición que conflija o esté en contravención con este reglamento.



7 “MEMORIAL DEL PRESUPUESTO FONDO GENERAL UPR”  
FY 2019

**UPR**  
Universidad de Puerto Rico

Universidad  
de Puerto Rico

# Memorial de Presupuesto 2019

30 de junio de 2018

**Universidad de Puerto Rico  
Presupuesto UPR  
Propuesta Año Fiscal 2018-2019**

**Base Legal**

**Misión**

**Visión**

# **Universidad de Puerto Rico**

## **Presupuesto UPR**

### **Propuesta Año Fiscal 2018-2019**

#### **Base Legal:**

##### **Ley Núm. 1 de 20 de enero de 1966**

**Tiene el propósito de reorganizar la Universidad de Puerto Rico, reafirmar y robustecer su autonomía y facilitar su continuo crecimiento. La Universidad de Puerto Rico continuará siendo una corporación pública.**

##### **Ley Núm. 2 de 20 de enero de 1966**

**Se establece para asignar fondos a la Universidad de Puerto Rico para el año fiscal de 1967, y autorizar la forma en que se determinará la asignación de fondos en años subsiguientes.**

##### **Ley Núm. 3 de 20 de enero de 1966**

**Autoriza a la Universidad de Puerto Rico a emitir bonos de rentas para la adquisición o construcción de cualquier proyecto, comprometiendo el ingreso obtenido por derechos de matrícula, cuotas de estudiantes y otros pagos impuestos y cobrados por la Universidad de Puerto Rico.**

#### **Misión**

**Transmitir e incrementar el saber por medio de las ciencias y las artes, poniendo este conocimiento al servicio de la comunidad a través de sus profesores, investigadores, otro personal universitario, estudiantes y egresados.**

**Contribuir al desarrollo, cultivo y disfrute de los valores estéticos y éticos de la cultura.**

#### **Visión**

**Nuestra razón de ser es el estudiante, la unidad en la diversidad es nuestra fortaleza, la excelencia académica es nuestro compromiso.**

**Nos reafirmamos en nuestro compromiso con Puerto Rico, y la Comunidad Internacional.**

**Universidad de Puerto Rico  
Presupuesto UPR  
Propuesta Año Fiscal 2018-2019**

**Introducción**

## I. INTRODUCCIÓN:

Los ingresos que recibe la Universidad de Puerto Rico (UPR) se dividen en dos (2) grupos, según detalle:

**Fondo Discrecional** - lo compone el Fondo General-UPR, nutre el presupuesto anual para cubrir los gastos operacionales de cada Unidad del Sistema Universitario. La gerencia de la UPR tiene la potestad de la distribución de estos fondos. La Ley Núm. 1 de 20 de enero de 1966 establece los organismos que forman parte del proceso.

Los ingresos que componen el Fondo General-UPR son los siguientes:

1. Fórmula-UPR (Ley 2 de 20 de enero de 1966)
2. Ley de Juego de Azar (Ley Núm. 36 de 2005)
3. Ingresos Propios:
  - (1) Derechos de matrícula
  - (2) Cuota de mantenimiento
  - (3) Cuota de tecnología
  - (4) Intereses sobre inversiones
  - (5) Reembolso de costos indirectos
  - (6) Ingresos Programas No Tradicionales
  - (7) Ingresos Misceláneos

**Fondos Restringidos** – lo componen los fondos que son otorgados por distintas entidades gubernamentales (federal y/o estatal), Municipios, Corporaciones, Empresas Privadas, Individuos, y Otros. Se asignan con un propósito particular y no podrán ser utilizados para ninguna otra actividad para los cuales fueron asignados.

Los ingresos que componen los Fondos Restringidos-UPR son los siguientes:

1. Asistencia Económica Estudiantil (estatal y/o federal)
2. Contratos con el Gobierno Federal
3. Contratos con Municipios y/o Agencias Estatales
4. Donativos Privados
5. Plan de Práctica Universitaria
6. Fondos de Inversiones
7. Cuentas rotatorias
8. Otros contratos

En el proyecto de presupuesto del Gobierno de Puerto Rico, para el Año Fiscal 2018-2019, se recomienda una asignación para la UPR de \$587,136 millones provenientes de la Fórmula (Ley Núm. 2-1966) y Resoluciones Conjuntas por \$38,773 millones, para un total de \$625,909 millones.

**Universidad de Puerto Rico**  
**Asignaciones Provenientes del Gobierno de PR**  
**Años Fiscales 2017-2018 y 2018-2019**

<i>Fuentes de Recursos</i>	Cantidades en Miles		
	1 Año Fiscal 2017 - 2018	2 Año Fiscal 2018 - 2019	3 Cambio (Col 2-1)
Fórmula Financiamiento UPR, Ley Núm. 2 de 1966	\$ 631,210	\$ 587,136	\$ (44,074)
Resoluciones Conjuntas	37,111	38,773	1,662
<b>Total Asignaciones Provenientes del Gobierno de PR</b>	<b>\$ 668,321</b>	<b>\$ 625,909</b>	<b>\$ (42,412)</b>

-6.35%

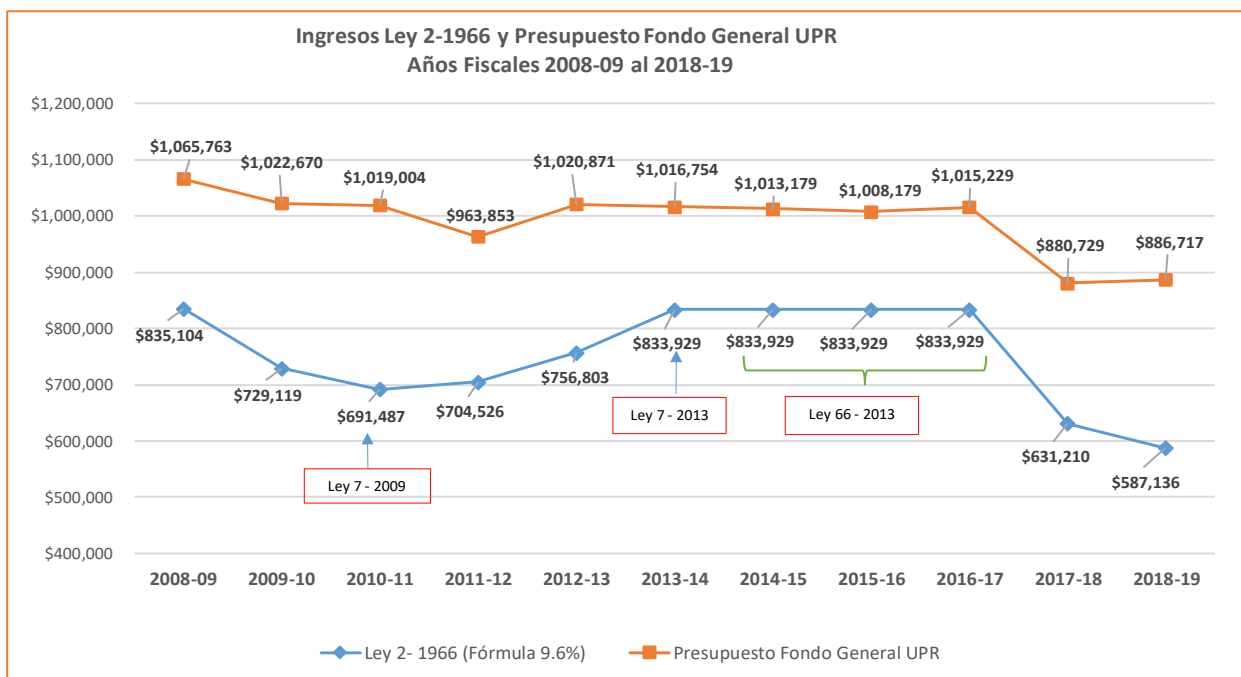
Detalle de las Resoluciones Conjuntas:

<b>RESOLUCIONES CONJUNTAS</b>			
	Año Fiscal 2017-2018	Año Fiscal 2018-2019	Cambio (Col b - Col a)
<b>Resoluciones Conjuntas</b>	<b>\$ 27,611,000</b>	<b>\$ 29,273,000</b>	<b>\$ 1,662,000</b>
Fortalecer Servicios del Centro Ponceno de Autismo	87,000	87,000	-
Gastos de Funcionamiento Programa de Asistencia Tecnológica de PR - Ley 236 - 2000	855,000	855,000	-
Capacitación Residentes Depto. Cirugía y Trauma -Ley 106-2013	2,500,000	2,500,000	-
Otorgación de Becas Estudiantes de Medicina, Odontología y Veterinaria - Ley 17 - 1948	500,000	500,000	-
Registro de Biopsia Cerebral Postmortem de Pacientes Alzheimer - Ley 237 - 1999	50,000	50,000	-
Creación Centro de Servicios Integrados a Menores Víctimas de Abuso Sexual - Ley 158 - 2013	500,000	500,000	-
Gastos Operacionales Centro Estudios Avanzados Personal Emergencias Médicas - Ley 235 - 2004	500,000	500,000	-
Servicios Prestados Población Médico Indigentes - RC 1527-2004	1,719,000	1,719,000	-
Pago Nóminas de Residentes e Internos del Programa Educación Médica Graduada del RCM - Ley 299 - 2003	20,900,000	20,900,000	-
Gastos de Funcionamiento Red Sísmica y Movimientos Fuertes - Ley 106 -2002	-	1,662,000	1,662,000
<b>Becas Legislativas</b>	<b>\$ 9,500,000</b>	<b>\$ 9,500,000</b>	<b>\$ -</b>
Concesión de Becas y Ayudas Económicas a Estudiantes (Becas Legislativas) - Ley 170 - 2002	9,500,000	9,500,000	-
<b>Total</b>	<b>\$ 37,111,000</b>	<b>\$ 38,773,000</b>	<b>\$ 1,662,000</b>

La asignación de fondos para gastos de funcionamiento, mediante la Fórmula-UPR (Ley Núm. 2-1966) se han dejado de recibir \$594.9 millones durante el período de 2014-2015 al 2018-2019. Esta cifra se compone de \$348.2 millones por la congelación de la Fórmula en \$833.9 millones entre los años fiscales 2014-2015 al 2016-2017, más la reducción proyectada de \$202.7 para el año fiscal 2017-2018, y \$44,074 millones, según detalle:

Año Fiscal	Reducción en el Presupuesto para Gastos de Funcionamiento
2014-15	\$124,068,301
2015-16	\$112,119, 949
2016-17	\$111,987,709
2017-18	\$202,719,000
2018-19	\$44,074,000
<b>Total</b>	<b><u>\$594,968,959</u></b>

### UNIVERSIDAD DE PUERTO RICO





**Universidad de Puerto Rico  
Presupuesto UPR  
Propuesta Año Fiscal 2018-2019**

**Premisas**

## PREMISAS DEL PRESUPUESTO FONDO GENERAL UPR AÑO FISCAL 2018 – 2019

- A. El recorte neto en los fondos gubernamentales asignados a la UPR para gastos de operacionales es de \$44.1 millones.
- B. Revisión de los estimados de ingresos propios del Fondo General-UPR. Se revisó el estimado de ingresos, por concepto de cargos matrícula subgraduada y graduada, para un total de aproximadamente 58,000 estudiantes, el recobro de costos indirectos, ingresos misceláneos y cuotas de laboratorios.
- C. Continuar, en coordinación con las unidades, el proceso de la evaluación interna de las operaciones administrativas, académicas y de servicios con el propósito de mejorar la eficiencia en el uso de los fondos públicos.
- D. Se adoptaron medidas de ahorros y economías para poder balancear los gastos operaciones versus ingresos estimados, para el Año Fiscal 2018-2019. Además, deberá continuar con la normativa de ahorros establecidas en los pasados años, mediante certificaciones y cartas circulares. Las mismas han mantenido un control de gastos sobre varias partidas, proveyendo así que los recursos se destinen hacia las prioridades y el servicio directo a los estudiantes. Las nuevas medidas son:
  - Reducción o eliminación del presupuesto asignado a las plazas vacantes que han surgido durante el presente año fiscal (2017-2018).
  - Revisión de un 34% en el renglón de Materiales, y 25% en Otros Gastos Operacionales. Los renglones de telefonía, internet, comunicación, seguridad, seguro médico estudiantil, electricidad, agua y alcantarillados, combustible, suscripciones de revistas y libros para bibliotecas, gastos de transportación, acreditación de programas compra y sustitución de equipo, estipendios a estudiantes y pareos de fondos para proyectos de investigación han quedado inalterados para el Año Fiscal 2018-2019. Estos ajustes se realizaron conforme a las asignaciones vigentes al 1ro. de julio de 2017, que corresponde el Año Fiscal 2017-2018.
- E. Los nuevos compromisos, gastos y otros ajustes internos (a nivel sistémico y de unidad) se subvencionarán mediante el proceso de redistribución interna del presupuesto existente.

- F. En cumplimiento con leyes y reglamentos las proyecciones de gastos, obligaciones y compromisos de las unidades no excederán los recursos asignados en el presupuesto operacional, de igual forma en los presupuestos de los fondos externos y en los fondos restringidos que generan ingresos. Esto implica que toda acción y decisión se realizará con la previa verificación y certificación de la disponibilidad de los fondos, antes de proceder con la misma.
  
- G. Promover acciones que generen nuevas y mayores fuentes de ingresos al fondo operacional. Establecer una relación constante con nuestros exalumnos y otros amigos de la UPR para asegurar que éstos apoyen a la Universidad.
  
- H. La distribución preliminar del presupuesto del Fondo General-UPR asciende a \$886,717,221; la misma incluye \$12.3 millones no recurrentes, provenientes de fondos generados por concepto de balance disponible en la cuenta de banco.



**Universidad de Puerto Rico  
Presupuesto UPR  
Propuesta Año Fiscal 2018-2019**

**Presupuesto Fondo General**

## PRESUPUESTO FONDO GENERAL UPR – ESTIMADOS DE INGRESOS DEL FONDO GENERAL UPR – AF 2018-2019:

El presupuesto con cargo al Fondo General-UPR en el año fiscal vigente 2017-2018 tiene un estimado de ingresos de **\$880,729,000**, según aprobado en la Certificación Núm. 21 (2017-2018). Los estimados de ingresos para el año fiscal 2018-2019 ascienden a **\$886,717,221**. La siguiente tabla presenta el resumen de los estimados de ingresos por partidas:

### UNIVERSIDAD DE PUERTO RICO Administración Central Oficina Central de Presupuesto

#### INGRESOS AL FONDO GENERAL - UPR

Descripción y/o Detalle	(a)	(b)	(c)
	Año Fiscal 2017-2018 Certificación 21 (2017-2018)	Ingresos Año Fiscal 2018-2019	Cambio (Col b - Col a)
<b>Aportaciones Gobierno</b>	<b>\$ 693,210,000</b>	<b>\$ 646,266,218</b>	<b>\$ (46,943,782)</b>
Ley 2 - 1966 (Fórmula)	631,210,000	587,136,000	(44,074,000)
Ley 36 - 2005 (Juegos de Azar)	62,000,000	59,130,218	(2,869,782)
<b>Ingresos Propios</b>	<b>187,519,000</b>	<b>240,451,003</b>	<b>52,932,003</b>
Matrícula Subgraduada	85,800,000	122,657,850	36,857,850
Cuotas de Mantenimiento	5,100,000	4,738,000	(362,000)
Programas Académicos No Tradicionales	1,500,000	1,500,000	-
Intereses Sobre Inversiones	400,000	400,000	-
Reembolso Costos Indirectos	15,000,000	10,709,709	(4,290,291)
Becas Legislativas	9,500,000	-	(9,500,000)
Derechos de laboratorio y otros Cargos	-	4,765,751	4,765,751
Iniciativas del Gobierno de PR (OATRH)	15,000,000	-	(15,000,000)
Reserva AF 2016-17	45,000,000	-	(45,000,000)
Reserva Adiestramientos del Gobierno Central		20,000,000	20,000,000
Matrícula Graduada		27,963,866	27,963,866
Cuota de Tecnología		3,032,000	3,032,000
Otros Ingresos	10,219,000	10,219,000	-
Ajustes de Exenciones		14,487,613	14,487,613
Cuotas y Servicios		5,635,458	5,635,458
Recobro ingresos DUI - No Recurrente		12,341,756	12,341,756
Ingresos Anuales DUI		2,000,000	2,000,000
<b>Total</b>	<b>\$ 880,729,000</b>	<b>\$ 886,717,221</b>	<b>\$ 5,988,221</b>

**UNIVERSIDAD DE PUERTO RICO**  
**Administración Central**  
**Oficina Central de Presupuesto**

**INGRESOS - Fondo General - UPR**

Aportaciones del Gobierno:		
Ley Núm. 2 - 1966 (Fórmula)	\$	587,136,000
Ley Núm. 36 - 2005 (Juegos de Azar)		59,130,218
Ingresos Propios:		
Matrícula Subgraduada	\$	122,657,850
Cuotas de Mantenimiento		4,738,000
Programas Académicos No Tradicionales		1,500,000
Intereses Sobre Inversiones		400,000
Reembolsos Costos Indirectos		10,709,709
Derechos de Laboratorio y Otros Cargos		4,765,751
Reserva Adietramientos del Gobierno Central		20,000,000
Matrícula Graduada		27,963,866
Cuota de Tecnología		3,032,000
Otros Ingresos		10,219,000
Ajustes en Exenciones de Matrícula		14,487,613
Cuotas y Servicios		5,635,458
Recobro Ingresos DUI - No Recurrente		12,341,756
Ingresos Anuales DUI		<u>2,000,000</u>
<b>Total</b>	<b>\$</b>	<b><u><u>886,717,221</u></u></b>

**INGRESOS - Fondos Restrictos - UPR \***

Fondo 260 al 270 - Servicios Contratados Proyectos Especiales	\$	28,911,589
Fondo 399 - Servicios Contratados con Agencias Privadas		19,377,618
Fondo 210 al 229 - Becas y Estipendios		186,614,502
Fondo 230 al 233 - Proyectos de Investigación y Enseñanza		91,074,041
Fondo 234 - Contrato de Servicios con Gobierno Federal		1,259,860
Fondo 235 - Otros Fondos Federales		60,525
Fondo 250 - Contrato con Gobierno Federal		47,927,941
Fondo 181 - Empresas Auxiliares		1,926,945
Fondo 311 & 312 - Plan de Práctica Intramural		55,619,326
Fondo 370 - Fondo Dotal		2,388,871
Fondo 380 al 385 - Cuentas Rotatorias		<u>24,894,307</u>
<b>Total</b>	<b>\$</b>	<b><u><u>460,055,525</u></u></b>
<b>Totales</b>	<b>\$</b>	<b><u><u>1,346,772,746</u></u></b>

\* Incluye las Resoluciones Conjuntas ascendentes a \$38,773,000

## Propuesta de Distribución del Presupuesto del Fondo General por Unidad para el Año Fiscal 2018-2019

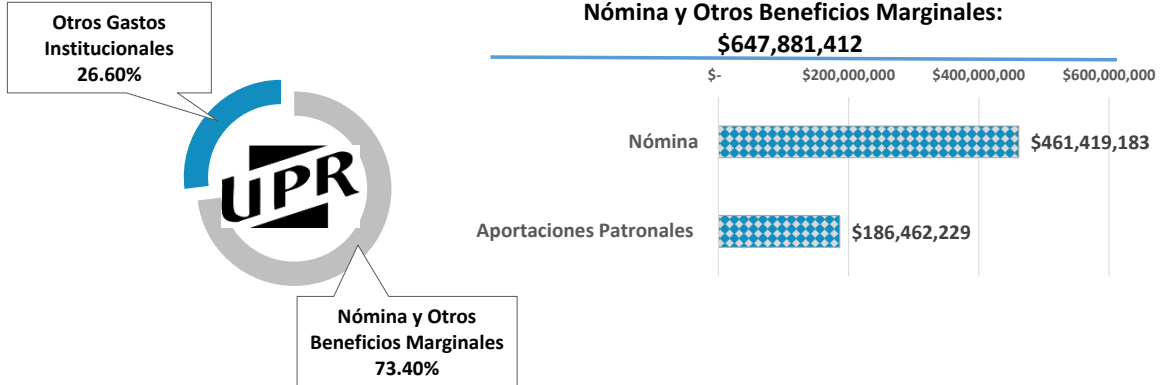
A continuación, se presenta la distribución del Presupuesto del Fondo General-UPR para el año fiscal 2018-2019 para cada una de las unidades académicas y administrativas del Sistema de la UPR. Las cantidades recomendadas están basadas en que el presupuesto asignado en el año fiscal 2017-2018 y que fuera ajustado basado en las premisas señaladas anteriormente. Una vez se completan los procesos de recomendación en la Junta Universitaria y de aprobación de los presupuestos en la Junta de Gobierno, las unidades procederán a la revisión de sus distribuciones internas y las someterán en sus respectivas Juntas Administrativas para aprobación y registrar los presupuestos en el sistema mecanizado.

### UNIVERSIDAD DE PUERTO RICO PRESUPUESTO PRELIMINAR RECOMENDADO - FONDO GENERAL AÑO FISCAL 2018-2019

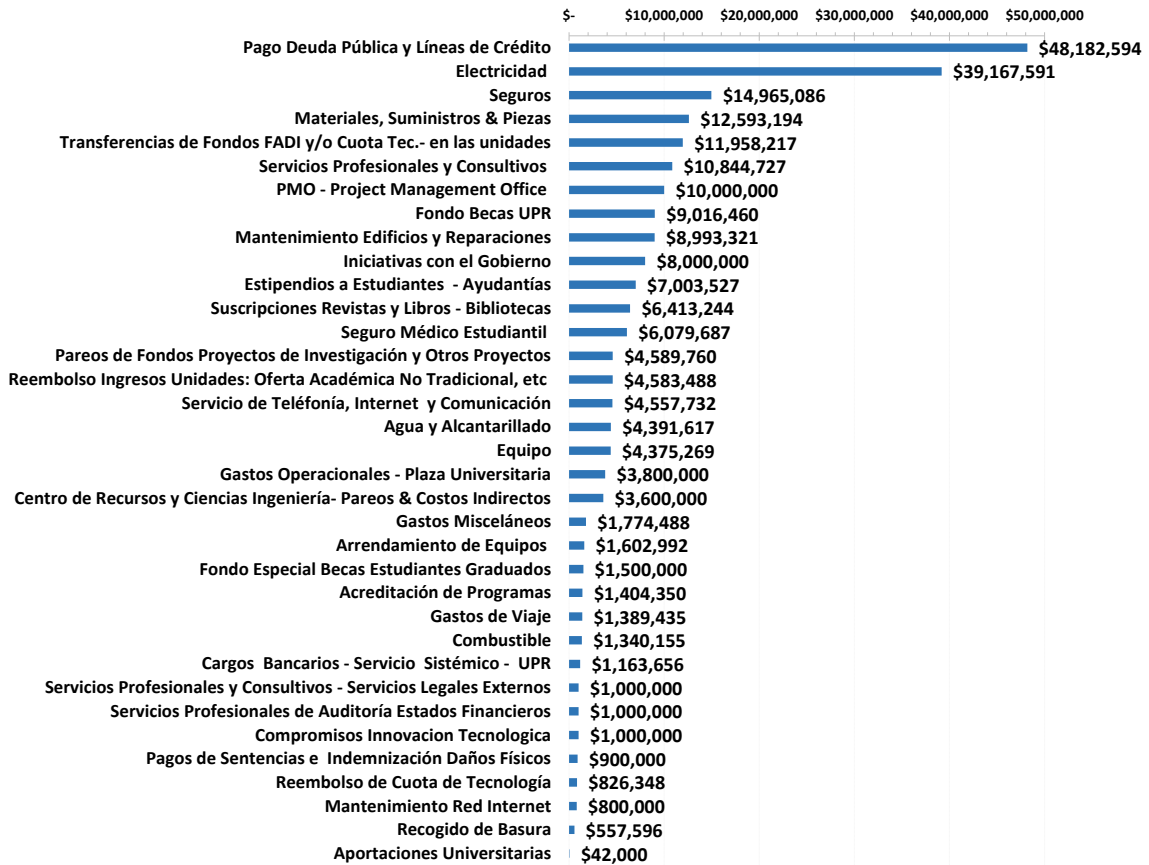
	1	2	3	4
UNIDADES	Presupuesto Original Año Fiscal 2017-2018	Presupuesto Recomendado Año Fiscal 2018-2019	Cambio (Col 2 - Col 1) 1)	Porcentaje (Col 3 / Col 1)
Recinto de Río Piedras	\$ 215,806,542	\$ 212,904,438	\$ (2,902,104)	-1.34%
Recinto Universitario de Mayagüez	135,113,085	134,578,621	(534,464)	-0.40%
Servicio de Extensión Agrícola	17,453,219	16,453,219	(1,000,000)	-5.73%
Estación Experimental Agrícola	14,705,710	13,705,710	(1,000,000)	-6.80%
Recinto de Ciencias Médicas	114,182,051	118,353,984	4,171,933	3.65%
UPR en Cayey	33,535,182	31,826,974	(1,708,208)	-5.09%
UPR en Humacao	41,132,119	39,117,931	(2,014,188)	-4.90%
UPR en Aguadilla	20,638,097	20,594,444	(43,653)	-0.21%
UPR en Arecibo	30,597,778	29,570,029	(1,027,749)	-3.36%
UPR en Bayamón	36,565,352	35,261,700	(1,303,652)	-3.57%
UPR en Carolina	25,508,546	25,315,733	(192,813)	-0.76%
UPR en Ponce	23,696,379	23,068,820	(627,559)	-2.65%
UPR en Utuado	14,155,888	13,790,235	(365,653)	-2.58%
Pago Deuda Pública	48,196,250	48,196,250	-	0.00%
Junta de Gobierno	1,464,112	1,464,112	-	0.00%
Auditoría Interna	1,751,950	1,751,950	-	0.00%
PMO	-	10,000,000	10,000,000	100.00%
Administración Sistema Universitario	12,983,892	11,486,396	(1,497,496)	-11.53%
Centro Investigación Ciencias Moleculares	2,200,000	2,000,000	(200,000)	-9.09%
Serv. Act. Sistema Universitario (SASU)	44,111,006	69,717,451	25,606,445	58.05%
Editorial de la Universidad de Puerto Rico	789,510	606,621	(182,889)	-23.16%
AT - Asignaciones a Transferir	41,142,332	26,952,603	(14,189,729)	-34.49%
AT - Restitución Fondos y Reserva Contingencias UPR	5,000,000	-	(5,000,000)	-100.00%
<b>TOTAL</b>	<b>\$ 880,729,000</b>	<b>\$ 886,717,221</b>	<b>\$ 5,988,221</b>	<b>0.68%</b>

**TOTAL PRESUPUESTO PRELIMINAR: \$ 886,717,221**

**PRESUPUESTO PRELIMINAR  
AÑO FISCAL 2018-2019**



**Detalle de Otros Gastos Institucionales: \$238,835,809**

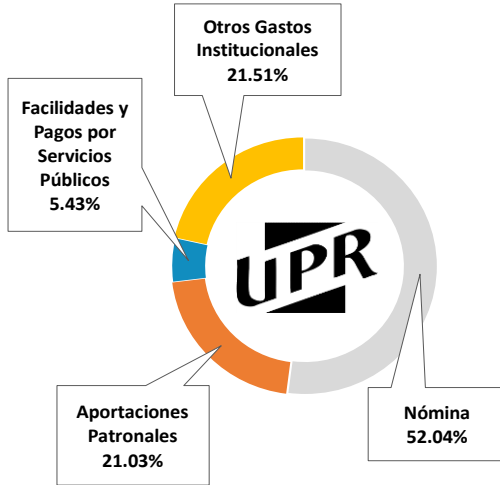




UNIVERSIDAD DE PUERTO RICO  
**RESUMEN PRESUPUESTO PRELIMINAR - FONDO GENERAL**  
 PRESUPUESTO PRELIMINAR - FONDO GENERAL  
 AÑO FISCAL 2018-2019



**PRESUPUESTO PRELIMINAR**  
**AÑO FISCAL 2018-2019**



RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 461,419,183
Aportaciones Patronales	186,462,229
Facilidades y Pagos por Servicios Públicos	48,116,940
Otros Gastos Institucionales	190,718,869
<b>Gran Total</b>	<b>\$ 886,717,221</b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente - Sueldos & Compensaciones	\$ 278,659,256
Personal No Docente - Regular y Contrato	174,053,668
Beneficios- Bono de Navidad y Otros Pagos	8,706,259
<b>Total</b>	<b>\$ 461,419,183</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 41,500,624
Sistema de Retiro -UPR	62,274,240
Plan Servicios Médicos y Farmacia	59,267,382
Otros Beneficios y Aportaciones Patronales	194,983
Aportación al Sistema de Retiro - Jubilados	11,000,000
Aportación Patronal Plan Médico - Jubilados	12,225,000
<b>Total</b>	<b>\$ 186,462,229</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 39,167,591
Agua y Alcantarillado	4,391,617
Servicio de Telefonía, Internet y Comunicación	4,557,732
<b>Total</b>	<b>\$ 48,116,940</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 190,718,869</b>

**TOTAL PRESUPUESTO PRELIMINAR: \$ 886,717,221**

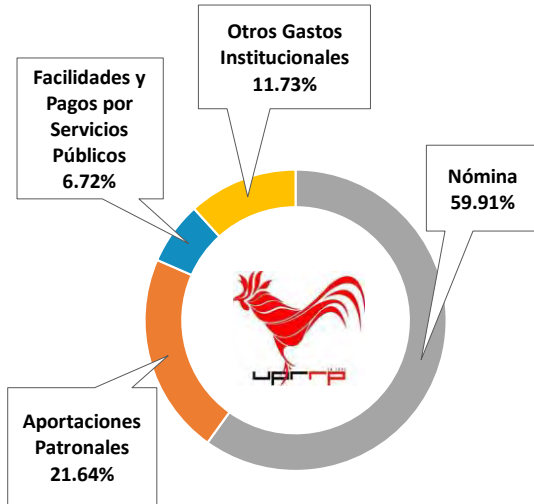
**Detalle de Otros Gastos Institucionales: \$ 190,718,869**

	\$-	\$10,000,000	\$20,000,000	\$30,000,000	\$40,000,000	\$50,000,000
Materiales, Suministros & Piezas						\$12,593,194
Mantenimiento Edificios y Reparaciones						\$8,993,321
Arrendamiento de Equipos						\$1,602,992
Servicios Profesionales y Consultivos						\$10,844,727
Recogido de Basura						\$557,596
Combustible						\$1,340,155
Servicios Profesionales y Consultivos - Servicios Legales Externos						\$1,000,000
Servicios Profesionales de Auditoría Estados Financieros						\$1,000,000
Gastos Operacionales - Plaza Universitaria						\$3,800,000
Seguros						\$14,965,086
Pagos de Sentencias e Indemnización Daños Físicos						\$900,000
Cargos Bancarios - Servicio Sistémico - UPR						\$1,163,656
Seguro Médico Estudiantil						\$6,079,687
Gastos de Viaje						\$1,389,435
Acreditación de Programas						\$1,404,350
Suscripciones Revistas y Libros - Bibliotecas						\$6,413,244
Equipo						\$4,375,269
Gastos Misceláneos						\$1,774,488
Estipendios a Estudiantes - Ayudantías						\$7,003,527
Pareos de Fondos Proyectos de Investigación y Otros Proyectos						\$4,589,760
Transferencias de Fondos FADI y/o Cuota Tec.- en las unidades						\$11,377,492
Reembolso Ingresos Unidades: Oferta Académica No Tradicional, etc						\$4,583,488
Fondo Especial Becas Estudiantes Graduados						\$1,500,000
Pago Deuda Pública y Líneas de Crédito						\$48,182,594
Mantenimiento Red Internet						\$800,000
PMO - Project Management Office						\$10,000,000
Iniciativas con el Gobierno						\$8,000,000
Compromisos Innovación Tecnológica						\$1,000,000
Fondo Becas UPR						\$9,016,460
Aportaciones Universitarias						\$42,000
Centro de Recursos y Ciencias Ingeniería- Pareos & Costos Indirectos						\$3,600,000
Cuota de Tecnología						\$826,348

UNIVERSIDAD DE PUERTO RICO  
**RECINTO UNIVERSITARIO DE RÍO PIEDRAS**  
 PRESUPUESTO PRELIMINAR - FONDO GENERAL  
 AÑO FISCAL 2018-2019



**UPR RP**  
 PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019



RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 127,551,829
Aportaciones Patronales	46,068,669
Facilidades y Pagos por Servicios Públicos	14,309,142
Otros Gastos Institucionales	24,974,798
<b>Gran Total</b>	<b>\$ 212,904,438</b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 77,381,061
Personal No Docente-Regular y Contrato	46,747,393
Beneficios- Bono de Navidad y Otros Pagos	3,423,375
<b>Total</b>	<b>\$ 127,551,829</b>

<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 11,583,811
Sistemas de Retiro -UPR	17,320,058
Plan Servicios Médicos y Farmacia	17,164,800
<b>Total</b>	<b>\$ 46,068,669</b>

<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 12,500,000
Agua y Alcantarillado	1,500,000
Servicio de Telefonía, Internet y Comunicación	309,142
<b>Total</b>	<b>\$ 14,309,142</b>

<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 24,974,798</b>

**TOTAL PRESUPUESTO PRELIMINAR: \$ 212,904,438**

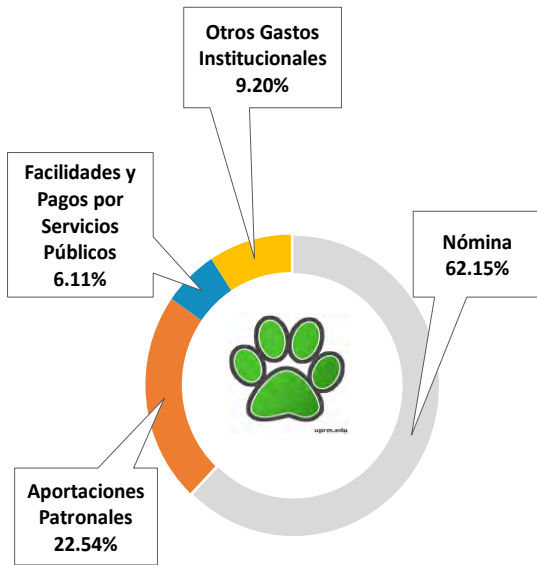
**Detalle de Otros Gastos Institucionales: \$ 24,974,798**



UNIVERSIDAD DE PUERTO RICO  
**RECINTO UNIVERSITARIO DE MAYAGUEZ**  
 PRESUPUESTO PRELIMINAR - FONDO GENERAL  
 AÑO FISCAL 2018-2019



**PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019**



RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 83,641,709
Aportaciones Patronales	30,331,975
Facilidades y Pagos por Servicios Públicos	8,221,604
Otros Gastos Institucionales	12,383,333
<b>Gran Total</b>	<b>\$ 134,578,621</b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 51,185,632
Personal No Docente-Regular y Contrato	30,866,491
Beneficios- Bono de Navidad y Otros Pagos	1,589,586
<b>Total</b>	<b>\$ 83,641,709</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 8,008,167
Sistemas de Retiro -UPR	11,033,408
Plan Servicios Médicos y Farmacia	11,268,000
Otros Beneficios y Aportaciones Patronales	22,400
<b>Total</b>	<b>\$ 30,331,975</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 7,081,000
Agua y Alcantarillado	841,052
Servicio de Telefonía, Internet y Comunicación	299,552
<b>Total</b>	<b>\$ 8,221,604</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 12,383,333</b>

**TOTAL PRESUPUESTO PRELIMINAR: \$ 134,578,621**

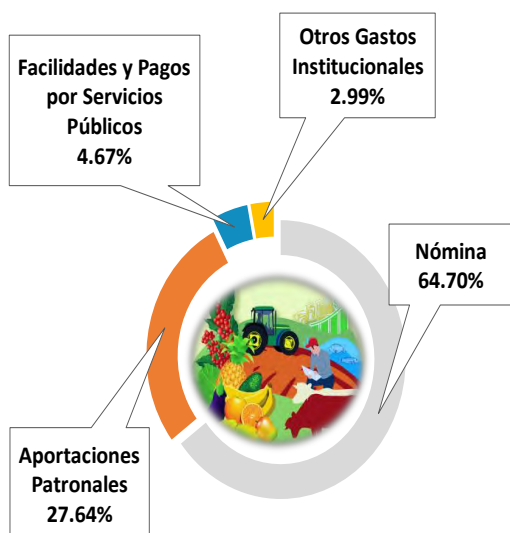
**Detalle de Otros Gastos Institucionales: \$ 12,383,333**





**S** Servicio de Extensión Agrícola

**PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019**

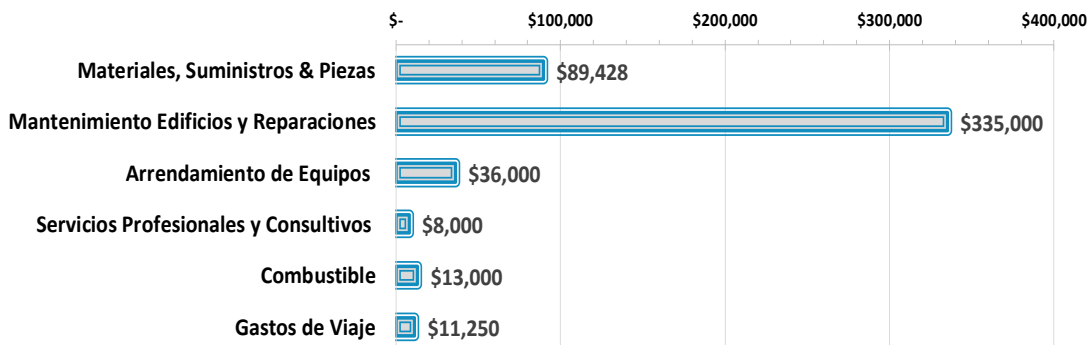


**TOTAL PRESUPUESTO PRELIMINAR: \$ 16,453,219**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 10,645,465
Aportaciones Patronales	4,547,518
Facilidades y Pagos por Servicios Públicos	767,558
Otros Gastos Institucionales	492,678
<b>Gran Total</b>	<b>\$ 16,453,219</b>

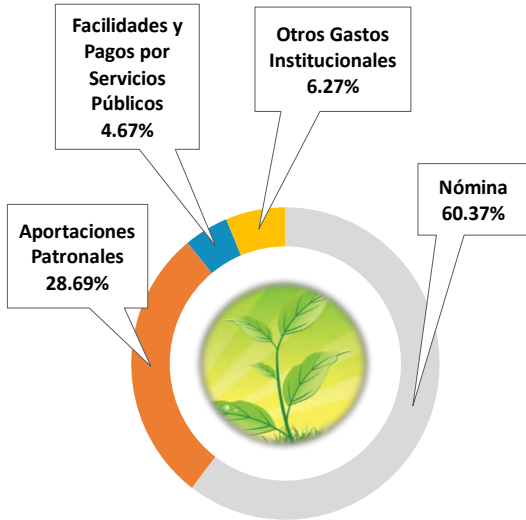
DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 6,634,020
Personal No Docente-Regular y Contrato	3,864,445
Beneficios- Bono de Navidad y Otros Pagos	147,000
<b>Total</b>	<b>\$ 10,645,465</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 1,008,876
Sistemas de Retiro -UPR	1,899,495
Plan Servicios Médicos y Farmacia	1,639,147
<b>Total</b>	<b>\$ 4,547,518</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 200,526
Agua y Alcantarillado	111,760
<b>Total</b>	<b>\$ 312,286</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 492,678</b>

**Detalle de Otros Gastos Institucionales: \$ 492,678**





**Estación Experimental Agrícola**  
**PRESUPUESTO PRELIMINAR**  
**AÑO FISCAL 2018-2019**



**TOTAL PRESUPUESTO PRELIMINAR: \$ 13,705,710**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 8,273,734
Aportaciones Patronales	3,931,988
Facilidades y Pagos por Servicios Públicos	640,585
Otros Gastos Institucionales	859,403
<b>Gran Total</b>	<b>\$ 13,705,710</b>

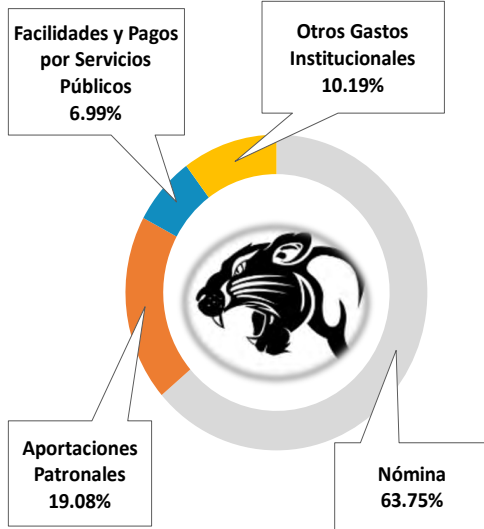
DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 3,269,253
Personal No Docente-Regular y Contrato	4,894,081
Beneficios- Bono de Navidad y Otros Pagos	110,400
<b>Total</b>	<b>\$ 8,273,734</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 748,689
Sistemas de Retiro -UPR	1,562,619
Plan Servicios Médicos y Farmacia	1,620,680
<b>Total</b>	<b>\$ 3,931,988</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 425,939
Agua y Alcantarillado	147,688
Servicio de Telefonía, Internet y Comunicación	66,958
<b>Total</b>	<b>\$ 640,585</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 859,403</b>

**Detalle de Otros Gastos Institucionales: \$ 859,403**





UNIVERSIDAD DE PUERTO RICO  
**RCM**  
**PRESUPUESTO PRELIMINAR**  
**AÑO FISCAL 2018-2019**



**TOTAL PRESUPUESTO PRELIMINAR: \$ 118,353,984**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 75,448,276
Aportaciones Patronales	22,580,453
Facilidades y Pagos por Servicios Públicos	8,270,539
Otros Gastos Institucionales	12,054,716
<b>Gran Total</b>	<b>\$ 118,353,984</b>

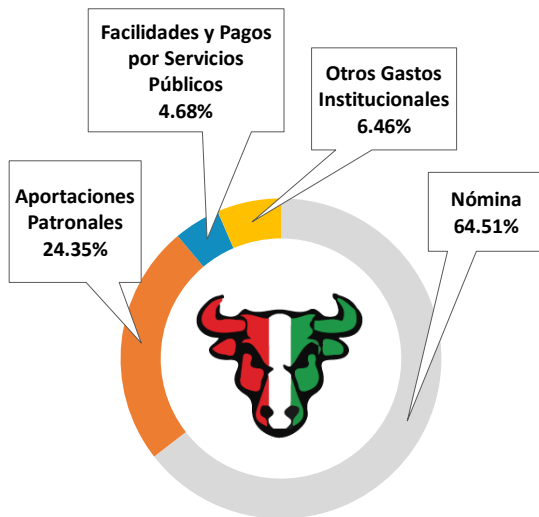
DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 53,119,057
Personal No Docente-Regular y Contrato	21,636,185
Beneficios- Bono de Navidad y Otros Pagos	693,034
<b>Total</b>	<b>\$ 75,448,276</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 5,967,904
Sistemas de Retiro -UPR	10,158,881
Plan Servicios Médicos y Farmacia	6,362,691
Otros Beneficios y Aportaciones Patronales	90,977
<b>Total</b>	<b>\$ 22,580,453</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 7,616,143
Agua y Alcantarillado	300,000
Servicio de Telefonía, Internet y Comunicación	354,396
<b>Total</b>	<b>\$ 8,270,539</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 12,054,716</b>

**Detalle de Otros Gastos Institucionales: \$ 12,054,716**





**UPR  
 CAYEY**  
 PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019



**TOTAL PRESUPUESTO PRELIMINAR: \$ 31,826,974**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 20,533,130
Aportaciones Patronales	7,749,063
Facilidades y Pagos por Servicios Públicos	1,489,166
Otros Gastos Institucionales	2,055,615
<b>Gran Total</b>	<b>\$ 31,826,974</b>

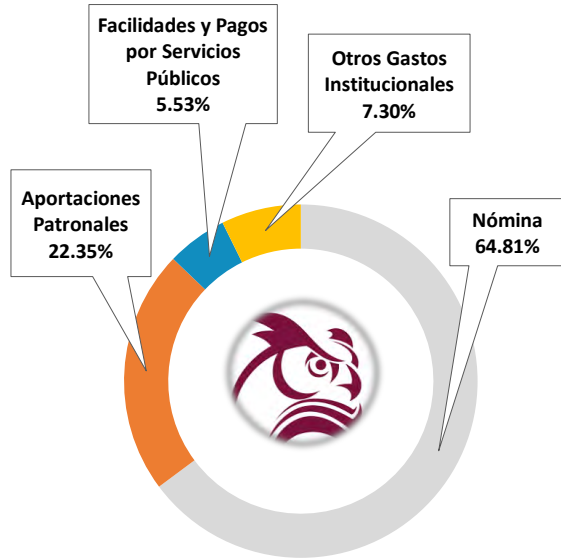
DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 11,060,957
Personal No Docente-Regular y Contrato	9,109,898
Beneficios- Bono de Navidad y Otros Pagos	362,275
<b>Total</b>	<b>\$ 20,533,130</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 1,953,719
Sistemas de Retiro -UPR	2,890,699
Plan Servicios Médicos y Farmacia	2,903,565
<b>Total</b>	<b>\$ 7,747,983</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 1,277,371
Agua y Alcantarillado	113,130
Servicio de Telefonía, Internet y Comunicación	98,665
<b>Total</b>	<b>\$ 1,489,166</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 2,055,615</b>

**Detalle de Otros Gastos Institucionales: \$ 2,055,615**





**UPR  
 HUMACAO**  
 PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019



**TOTAL PRESUPUESTO PRELIMINAR: \$ 39,117,931**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 25,353,594
Aportaciones Patronales	8,743,206
Facilidades y Pagos por Servicios Públicos	2,165,000
Otros Gastos Institucionales	2,856,131
<b>Gran Total</b>	<b>\$ 39,117,931</b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 15,781,401
Personal No Docente-Regular y Contrato	9,080,150
Beneficios- Bono de Navidad y Otros Pagos	492,043
<b>Total</b>	<b>\$ 25,353,594</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 2,295,950
Sistemas de Retiro -UPR	3,258,056
Plan Servicios Médicos y Farmacia	3,175,200
Otros Beneficios y Aportaciones Patronales	14,000
Aportación Patronal Plan Médico - Jubilados	-
<b>Total</b>	<b>\$ 8,743,206</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 1,900,000
Agua y Alcantarillado	200,000
Servicio de Telefonía, Internet y Comunicación	65,000
<b>Total</b>	<b>\$ 2,165,000</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 2,856,131</b>

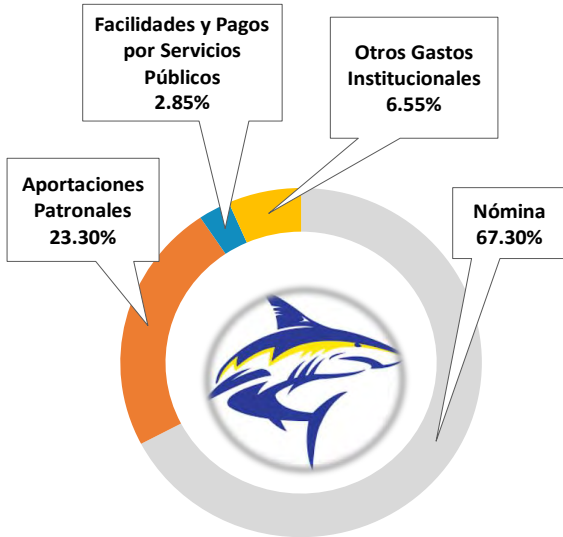
**Detalle de Otros Gastos Institucionales: \$ 2,856,131**







**UPR**  
**AGUADILLA**  
 PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019



**TOTAL PRESUPUESTO PRELIMINAR: \$ 20,594,444**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 13,860,289
Aportaciones Patronales	4,797,641
Facilidades y Pagos por Servicios Públicos	587,000
Otros Gastos Institucionales	1,349,514
<b>Gran Total</b>	<b>\$ 20,594,444</b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 8,799,736
Personal No Docente-Regular y Contrato	4,766,553
Beneficios- Bono de Navidad y Otros Pagos	294,000
<b>Total</b>	<b>\$ 13,860,289</b>

<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 1,260,036
Sistemas de Retiro -UPR	1,724,805
Plan Servicios Médicos y Farmacia	1,792,800
<b>Total</b>	<b>\$ 4,777,641</b>

<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 430,000
Agua y Alcantarillado	120,000
Servicio de Telefonía, Internet y Comunicación	37,000
<b>Total</b>	<b>\$ 587,000</b>

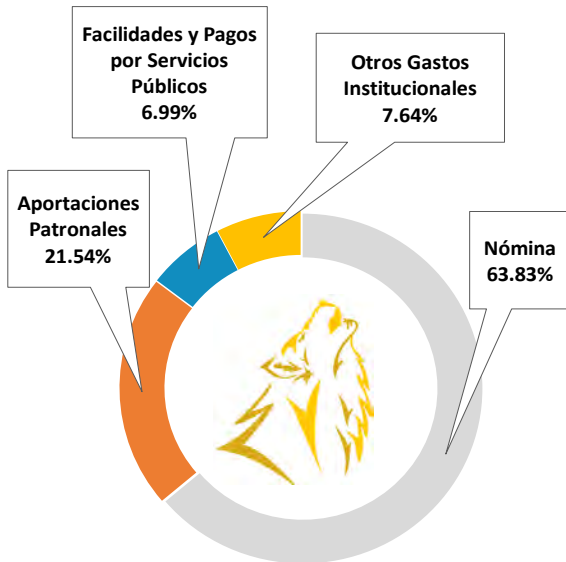
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 1,349,514</b>

**Detalle de Otros Gastos Institucionales: \$ 1,349,514**





**UPR  
 ARECIBO**  
 PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019

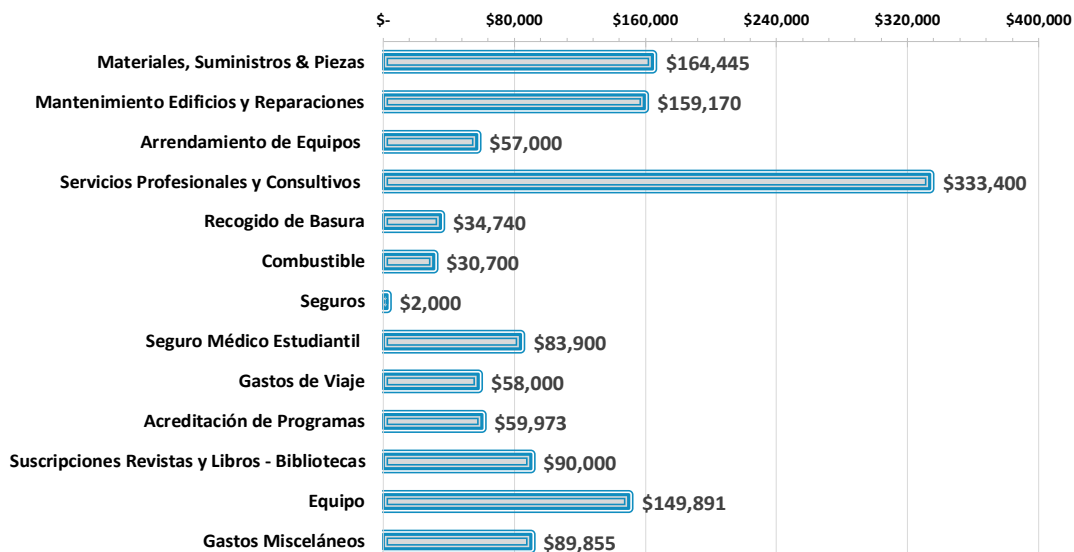


**TOTAL PRESUPUESTO PRELIMINAR: \$ 29,570,029**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 19,858,994
Aportaciones Patronales	6,960,961
Facilidades y Pagos por Servicios Públicos	1,437,000
Otros Gastos Institucionales	1,313,074
<b>Gran Total</b>	<b>\$ 29,570,029</b>

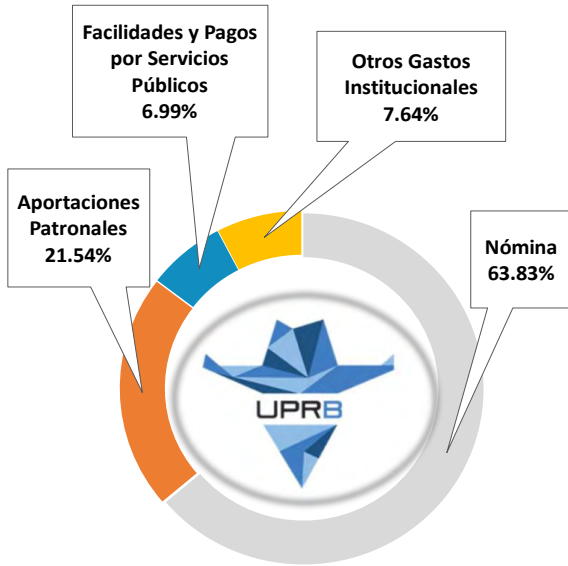
DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 13,184,509
Personal No Docente-Regular y Contrato	6,378,571
Beneficios- Bono de Navidad y Otros Pagos	295,914
<b>Total</b>	<b>\$ 19,858,994</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 1,764,601
Sistemas de Retiro -UPR	2,574,020
Plan Servicios Médicos y Farmacia	2,617,790
Otros Beneficios y Aportaciones Patronales	4,550
<b>Total</b>	<b>\$ 6,960,961</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 1,231,000
Agua y Alcantarillado	175,000
Servicio de Telefonía, Internet y Comunicación	31,000
<b>Total</b>	<b>\$ 1,437,000</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 1,313,074</b>

**Detalle de Otros Gastos Institucionales: \$ 1,313,074**





**UPR**  
**BAYAMÓN**  
 PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019



**TOTAL PRESUPUESTO PRELIMINAR: \$ 35,261,700**

**RESUMEN PRESUPUESTO PRELIMINAR**

Nómina	\$ 22,508,502
Aportaciones Patronales	7,593,671
Facilidades y Pagos por Servicios Públicos	2,466,347
Otros Gastos Institucionales	2,693,180
<b>Gran Total</b>	<b>\$ 35,261,700</b>

**DETALLE DEL PRESUPUESTO PRELIMINAR**

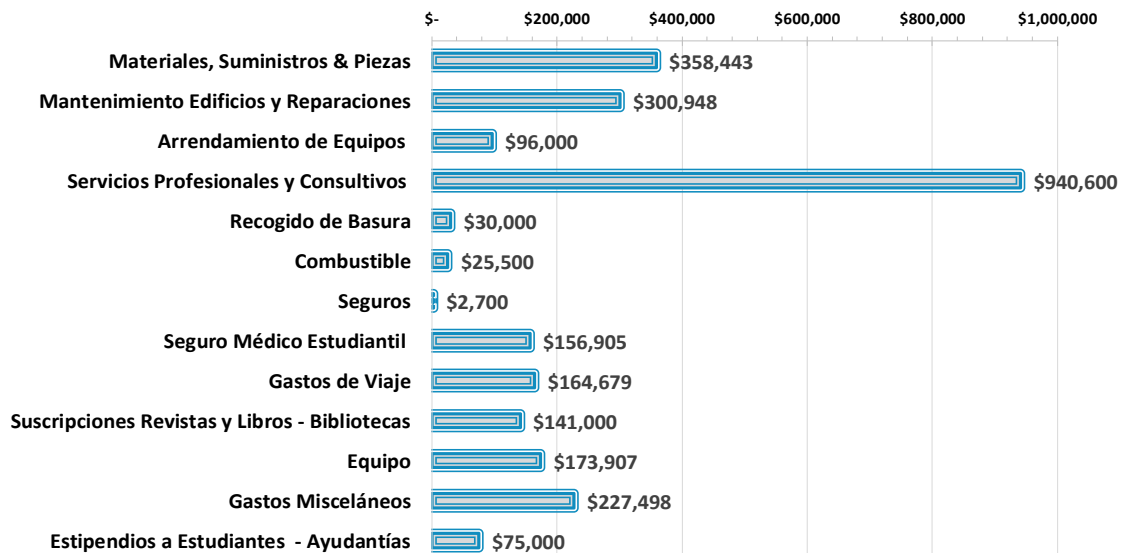
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 14,603,760
Personal No Docente-Regular y Contrato	7,489,842
Beneficios- Bono de Navidad y Otros Pagos	414,900
<b>Total</b>	<b>\$ 22,508,502</b>

<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 2,070,055
Sistemas de Retiro -UPR	2,791,907
Plan Servicios Médicos y Farmacia	2,727,709
Otros Beneficios y Aportaciones Patronales	4,000
<b>Total</b>	<b>\$ 7,593,671</b>

<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 2,166,760
Agua y Alcantarillado	219,587
Servicio de Telefonía, Internet y Comunicación	80,000
<b>Total</b>	<b>\$ 2,466,347</b>

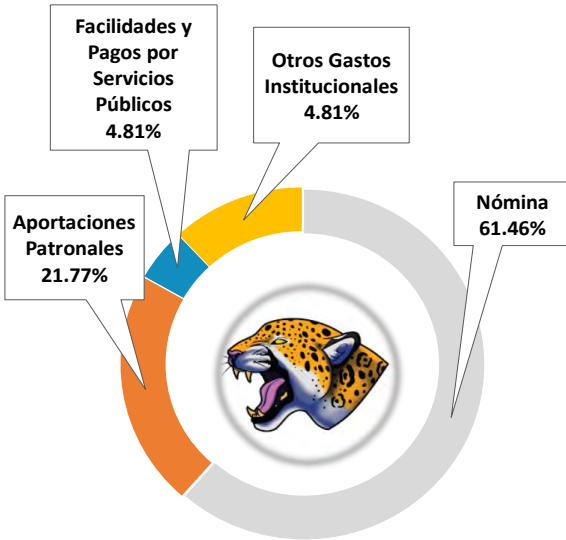
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 2,693,180</b>

**Detalle de Otros Gastos Institucionales: \$ 2,693,180**





**UPR  
 CAROLINA**  
 PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019

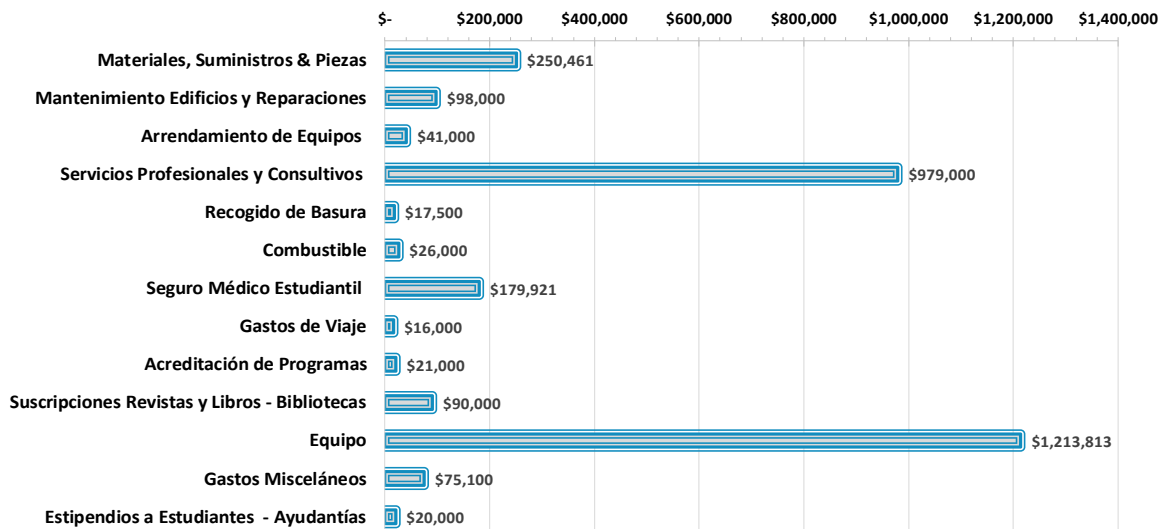


**TOTAL PRESUPUESTO PRELIMINAR: \$ 25,315,733**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 15,560,083
Aportaciones Patronales	5,510,773
Facilidades y Pagos por Servicios Públicos	1,217,082
Otros Gastos Institucionales	3,027,795
<b>Gran Total</b>	<b>\$ 25,315,733</b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 9,674,888
Personal No Docente-Regular y Contrato	5,616,395
Beneficios- Bono de Navidad y Otros Pagos	268,800
<b>Total</b>	<b>\$ 15,560,083</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 1,425,020
Sistemas de Retiro -UPR	2,020,637
Plan Servicios Médicos y Farmacia	2,059,200
Otros Beneficios y Aportaciones Patronales	5,916
<b>Total</b>	<b>\$ 5,510,773</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 1,074,082
Agua y Alcantarillado	100,000
Servicio de Telefonía, Internet y Comunicación	43,000
<b>Total</b>	<b>\$ 1,217,082</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 3,027,795</b>

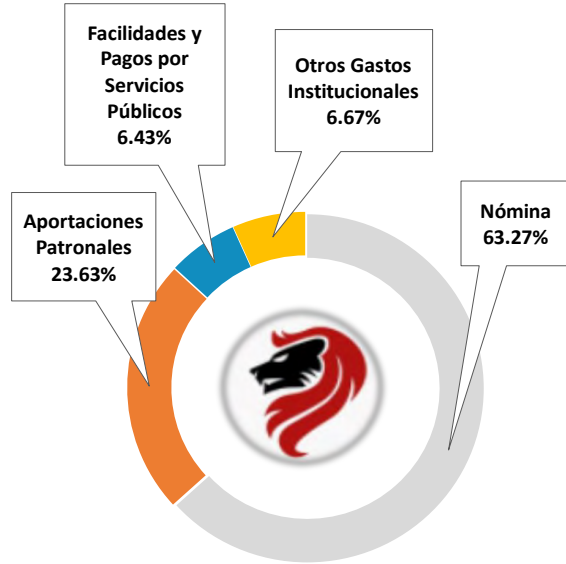
**Detalle de Otros Gastos Institucionales: \$ 3,027,795**



UNIVERSIDAD DE PUERTO RICO  
**UNIVERSIDAD DE PUERTO RICO EN PONCE**  
 PRESUPUESTO PRELIMINAR - FONDO GENERAL  
 AÑO FISCAL 2018-2019



**UPRP**  
 Universidad de Puerto Rico en Ponce  
**PRESUPUESTO PRELIMINAR**  
 AÑO FISCAL 2018-20189

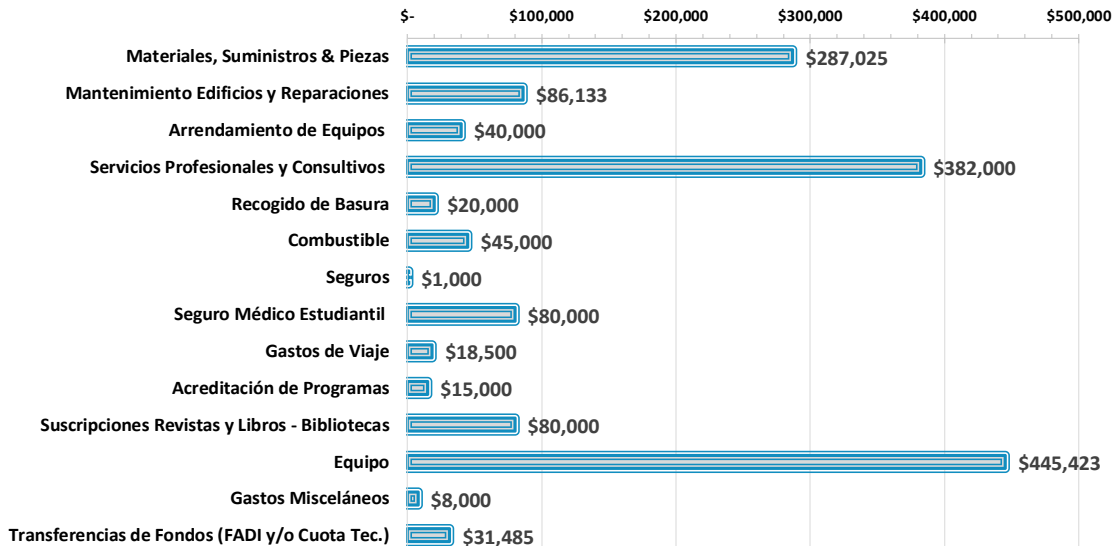


**TOTAL PRESUPUESTO PRELIMINAR: \$ 23,068,820**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 14,596,409
Aportaciones Patronales	5,450,075
Facilidades y Pagos por Servicios Públicos	1,482,770
Otros Gastos Institucionales	1,539,566
<b>Gran Total</b>	<b>\$ 23,068,820</b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 8,650,249
Personal No Docente-Regular y Contrato	5,662,828
Beneficios- Bono de Navidad y Otros Pagos	283,332
<b>Total</b>	<b>\$ 14,596,409</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 1,291,005
Sistemas de Retiro -UPR	1,831,870
Plan Servicios Médicos y Farmacia	2,311,200
Otros Beneficios y Aportaciones Patronales	16,000
Aportación Patronal Plan Médico - Jubilados	-
<b>Total</b>	<b>\$ 5,450,075</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 1,299,770
Agua y Alcantarillado	140,000
Servicio de Telefonía, Internet y Comunicación	43,000
<b>Total</b>	<b>\$ 1,482,770</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 1,539,566</b>

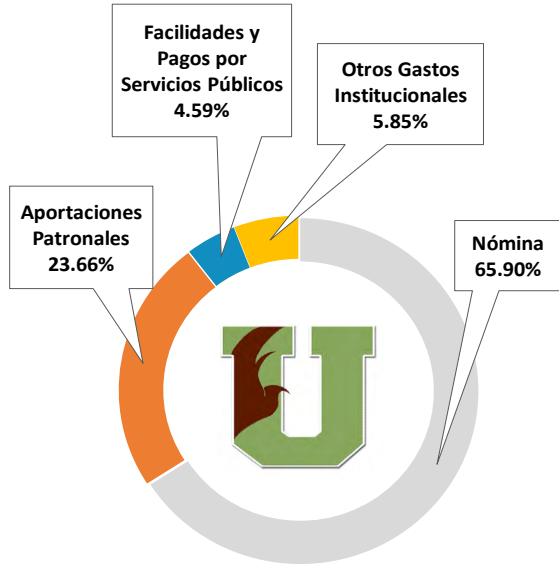
**Detalle de Otros Gastos Institucionales: \$ 1,539,566**



UNIVERSIDAD DE PUERTO RICO  
**UNIVERSIDAD DE PUERTO RICO EN UTUADO**  
 PRESUPUESTO PRELIMINAR - FONDO GENERAL  
 AÑO FISCAL 2018-2019



**PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019**



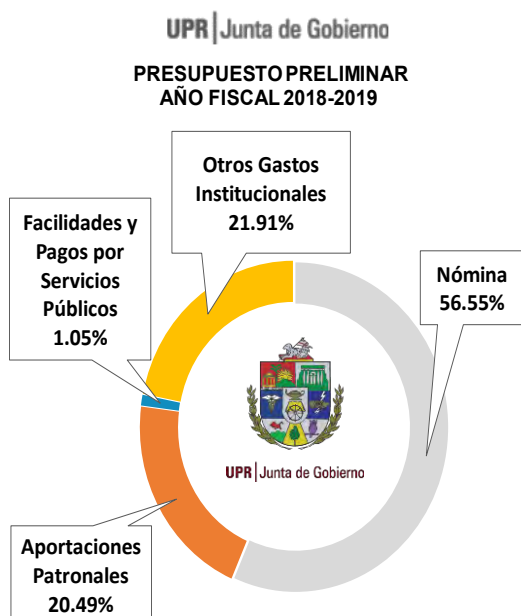
**TOTAL PRESUPUESTO PRELIMINAR: \$ 13,790,235**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 9,088,129
Aportaciones Patronales	3,262,987
Facilidades y Pagos por Servicios Públicos	632,000
Otros Gastos Institucionales	807,119
<b>Gran Total</b>	<b>\$ 13,790,235</b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 5,184,761
Personal No Docente-Regular y Contrato	3,775,968
Beneficios- Bono de Navidad y Otros Pagos	127,400
<b>Total</b>	<b>\$ 9,088,129</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 786,128
Sistemas de Retiro -UPR	1,176,459
Plan Servicios Médicos y Farmacia	1,300,400
<b>Total</b>	<b>\$ 3,262,987</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 490,000
Agua y Alcantarillado	90,000
Servicio de Telefonía, Internet y Comunicación	52,000
<b>Total</b>	<b>\$ 632,000</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 807,119</b>

**Detalle de Otros Gastos Institucionales: \$ 807,119**



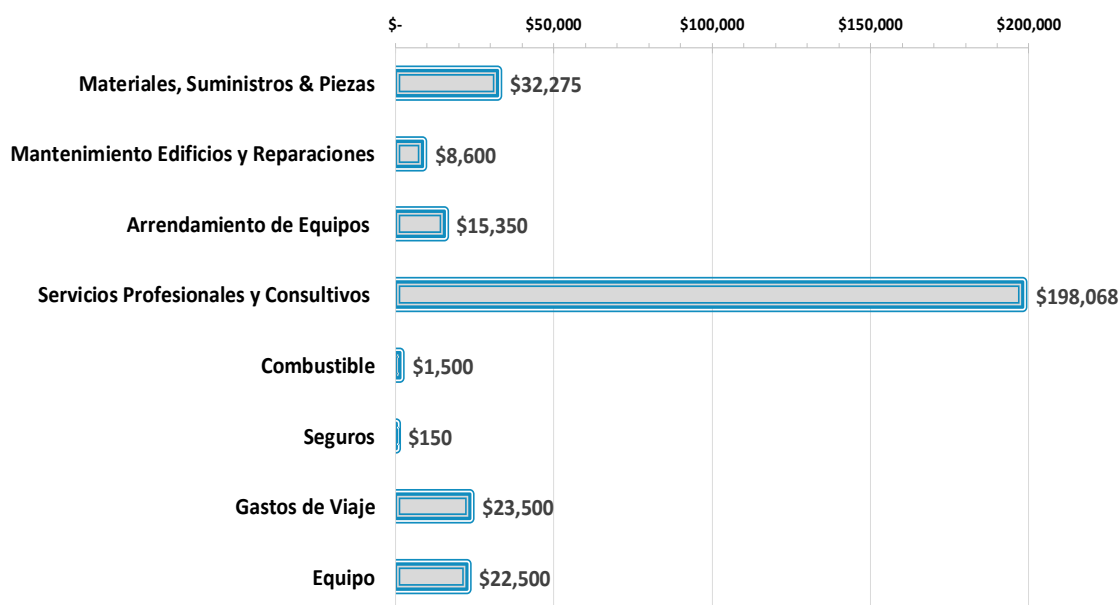


RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 827,994
Aportaciones Patronales	300,000
Facilidades y Pagos por Servicios Públicos	15,300
Otros Gastos Institucionales	320,818
<b>Gran Total</b>	<b>\$ 1,464,112</b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal No Docente-Regular y Contrato	\$ 810,994
Beneficios- Bono de Navidad y Otros Pagos	17,000
<b>Total</b>	<b>\$ 827,994</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 76,800
Sistemas de Retiro -UPR	129,600
Plan Servicios Médicos y Farmacia	93,600
<b>Total</b>	<b>\$ 300,000</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Servicio de Telefonía, Internet y Comunicación	\$ 15,300
<b>Total</b>	<b>\$ 15,300</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 320,818</b>

**TOTAL PRESUPUESTO PRELIMINAR: \$ 1,464,112**

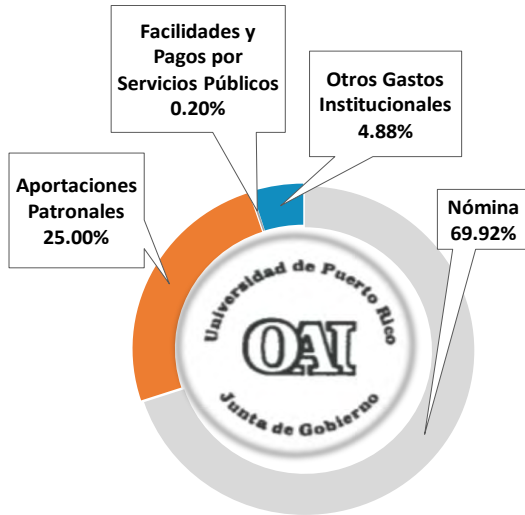
**Detalle de Otros Gastos Institucionales: \$ 320,818**





Oficina de  
 Auditoría  
 Interna

**PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019**



**TOTAL PRESUPUESTO PRELIMINAR: \$ 1,751,950**

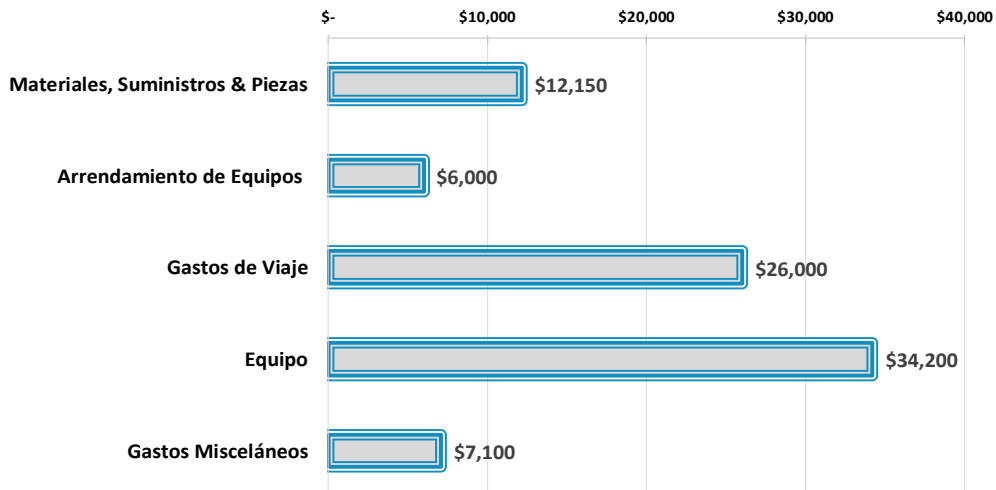
**RESUMEN PRESUPUESTO PRELIMINAR**

Nómina	\$ 1,225,000
Aportaciones Patronales	438,000
Facilidades y Pagos por Servicios Públicos	3,500
Otros Gastos Institucionales	85,450
<b>Gran Total</b>	<b>\$ 1,751,950</b>

**DETALLE DEL PRESUPUESTO PRELIMINAR**

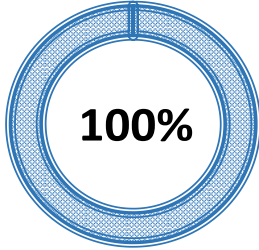
<b>Nómina</b>	
Personal No Docente-Regular y Contrato	\$ 1,210,000
Beneficios- Bono de Navidad y Otros Pagos	15,000
<b>Total</b>	<b>\$ 1,225,000</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 106,000
Sistemas de Retiro -UPR	165,000
Plan Servicios Médicos y Farmacia	160,000
Otros Beneficios y Ayudas económicas	7,000
<b>Total</b>	<b>\$ 438,000</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Servicio de Telefonía, Internet y Comunicación	\$ 3,500
<b>Total</b>	<b>\$ 3,500</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 85,450</b>

**Detalle de Otros Gastos Institucionales: \$ 85,450**



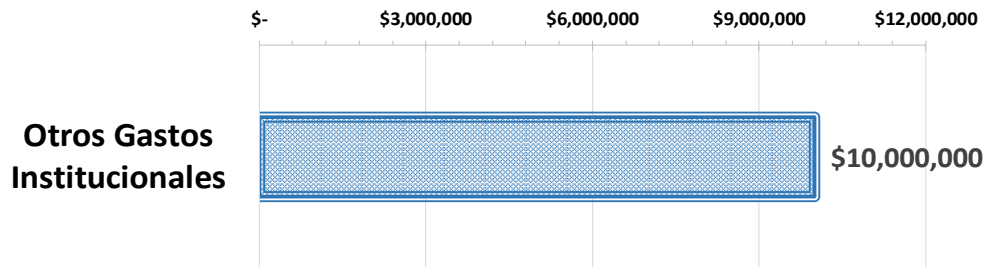


UNIVERSIDAD DE PUERTO RICO  
**PMO - Project Management Office**  
PRESUPUESTO PRELIMINAR - FONDO GENERAL  
AÑO FISCAL 2018-2019



**PMO - Project Management Office     \$ 10,000,000**

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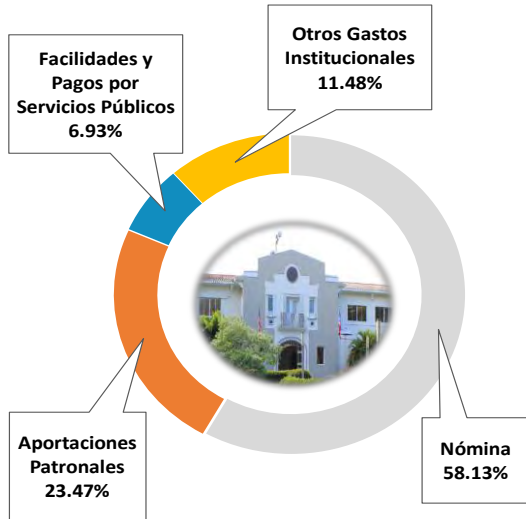


UNIVERSIDAD DE PUERTO RICO  
**ADMINISTRACIÓN CENTRAL - DIRECCIÓN Y ADMINISTRACIÓN DEL SISTEMA UNIVERSITARIO**  
 PRESUPUESTO PRELIMINAR - FONDO GENERAL  
 AÑO FISCAL 2018-2019



**Administración Central**

**PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019**

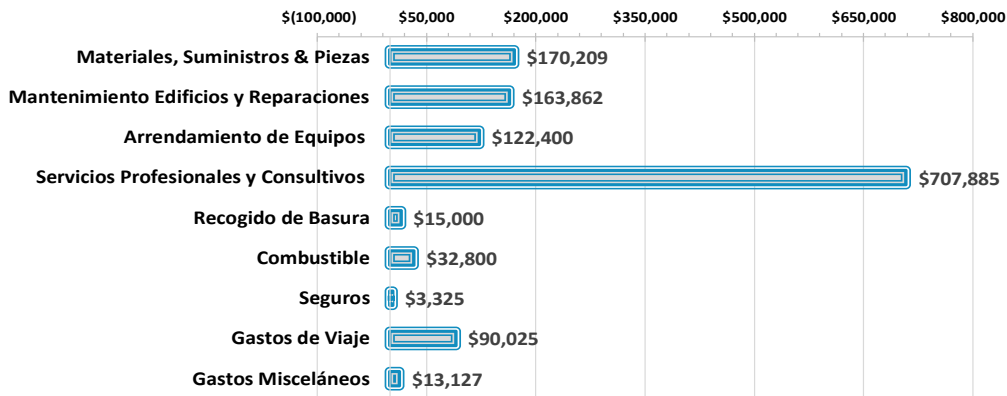


**TOTAL PRESUPUESTO PRELIMINAR: \$ 11,486,396**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 6,677,011
Aportaciones Patronales	2,695,315
Facilidades y Pagos por Servicios Públicos	795,437
Otros Gastos Institucionales	1,318,633
<b>Gran Total</b>	<b>\$ 11,486,396</b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal -Regular, Bonificaciones y Contrato	\$ 6,583,411
Beneficios- Bono de Navidad y Otros Pagos	93,600
<b>Total</b>	<b>\$ 6,677,011</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 622,092
Sistemas de Retiro -UPR	946,023
Plan Servicios Médicos y Farmacia	1,123,200
Otros Beneficios y Aportaciones Patronales	4,000
<b>Total</b>	<b>\$ 2,695,315</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 600,000
Agua y Alcantarillado	80,000
Servicio de Telefonía, Internet y Comunicación	115,437
<b>Total</b>	<b>\$ 795,437</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 1,318,633</b>

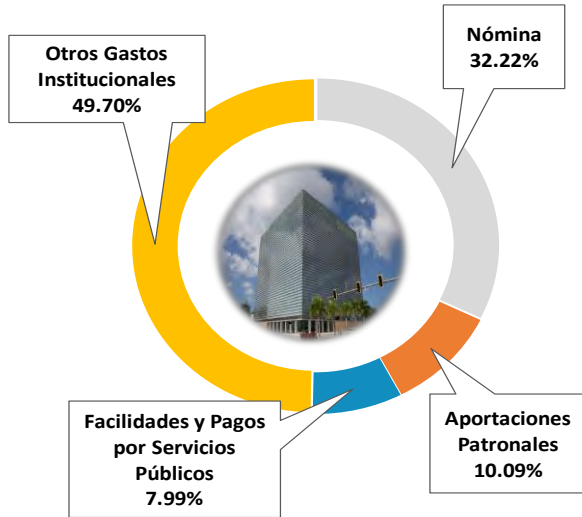
**Detalle de Otros Gastos Institucionales: \$ 1,318,633**



UNIVERSIDAD DE PUERTO RICO  
**CENTRO DE INVESTIGACIÓN EN CIENCIAS MOLECULARES**  
 PRESUPUESTO PRELIMINAR - FONDO GENERAL  
 AÑO FISCAL 2018-2019



**MOLECULAR SCIENCES  
 RESEARCH CENTER**  
**PRESUPUESTO PRELIMINAR**  
**AÑO FISCAL 2018-2019**

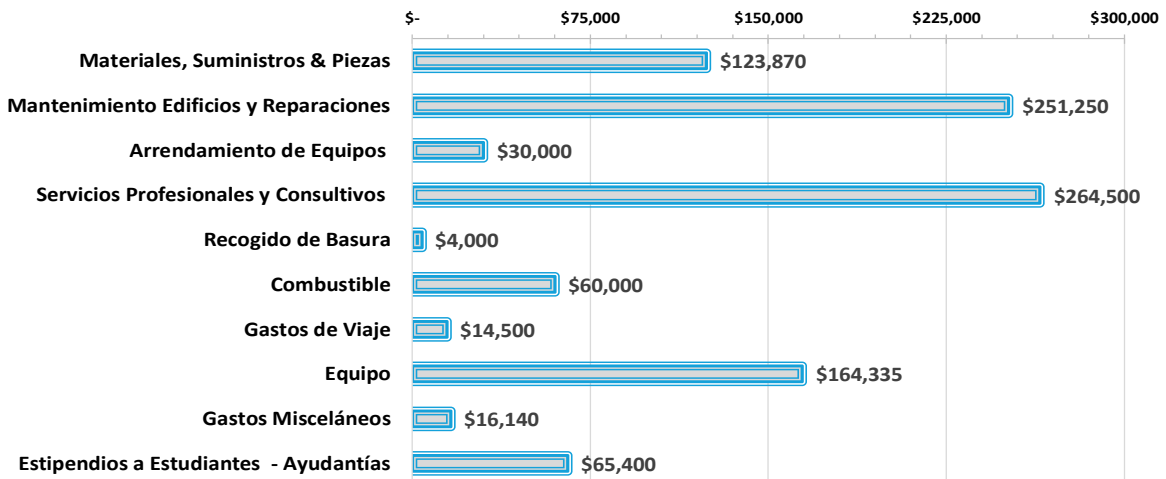


**TOTAL PRESUPUESTO PRELIMINAR: \$ 2,000,000**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 644,445
Aportaciones Patronales	201,760
Facilidades y Pagos por Servicios Públicos	159,800
Otros Gastos Institucionales	993,995
<b>Gran Total</b>	<b>\$ 2,000,000</b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal Docente-Sueldos & Compensaciones	\$ 116,256
Personal No Docente-Regular y Contrato	522,789
Beneficios- Bono de Navidad y Otros Pagos	5,400
<b>Total</b>	<b>\$ 644,445</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 60,303
Sistemas de Retiro -UPR	74,557
Plan Servicios Médicos y Farmacia	66,900
<b>Total</b>	<b>\$ 201,760</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Agua y Alcantarillado	\$ 120,000
Servicio de Telefonía, Internet y Comunicación	39,800
<b>Total</b>	<b>\$ 159,800</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 993,995</b>

**Detalle de Otros Gastos Institucionales: \$ 993,995**

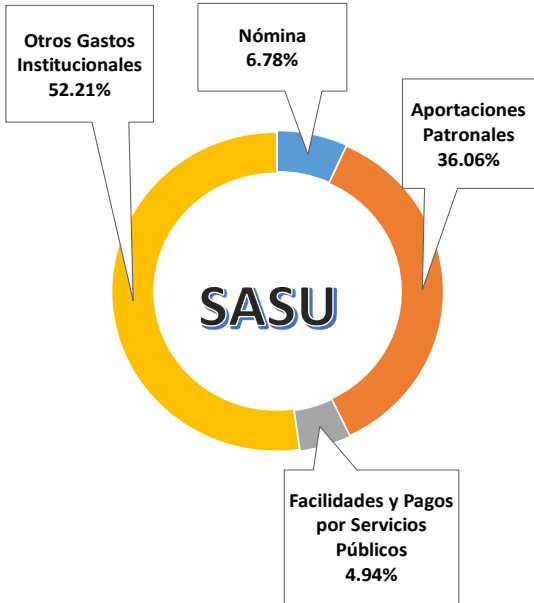


UNIVERSIDAD DE PUERTO RICO  
**SERVICIOS Y ACTIVIDADES DEL SISTEMA UNIVERSITARIO**  
 PRESUPUESTO PRELIMINAR - FONDO GENERAL  
 AÑO FISCAL 2018-2019



**SERVICIOS Y ACTIVIDADES DEL SISTEMA UNIVERSITARIO**

**PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019**

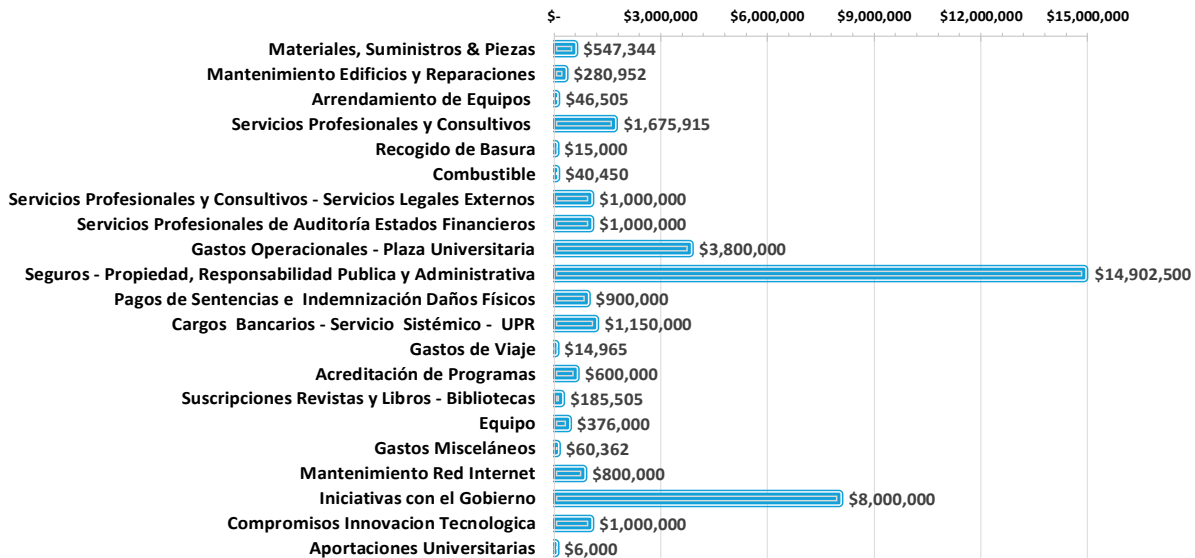


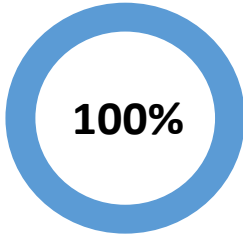
**TOTAL PRESUPUESTO PRELIMINAR: \$ 69,717,451**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 4,730,241
Aportaciones Patronales	25,142,437
Facilidades y Pagos por Servicios Públicos	3,443,275
Otros Gastos Institucionales	36,401,498
<b>Gran Total</b>	<b>\$ 69,717,451</b>

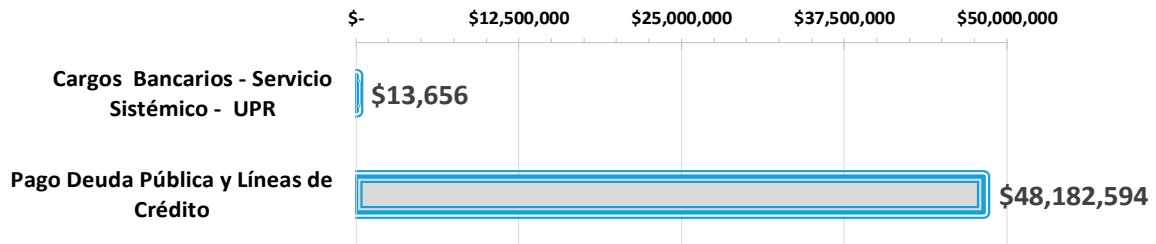
DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal - Regular, Bonificaciones y Contrato	\$ 4,662,441
Beneficios- Bono de Navidad y Otros Pagos	67,800
<b>Total</b>	<b>\$ 4,730,241</b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	435,188
Sistemas de Retiro -UPR	663,589
Plan Servicios Médicos y Farmacia	813,600
Otros Beneficios y Aportaciones Patronales	5,060
<b>Aportaciones - Jubilados</b>	<b>\$ 23,225,000</b>
Aportación al Sistema de Retiro - Jubilados	11,000,000
Aportación Patronal Plan Médico - Jubilados	12,225,000
<b>Total</b>	<b>\$ 25,142,437</b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Electricidad	\$ 875,000
Agua y Alcantarillado	128,400
Servicio de Telefonía, Internet y Comunicación	2,439,875
<b>Total</b>	<b>\$ 3,443,275</b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ 36,401,498</b>

**Detalle de Otros Gastos Institucionales: \$ 36,401,498**





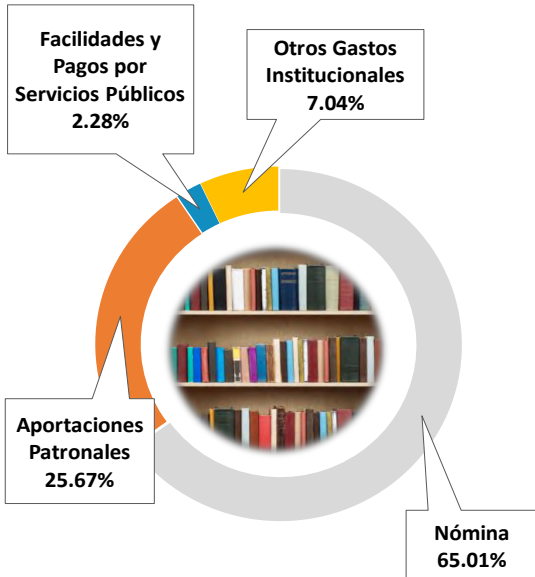
**Detalle de Otros Gastos Institucionales: \$ 48,196,250**



UNIVERSIDAD DE PUERTO RICO  
**EDITORIAL DE LA UNIVERSIDAD DE PUERTO RICO**  
 PRESUPUESTO PRELIMINAR - FONDO GENERAL  
 AÑO FISCAL 2018-2019



**PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019**

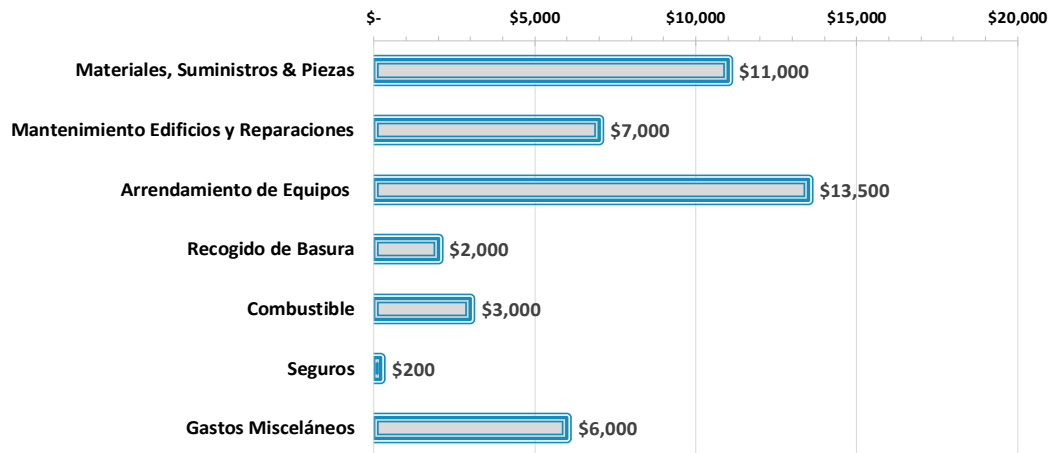


**TOTAL PRESUPUESTO PRELIMINAR: \$ 606,621**

RESUMEN PRESUPUESTO PRELIMINAR	
Nómina	\$ 394,349
Aportaciones Patronales	155,737
Facilidades y Pagos por Servicios Públicos	13,835
Otros Gastos Institucionales	42,700
<b>Gran Total</b>	<b>\$ <u>606,621</u></b>

DETALLE DEL PRESUPUESTO PRELIMINAR	
<b>Nómina</b>	
Personal No Docente-Regular y Contrato	\$ 388,949
Beneficios- Bono de Navidad y Otros Pagos	5,400
<b>Total</b>	<b>\$ <u>394,349</u></b>
<b>Aportaciones Patronales</b>	
Aportes Patronales (Seg. Soc., Medicare, FSE & Seg. Desempleo)	\$ 36,280
Sistemas de Retiro -UPR	52,557
Plan Servicios Médicos y Farmacia	66,900
<b>Total</b>	<b>\$ <u>155,737</u></b>
<b>Facilidades y Pagos por Servicios Públicos</b>	
Agua y Alcantarillado	\$ 5,000
Servicio de Telefonía, Internet y Comunicación	8,835
<b>Total</b>	<b>\$ <u>13,835</u></b>
<b>Otros Gastos Institucionales</b>	
<b>Total (ver detalle en gráfica)</b>	<b>\$ <u>42,700</u></b>

**Detalle de Otros Gastos Institucionales: \$ 42,700**



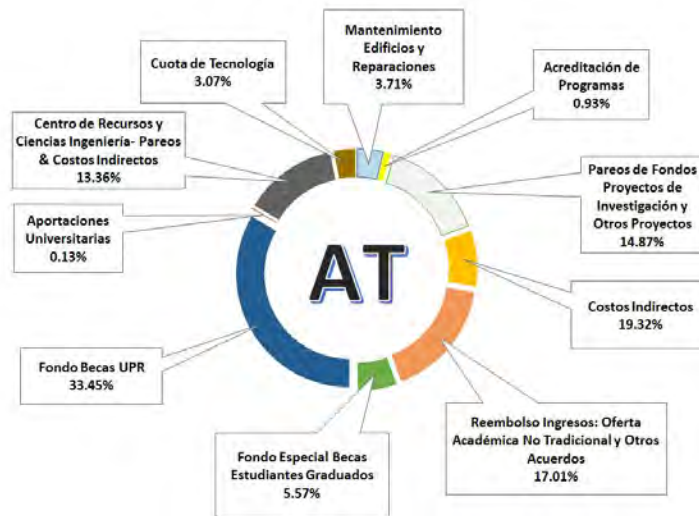
UNIVERSIDAD DE PUERTO RICO  
**ASIGNACIONES A TRANSFERIR AL SISTEMA UNIVERSITARIO**  
 PRESUPUESTO PRELIMINAR - FONDO GENERAL  
 AÑO FISCAL 2017-2018



**ASIGNACIONES A TRANSFERIR AL SISTEMA UNIVERSITARIO**

**TOTAL PRESUPUESTO PRELIMINAR: \$26,952,603**

**PRESUPUESTO PRELIMINAR  
 AÑO FISCAL 2018-2019**



**Detalle de Otros Gastos Institucionales: \$26,952,603**





**Disposiciones Reglamentarias  
Para la Operación del  
Presupuesto de la  
Universidad de Puerto Rico**



**DISPOSICIONES REGLAMENTARIAS PARA LA OPERACIÓN DEL  
PRESUPUESTO DE LA UNIVERSIDAD DE PUERTO RICO  
AÑO FISCAL 2018-2019**

La Ley 1 de 20 de enero de 1966, según enmendada, delega en los Rectores del Sistema Universitario, conjuntamente con las Juntas Administrativas, la administración de este presupuesto. Además, serán responsables del cumplimiento de las medidas establecidas para lograr la eficiencia fiscal de la Universidad de Puerto Rico (UPR).

1. Todas las unidades del sistema universitario de la UPR, en coordinación con la Oficina Central de Presupuesto (OCP), llevarán a cabo un proceso de evaluación interna de las operaciones administrativas, académicas y de servicios, a base de los retos fiscales esperados, que será la base para el proceso presupuestario para los próximos años fiscales.

Como resultado de ese proceso de evaluación interna, los Rectores serán convocados a presentar ante el Presidente de la Universidad, el Comité de Presupuesto de la Oficina del Presidente de la UPR, un informe detallado con la distribución de fondos otorgados para el año fiscal 2018-2019 en cada uno de los diferentes programas o actividades de su Unidad.

2. Se mantienen en vigor las certificaciones y cartas circulares relacionadas con las medidas de control de gastos y ahorros, según detalle:
  - a. Reducción de un 5% en el pago a personal docente y no docente a tarea parcial y por contrato.
  - b. Reducción de un 5% en el pago de las compensaciones adicionales.
  - c. Reducción de un 5% en el pago de todas las bonificaciones por funciones administrativas que se pagan al personal docente y no docente.
  - d. Reducción de un 3% en el pago de los salarios del personal de confianza.
  - e. Eliminación de los pagos por concepto de exceso de licencia ordinaria acumulada.
  - f. Tarea académica de tres (3) créditos *ad honorem* al personal docente de enseñanza con descarga completa en funciones administrativas.

- g. Eliminación del pago de exceso de licencia por enfermedad.
  - h. Eliminación del pago de obvención al personal docente.
3. Se añaden nuevas medidas de control de gastos y ahorros:
- a. Eliminación del bono especial no recurrente y obvención para mantenimiento de uniformes.
  - b. Reducción en la aportación patronal al plan médico de los empleados de \$695 mensuales a \$600 mensuales.
  - c. Reducción del bono de navidad a \$600.
4. Las unidades institucionales no podrán contraer obligaciones que excedan las asignaciones autorizadas para este año fiscal vigente ni comprometer, en forma alguna, a la UPR en contratos o negociaciones que conlleven pagos futuros, a excepción de asuntos expresamente autorizados por la Junta de Gobierno.
5. La distribución presupuestaria interna de las unidades garantizará los niveles adecuados de asignaciones presupuestarias para las cuentas de aportaciones patronales (Seguro Social, Medicare, Fondo de Retiro, Fondo del Seguro del Estado y Servicios Médicos a Empleados), y las asignaciones para energía eléctrica, agua y alcantarillado, combustible, primas de seguros, servicios de seguridad y vigilancia, seguro médico estudiantil y servicios de comunicación. Se consignarán fondos de acuerdo al gasto real recurrente y para la proyección del gasto esperado en el año fiscal 2018-2019. Es requisito que se tomen las medidas necesarias para no incurrir en ningún sobregiro sobre este particular.
6. Los reclutamientos de personal adicional en plazas vacantes o de nueva creación, con cargo al Fondo General – UPR, se regirán por estrictas evaluaciones de la necesidad institucional proyectada a base de la demanda de los programas académicos y los servicios de apoyo. Por tanto, en la eventualidad de la necesidad de reclutamientos, se requiere de los Rectores presentar una propuesta con amplia justificación y la certificación de fondos correspondiente para obtener la autorización previa del Presidente de la UPR. No se realizarán nombramientos en plazas permanentes sin la autorización previa del Presidente.

7. En general, como medida de responsabilidad fiscal y administrativa, todas las acciones de personal y el reclutamiento de personal adicional se realizará en armonía con la situación fiscal de los distintos fondos externos disponibles en cada Unidad. Los sobregiros en cuentas de fondos externos que surjan por decisiones internas en las Unidades, se atenderán con el presupuesto del Fondo General - UPR de éstas.
8. No se otorgarán nombramientos temporeros para realizar funciones recurrentes, conforme lo establecido en la Sección 30.1.5 del Reglamento General de Universidad de Puerto Rico. Esto aplica tanto al Fondo General – UPR, así como a fondos externos.
9. Es responsabilidad del Rector de cada Unidad mantener los controles y mecanismos necesarios para asegurar la sana administración y la mejor utilización de los recursos conforme a las leyes, reglamentos y normas aplicables. Además, asumirá total responsabilidad por las transacciones delegadas y que se cumpla con todo lo establecido en estas disposiciones, así como mantener el uso del presupuesto autorizado sin exceder las asignaciones aprobadas.
10. La Junta Universitaria y la Junta de Gobierno sólo considerarán aquellas propuestas para nuevos desarrollos académicos que demuestren armonía con la planificación institucional y que cuenten con los recursos fiscales para su implantación, sin menoscabo a sus compromisos, y actividades académicas y administrativas actuales. Las propuestas de nuevos programas deberán incluir un informe sobre el presupuesto requerido y una certificación de la disponibilidad de fondos de la Unidad proponente, en coordinación con la OCP, para su implantación.
11. A los fines de optimizar los recursos disponibles, las Unidades maximizarán el cupo por sección en los cursos de salón de clases. Esto, sin menoscabo del compromiso de la institución de ofrecer los cursos, según correspondan, en la secuencia curricular reconocida de los programas, ni de los requerimientos aplicables de salud, seguridad y permisología.
12. Cada Unidad preparará un informe detallado de la distribución de los recursos asignados, según presentado por el Rector de la Unidad a la Junta Administrativa. Este cuerpo incorporará estas asignaciones en los diferentes programas o actividades de acuerdo a los propósitos primordiales que han sido asignados.

La referida distribución reflejará el cumplimiento con los requisitos de las anteriores disposiciones.

Una vez esta distribución sea considerada y aprobada por la Junta Administrativa de cada unidad, se remitirá a la OCP, en o antes del 31 de agosto de 2018, el desglose del Presupuesto por Programas y Código de Gastos, en el formato que establezca la OCP.

13. Las Unidades someterán a la OCP un informe de proyecciones presupuestarias trimestrales para los períodos terminados en las siguientes fechas: 30 de septiembre de 2018, 31 de diciembre de 2018 y 31 de marzo de 2019 que demuestre el Estado de Cuentas y Proyecciones de Gastos al 30 de junio de 2019. Las unidades institucionales dispondrán de 10 días calendario para elaborar y someter la Proyección Trimestral, esto a partir de la fecha de cierre del período trimestral. Es mandatario para todas las unidades el fiel cumplimiento con las fechas de entrega establecidas para las Proyecciones de Gastos. La OCP podrá solicitar cualquier información adicional que estime necesaria para realizar el análisis correspondiente.

El Presidente podrá encomendar, a través de los funcionarios en quienes delegue, la evaluación de la administración presupuestaria en cada una de las unidades del sistema para asegurar el cumplimiento de todas las disposiciones de la administración presupuestaria establecida por la Junta de Gobierno.

El Presidente preparará y someterá informes periódicos sobre la situación presupuestaria de cada Unidad. La Junta de Gobierno se reserva la facultad de dejar sin efecto las disposiciones delegadas a aquellas unidades institucionales que no cumplan con lo establecido en esta Certificación.

14. La Oficina del Presidente de la UPR, a petición de la Junta de Gobierno, proveerá toda la información que se requiera para los correspondientes análisis fiscales que se realicen en los comités de trabajo o para los asuntos de la agenda general.
15. Las Oficinas de Finanzas, en coordinación con las Oficinas de Presupuesto de cada Unidad, prepararán en conjunto la liquidación presupuestaria correspondiente una vez transcurrido el año fiscal y se asegurarán que el sistema de contabilidad financiera provea para el seguimiento, el control y la información necesaria para la preparación anual del Estado Financiero de la UPR.

16. Las Oficinas de Finanzas, que administran los fondos externos de las Unidades, deberán cumplir con el cuadro de las cuentas activas de recursos económicos extrauniversitarios.
17. El Rector de cada Unidad se asegurará que las Oficinas de Finanzas lleven a cabo gestiones agresivas de cobro de las deudas por servicios prestados por las Unidades a las diferentes agencias, departamentos y entidades públicas y privadas para que el sistema financiero de la UPR recupere totalmente su capacidad operacional y fiscal.
18. Las solicitudes de asignaciones de fondos adicionales por parte de las unidades institucionales durante el transcurso del año fiscal 2018-2019, deberán ser ampliamente justificadas y evidenciadas. Toda solicitud vendrá acompañada con el legajo correspondiente (nóminas, contratos, facturas, etc.). Las peticiones que no cumplan con este requisito serán devueltas a las unidades sin ser procesadas.

Se solicitarán informes periódicos del uso de los fondos adicionales que sean asignados y éstos no podrán ser utilizados para otros propósitos sin previa justificación y autorización.

19. El Director de Presupuesto de la Oficina Central alertará al Presidente de la Universidad de toda situación anómala o de incumplimiento con estas disposiciones, que detecte en cualquiera de las once (11) Unidades y la Administración Central.
20. El Presidente de la Universidad mantendrá informada a la Junta de Gobierno sobre cualquier situación que amerite atención inmediata de ese Cuerpo para asegurar el cumplimiento de estas Disposiciones, según aprobada por esta Certificación.



Universidad de Puerto Rico

**Memorial  
de Presupuesto  
2019**

8. CERTIFICATION 93: 2017- 2018. UPR BOARD OF GOVERNORS



JUNTA DE GOBIERNO  
UNIVERSIDAD DE PUERTO RICO

CERTIFICACIÓN NÚM. 93  
2017-2018

Yo, Luis Berríos Amadeo, secretario de la Junta de Gobierno de la Universidad de Puerto Rico, CERTIFICO QUE:

La Junta de Gobierno, en su reunión ordinaria celebrada el lunes, 30 de abril de 2018, de conformidad con el Plan Fiscal UPR revisado 2018-2023, consignado en la Certificación Núm. 89 (2017-2018), y sometido a la Junta de Supervisión Fiscal el 21 de marzo de 2018, acordó:

Ratificar que el ajuste del crédito subgraduado en la Universidad de Puerto Rico será \$115 a partir del primer semestre del año académico 2018-2019.

Y PARA QUE ASÍ CONSTE, expido la presente Certificación, en San Juan, Puerto Rico, hoy día 3 de mayo de 2018.



Luis Berríos Amadeo  
Secretario



9. CERTIFICATION 111: 2017-18, AS AMENDED.  
UPR BOARD OF GOVERNORS



JUNTA DE GOBIERNO  
UNIVERSIDAD DE PUERTO RICO

ENMENDADA  
CERTIFICACIÓN NÚMERO 111  
2017-2018

Yo, Luis Berríos Amadeo, secretario de la Junta de Gobierno de la Universidad de Puerto Rico, CERTIFICO QUE:

La Junta de Gobierno, en su reunión ordinaria celebrada el miércoles, 30 de mayo de 2018, previa recomendación de su Comité de Asuntos Financieros, acordó:

Disponer que para el Año Fiscal 2019 el costo del crédito para los programas graduados de maestría y doctorado de los Recintos de Ciencias Médicas, Río Piedras y Mayagüez, serán los identificados en la Tabla que se hace formar parte de esta Certificación.

Se dispone además, que quedará sin efecto cualesquiera otra certificación, norma o circular que puedan existir o estar en vigor en la Universidad de Puerto Rico, que estén en contravención con lo aquí dispuesto.

Y PARA QUE ASÍ CONSTE, expido la presente Certificación, en San Juan, Puerto Rico, hoy 1 de junio de 2018.



Luis Berríos Amadeo  
Secretario

**UNIVERSIDAD DE PUERTO RICO**  
**COSTO DEL CRÉDITO PARA LOS PROGRAMAS GRADUADOS**  
**RECINTO DE CIENCIAS MÉDICAS**

<b>PROGRAMAS</b>	<b>COSTO AÑO FISCAL 2019</b>
<b>ESCUELA DE MEDICINA DENTAL</b>	
DMD Primer año	12,000.00
DMD Segundo año	12,000.00
DMD Tercer año	12,000.00
DMD Cuarto año	12,000.00
Internacionales 3er año	45,000.00
Internacionales 4to año	45,000.00
Residentes en Maestría	175.00
<b>ESCUELA DE MEDICINA</b>	
MD – Estudiantes de Medicina	12,000.00
Maestría	175.00
PhD	200.00
MD-PhD en Ciencias Biomédicas	200.00
<b>ESCUELA DE ENFERMERÍA</b>	
Subgraduado	115.00
Graduado Diurno	175.00
Graduado vespertino	200.00
Anestesia	200.00
Doctoral	7,350.00
<b>ESCUELA DE FARMACIA</b>	
Doctorado en Farmacia	8,500.00
Maestría Ciencias en Farmacia	175.00

**UNIVERSIDAD DE PUERTO RICO**  
**COSTO DEL CRÉDITO PARA LOS PROGRAMAS GRADUADOS**  
**RECINTO DE CIENCIAS MÉDICAS**

<b>PROGRAMAS</b>	<b>COSTO AÑO FISCAL 2019</b>
<b>ESCUELA DE SALUD PÚBLICA</b>	
Demografía (MS) (Tesis 6 créditos)	175.00
Administración Servicios de Salud (MHSA) +800 horas de práctica	200.00
Salud Pública (MPH)	175.00
Salud Pública-Salud Ambiental (DrPH) +480 horas de práctica (Tesis 9 créditos)	255.00
Nutrición (MS) (Tesis 6 créditos)	175.00
Salud Ambiental (MPH)	175.00
Educación en Salud Pública (MPHE)	175.00
Investig. Evaluativa (MS) (Tesis 3 créditos)	175.00
Salud Pública-Epidemiología (MPH)	175.00
Ciencias Epidemiología (MS) (Tesis 10 créditos)	175.00
Salud Pública-Bioestadística (MPH)	175.00
Higiene Industrial (MS)	175.00
Salud Pública (MPH) V	175.00
Salud Pública-Sistema de Salud y Gerencia (DrPH) +200 horas de práctica (Tesis 6 créditos) V	255.00
Salud Pública-Determinantes Sociales de la Salud (DrPH) +200 horas práctica (Tesis 9 créditos) V	255.00
Salud Pública Gerontología (MPH) V	175.00
Gerontología V	175.00
Intervención Temprana V	175.00
<b>ESCUELA DE PROFESIONALES DE LA SALUD</b>	
Asistencia Dental	115.00
Tecnología Oftálmica	115.00
Tecnología Radiológica	115.00
Ciencias de la Salud	115.00
Tecnología Medicina Nuclear	115.00
Tecnología Médica	115.00

**UNIVERSIDAD DE PUERTO RICO**  
**COSTO DEL CRÉDITO PARA LOS PROGRAMAS GRADUADOS**  
**RECINTO DE CIENCIAS MÉDICAS**

<b>PROGRAMAS</b>	<b>COSTO</b> <b>AÑO FISCAL 2019</b>
Tecnología Veterinaria	115.00
<b>EDUCACIÓN EN SALUD</b>	
Citotecnología	2,000.00
Internado en Dietética	2,000.00
Administración de Información de Salud	175.00
Patología del Habla y Lenguaje	175.00
Ciencias de Laboratorio Clínico	5,500.00
Terapia Ocupacional	175.00
Audiología	200.00
Terapia Física	200.00

**UNIVERSIDAD DE PUERTO RICO**  
**COSTO DEL CRÉDITO PARA LOS PROGRAMAS GRADUADOS**  
**RECINTO UNIVERSITARIO DE RÍO PIEDRAS**

<b>PROGRAMAS</b>	<b>COSTO</b> <b>AÑO FISCAL 2019</b>
<b>ADMINISTRACIÓN DE EMPRESAS</b>	
<b>Maestría</b>	
Administración de Empresas	175.00
Comercio y Negocios Internacionales	175.00
Contabilidad	175.00
Finanzas de los Negocios	175.00
Gerencia de Operaciones	175.00
Gerencia de los Recursos Humanos	175.00
Programa General	175.00
<b>Doctorado</b>	
Comercio Internacional	200.00
Finanzas	200.00
<b>ARQUITECTURA</b>	
<b>Maestría</b>	
MArch	200.00
<b>CIENCIAS DE LA INFORMACIÓN</b>	
<b>Maestría</b>	
Maestro en Ciencias de la Información	175.00
Certificado Postgrado BA Bibliotecología:	175.00
Adm. De Documentos y Archivo	175.00
Maestro Bibliotecario	175.00
Analista de Recursos Electrónicos	175.00
Certificado Postgrado MA Bibliotecología:	175.00
Adm. Bibliotecas Academ., P.b. y Espec.	175.00
Consultor en Servicios de Información	175.00
Especialista en Inform. Jurídica	175.00
<b>CIENCIAS NATURALES</b>	
<b>Maestría</b>	
Biología	175.00
Ciencias Ambientales	175.00
Física	175.00
Matemáticas	175.00
Química	175.00

**UNIVERSIDAD DE PUERTO RICO**  
**COSTO DEL CRÉDITO PARA LOS PROGRAMAS GRADUADOS**  
**RECINTO UNIVERSITARIO DE RÍO PIEDRAS**

<b>PROGRAMAS</b>	<b>COSTO AÑO FISCAL 2019</b>
<b>Doctorado</b>	
Biología	200.00
Ciencias Ambientales	200.00
Física-Química	200.00
Matemáticas	200.00
Química	200.00
<b>CIENCIAS SOCIALES</b>	
<b>Maestría</b>	
Administración Pública:	175.00
Administración de Personal	175.00
Administración de Programas	175.00
Adm. y Política Financiera	175.00
Programa General	175.00
Programación Administrativa	175.00
Consejería en Rehabilitación	175.00
Economía	175.00
Psicología Académica e Inv.	175.00
Psicología Clínica	175.00
Psicología Industrial Organ.	175.00
Psicología Social Comunitaria	175.00
Sociología	175.00
Trabajo Social	175.00
<b>Doctorado</b>	
Sicología	200.00
Trabajo Social	200.00
<b>COMUNICACIONES</b>	
<b>Maestría</b>	
Periodismo	175.00
Teoría e Investigación	175.00
<b>DERECHO</b>	
<b>Maestría</b>	
Juris Doctor	200.00
LLM	12,000.00

**UNIVERSIDAD DE PUERTO RICO**  
**COSTO DEL CRÉDITO PARA LOS PROGRAMAS GRADUADOS**  
**RECINTO UNIVERSITARIO DE RÍO PIEDRAS**

<b>PROGRAMAS</b>	<b>COSTO</b> <b>AÑO FISCAL 2019</b>
<b>EDUCACIÓN</b>	
<b>Maestría</b>	
Administración y Supervisión Educativa	175.00
Currículo y Enseñanza	175.00
Currículo y Enseñanza:	175.00
Biología	175.00
Español	175.00
Física	175.00
Historia	175.00
Matemáticas	175.00
Química	175.00
Ecología Familiar	175.00
Educación del Niño:	175.00
Enseñanza de la Lectura	175.00
Nivel Elemental	175.00
Nivel Pre-escolar	175.00
Educación Especial	175.00
Enseñanza del Inglés a Hispan.	175.00
Fisiología del Ejercicio	175.00
Invest. Y Eval. Pedagógica	175.00
Invest. Y Eval. Educativa	175.00
Liderazgo en Organizaciones Educativas	175.00
Orientación y Consejería	175.00
<b>Doctorado</b>	
Administración y Supervisión Educativa	200.00
Currículo y Enseñanza	200.00
Liderazgo en Organizaciones Educativas	200.00
Orientación y Consejería	200.00
<b>HUMANIDADES</b>	
<b>Maestrías</b>	
Estudios Hispánicos	175.00
Filosofía	175.00
Gestión y Administración Cultural	175.00
Historia	175.00
Inglés	175.00



**UNIVERSIDAD DE PUERTO RICO**  
**COSTO DEL CRÉDITO PARA LOS PROGRAMAS GRADUADOS**  
**RECINTO UNIVERSITARIO DE RÍO PIEDRAS**

<b>PROGRAMAS</b>	<b>COSTO AÑO FISCAL 2019</b>
Lingüística	175.00
Cert. Lingüística Aplicada al Español	175.00
Literatura Comparada	175.00
Traducción	175.00
Cert. Traducción Especializado	175.00
<b>Doctorado</b>	
Estudios Hispánicos	200.00
Historia	200.00
Inglés	200.00
<b>PLANIFICACIÓN</b>	
<b>Maestría</b>	175.00

**UNIVERSIDAD DE PUERTO RICO**  
**COSTO DEL CRÉDITO PARA LOS PROGRAMAS GRADUADOS**  
**RECINTO UNIVERSITARIO DE MAYAGÜEZ**

<b>PROGRAMAS</b>	<b>COSTO AÑO FISCAL 2019</b>
Ciencias MS	175.00
Ciencias PhD	200.00
Artes	175.00
Admi	175.00
Ingeniería MS/ME	175.00
Ingeniería PhD	200.00

10.FINANCE LETTER 19-01. UPR CENTRAL ADMINISTRATION

17 de julio de 2018

Administración  
Central  
Universidad de  
Puerto Rico

CIRCULAR DE FINANZAS NÚM. 19-01

SEÑORES RECTORES Y RECTORAS, DECANOS DE ADMINISTRACIÓN, DECANOS DE ESTUDIANTES, DIRECTORES DE FINANZAS Y DIRECTORES DE CONTABILIDAD DEL SISTEMA UNIVERSITARIO

TARIFAS DE MATRÍCULA PARA ESTUDIOS A PARTIR DEL AÑO ACADÉMICO 2018-19

La Junta de Gobierno, en su reunión ordinaria celebrada el 30 de abril de 2018, mediante la Certificación Núm. 93, ratificó el ajuste del crédito subgraduado en la Universidad de Puerto Rico. A partir del año académico 2018-2019, el crédito será de \$115.

Las cuotas descritas se establecen a tenor con la Certificación Núm. 89, 2017-2018 de la Junta de Gobierno de la Universidad de Puerto Rico, mediante la cual aprobó el Plan Fiscal de la UPR, las cuotas no incluidas en esta Circular que puedan existir, prevalecerán según dispuesto en la reglamentación universitaria.

Esta Circular deroga la Núm. 18-01 del 28 de julio de 2017 y la Núm. 18-10 del 5 de julio de 2018.

Concepto	Año Fiscal 2019
Cuota de Mantenimiento por sesión académica	\$ 47.00
Cuota Mantenimiento - Verano	50.00
Cuota de Tecnología por sesión académica	25.00
Laboratorios	100.00
Cuota de Graduación	80.00
Mantenimiento - Otros	67.00
Cuota de Admisión	30.00
Cuota de Re-Admisión	35.00
Transferencia desde otras Instituciones	50.00

Oficina de Finanzas

Jardín Botánico Sur  
1187 Calle Flamboyán  
San Juan, Puerto Rico  
00926-1117

Tel. (787) 250-0000  
Fax (787) 764-1971

SEÑORES RECTORES Y RECTORAS, DECANOS DE ADMINISTRACIÓN, DECANOS DE ESTUDIANTES, DIRECTORES DE FINANZAS Y DIRECTORES DE CONTABILIDAD DEL SISTEMA UNIVERSITARIO

CIRCULAR DE FINANZAS NUM. 19-01

Página 2

17 de julio de 2018

Concepto	Año Fiscal 2019
Transferencia entre unidades UPR	25.00
Transcripciones y Certificaciones	5.00
Duplicados	5.00
Cambio de Facultad o Reclasificación	20.00
Tarjeta de Identificación	10.00
Matrícula Tardía	20.00
Cargo por Baja Parcial	10.00
Cargo por Baja Total	15.00
Repetición de Cursos	20.00

Cordialmente,



Agustín Cabrer Roig  
Director Interino

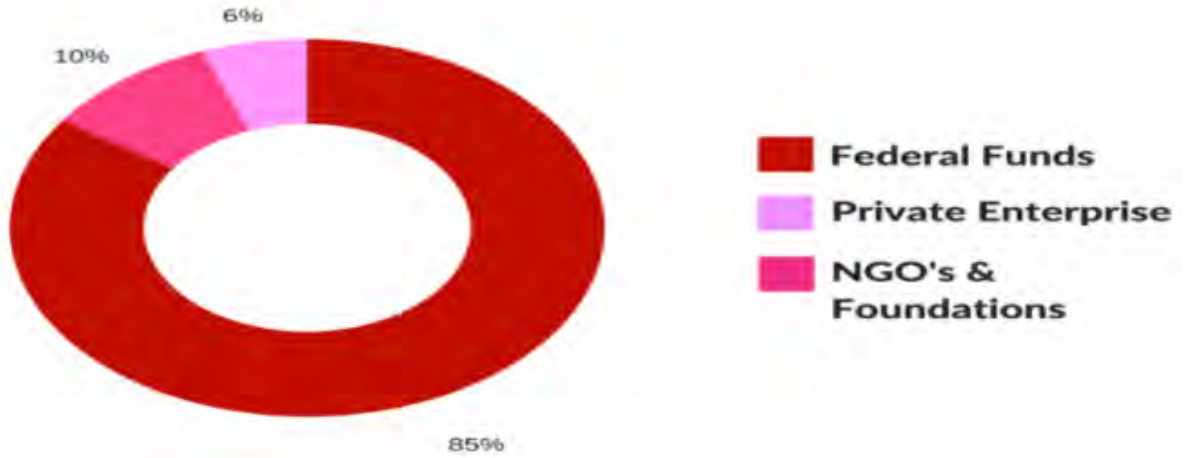
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Anejo

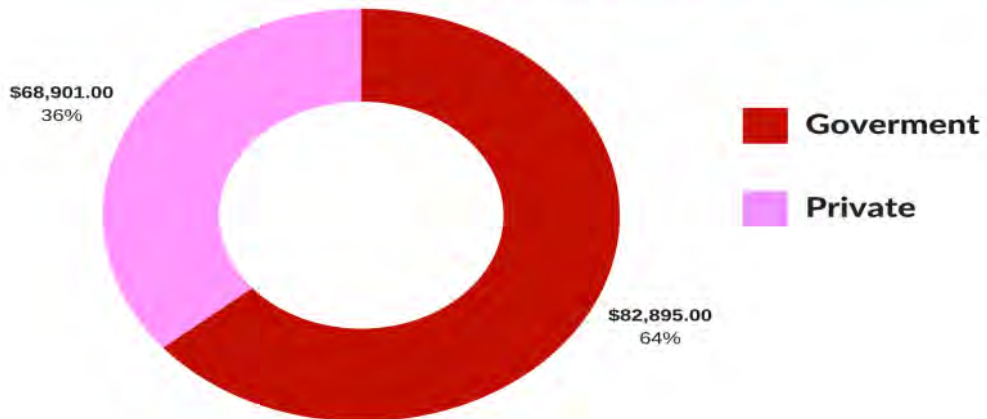
**11. FINANCING SOURCES DISTRIBUTION AND  
INTRAMURAL PRACTICE 2014-18**

Financing Sources Distribution FY 2014-2018 and Intramural Practice (PPI) Financing Sources Distribution FY 2014-2018

FINANCING SOURCES DISTRIBUTION FY 2014-2018 (ESTIMATE)



INTRAMURAL PRACTICE (PPI) FINANCING SOURCES DISTRIBUTION FY 2014-2018 (ESTIMATE)



## 12. DECEP REORGANIZATION



## DECEP REORGANIZATION

August 17, 2018

### **CIRCULAR LETTER NO. 1, 2018-2019 ACADEMIC YEAR TO THE UNIVERSITY COMMUNITY**

Dr. Luis A. Ferrao Delgado  
Interim Rector

### **RESTRUCTURING OF THE DIVISION OF CONTINUING EDUCATION AND PROFESSIONAL STUDIES - EN ROUTE TO SUSTAINABLE MANAGEMENT**

The Río Piedras campus has maintained a steady path toward the social and economic development of the country for more than 100 years. Despite the fiscal challenges we face today, this remains the case. After a year in office as Interim Rector of the Río Piedras campus, we have identified the need to transform our vision, operation, and focus to deal with fiscal fragility, as evidenced by the significant decrease in funds allocated to our institution.

In order to guide the vision embodied in the Strategic Plan: 2018-2023 Commitment of the Río Piedras campus, we commit ourselves to working together to transform the role of the campus as a promoter of social and economic development and actuate Priority Area 4: Sustainable management, effectiveness, and efficiency. In Goal 4.1, the campus commits to increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country. To achieve this goal and its objectives and indicators, we have determined that the Division of Continuing Education and Professional Studies (DECEP) is the body responsible for the development of innovative entrepreneurship projects, focused on increasing recurrent revenue while maintaining its ties to the Office of the Dean.

The DECEP will be supporting distance education and education for non-traditional students, expanding demand by international students, and offering services and consultation to public and private entities. Under this new operational model, the DECEP will be strengthened in the areas of promotion, marketing, procurement, billing, collection, and online services so that it may be efficient and responsive to opportunities for raising funds for the campus.

**Distance Education:** This educational methodology will be focused on advancing and developing the action plan for our campus to launch its first distance-learning courses,

effective August of 2019, and eventually the development of academic programs in compliance with Goal 2.1 and Objective 2.1.1 of the Strategic Plan. Developing the distance course offering will require the commitment of our non-teaching staff, professors, directors, and deans. Through the DECEP, a support center will be established focusing on supporting and guiding faculty in the creation, production, and programming of online courses for the benefit of the campus. With the purpose of cultivating an institutional culture that contributes to the achievement of goals and objectives, the Center for Academic Excellence has increased its training workshops aimed at professors for the Certificate in Virtual Learning Environment Creation during this academic year. This certificate is a fundamental requisite for the distance education course registry.

**Universidad Extendida (UNEX):** Create diverse, unique, high-demand academic programs to meet the needs of the population of non-traditional students through flexible schedules and formats, including nights and weekends. The DECEP will develop a programming geared toward these students in line with Certification No. 190, 2000-2001 Academic Year. This initiative is aligned with Goal 2.3, Objective 2.3.1.

**Interdisciplinary and Multicultural Institute (INIM):** The DECEP will establish an alliance with the INIM to make administrative and academic management faster and more efficient. The INIM will establish an action plan focused on increasing the number of international students and collaborative agreements with other university institutions, industry, commerce, and state and federal government. This initiative is aligned with Goal 2.1, Objective 2.1.3.

**Assistant Dean of International Relations (DARI):** The DECEP will form an alliance with the DARI to make administrative and academic management more efficient, facilitating processes for non-traditional and exchange students on campus. The DARI will establish an aggressive recruitment plan to increase this population and enrich our international reach. This initiative is outlined in Goal 2.1, Objective 2.1.3.

**Technical Services and Assistance to Public and Private Entities:** A policy and guides promoting the services that the campus will provide to public and private local and international entities will be established through the DECEP. The DECEP will be the unit responsible for promoting, coordinating, and administrating the professional and consulting services component of the Program for Intramural Practice Plan under Certification No. 123, 1996-1997 Academic Year; however, the Dean of Graduate Studies and Research will continue the function of promoting, coordinating, and administrating the component of supporting and strengthening education and research under this program. Furthermore, the DECEP will aid university personnel in the preparation of vendor-type proposals according to Circular Letter No. 5, 2017-2018 Academic Year. In addition, all of the professional service proposals of the academic and administrative units should follow DECEP guidelines. These initiatives are in line with Goal 4.1 and Objectives 4.1.4 and 4.1.5.

With this new focus, we propose to strengthen and centralize ongoing fundraising efforts in one single direction. The Division of Academic and Administrative Technologies of the campus will equip the DECEP with all the automation tools for accounting, fiscal, academic, and administrative processes with new platforms to streamline the processes. The online course registry will be programmed with the aid of the Dean of Academic Affairs and the Office of the Registrar to make the process uniform with the campus's student information system.

This process of reengineering the DECEP will begin effective immediately. Furthermore, it fulfills our promise made to the accrediting agency of the MSCHE, as well as the institutional goals delineated regarding self-sustainable management.

## **DECEP as an Economic Driver of the Campus**

Currently, the Campus faces one of the biggest challenges in recent times: a substantial reduction in funds. This reduction in funding has led the Campus to rethink the way it carries out activities for income generation, aside from the regular offering of courses for traditional students. The contribution of the University to our society is not limited to offering academic degrees. The world as we know it today offers countless possibilities for positioning the University as an economic driver of the country and the continual development of its workforce.

A process of self-assessment by the Campus and its various operational divisions found DECEP to be the unit responsible for operationalizing the activities generating recurring income, offering a variety of services complementary to traditional education. This new model aims to promote sustainable financing mechanisms for the operations of the Campus from the DECEP.

The legislation that establishes the institutional policies and strategic direction of the DECEP is established by Certification 190 (Series 2000-2001). This certification provides a systemic frame of reference that makes the quick and effective articulation of innovative, pertinent, and diverse study programs and services viable.

Currently, the efforts of Campus administration aim to strengthen the administrative structure of the DECEP with the goal of streamlining processes ranging from conceptualizing products to offering services, billing, and collection. In this way, the DECEP is a protagonist in advancing Priority Area 4.1 of the current Strategic Plan of the Campus (*Commitment 2023*). Through the DECEP's efforts, the campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.

### **Proposed Structure of the DECEP**

- Restructure the administrative aspect of the DECEP.
  - The first step necessary to speed up campus income generation is to strengthen the administrative area of the DECEP to ensure the efficiency of processes. We are currently in the process of recruiting for the following positions:
    - Associate Director: Whose functions will include:
      - Support DECEP administrative tasks.

- Manage new products and contracts by maintaining a close relationship with public and private agencies and entities to identify areas of opportunity for offering institutional services.
  - In coordination with the corresponding deans and offices, design new services in an articulate, coherent, and consistent way across the Campus. Create an inventory of potential services that the Campus is able to offer.
- Marketing / Sales:
  - Design mechanisms for the promotion of current and potential services. This effort should not be limited to traditional means. In addition to using traditional means of marketing, this position must develop ties with agencies and private enterprise to provide current services and develop new products based on a study of market needs.
  - Through these relationships, generate sales of products through traditional means and specific proposals of services.
- Accounting
  - Supervise all processes of the accounting cycle.
  - Ensure speed in invoicing, data processing, and disbursement processes.
  - Reconcile the DECEP account with subsidiary documents processed internally from DECEP transactions.
  - Establish internal controls.
- Legal Advisor
  - Review legal documents and commitments undertaken by the DECEP through the relationships established by the Division.
  - Ensure that the clauses and commitments advance the sustainable financing interests of the Campus.
  - Evaluate service contracts and recommend the ideal instrument for each of the services that will be contracted.
- Simultaneously, complete the steps required to register the DECEP as a non-profit corporation, as a subsidiary of the University of Puerto Rico. The goal of this is to give the DECEP the speed and efficiency needed to carry out its operations.

- Josué Hernández and Basilio Rivera are developing all the documentation required by the Governing Board of the UPR to complete the process, following the model of the Medical Sciences Campus for the creation of Dental Service Clinics.
- At the same time, the necessary technological infrastructure is being developed with the support of the Office of the DTAA.
  - DTAA Office resources are being highlighted for programming the following support services to the DECEP:
    - Establish means of online billing and collection.
    - Create the complete cycle of registration and records for both traditional and non-traditional students taking courses in the DECEP.
    - Design a simulator of valuable proposals as a standardized tool to evaluate the viability of each product or proposal
    - Reengineering and optimization of processes of promotion, registration, billing and collection through digitization.
    - Technological support in the production of e-courses (Learning Management System).
    - Streamline the process of locating face-to-face DECEP courses through the reservation platform of the Campus ("Booking").
- Strengthen current services
  - *Adelanta*: This program seeks to attract outstanding high school students and create ties with the Campus. Through this program, high school students get ahead on college courses. In addition to this program representing additional income generation, it also encourages the student to choose the Campus when they register for university studies.
    - We are currently launching a more aggressive marketing campaign of this program.
  - Support campus faculty projects requiring administrative agility.
    - Several proposals with different faculties are currently being addressed. The following are worth mentioning:
      - Food Handling Certificate (Natural Sciences / Nutrition). This certificate is required by the Department of Health for food handlers in all restaurants in Puerto Rico. It must be renewed every three years. This represents an ample business opportunity. In addition to the individual client, we are working on proposals for businesses to offer a training package to all employees

of the restaurant required by the Department of Health. This certification is ready for launch in September.

- Services to governmental entities. We currently have two potential proposals:
  - Department of Education - Distance Certification for STEM Teachers.
    - Currently, this training is being taught to 230 teachers of the Department. The Department has expressed interest in repeating the course to increase the number of teachers reached. We are in the process of negotiation. With the initial numbers, this proposal would represent an income of approximately \$78,000.
  - Single-Employer
    - The Act for the Administration and Transformation of the Human Resources of the Government of Puerto Rico imposes a responsibility on the government to retrain public employees to make the government more efficient.
    - For this purpose the UPR system has assigned \$30,000,000 for the Single-Employer program. This initiative will continue on January 2019 (through December 2019) and is expected to generate \$3M net income.
- Integrate lines of business to non-traditional students into the DECEP (see proposal by John Villamil and Leonardo Morales):
  - INIM
  - UNEX
  - Distance education: See attached document.
  - Intramural Practice: The restructuring of the DECEP will support the processes. Specifically the DECEP will help to identify potential clients and generate new lines of business.

### **Actions**

- Issuance of a Circular Letter by the Chancellor, Dr. Luis Ferrao, to operationalize the structural changes to the DECEP and integration of income generation activities under the Division. (See Chancellors' Letter No. 1, August 17, 2018)

	<b>ACTIVITY</b>	<b>DATE (month-year)</b>
<b>PHASE 1</b>	Designation of the DECEP Restructuring Committee	July 2018
<b>PHASE 2</b>	Circular Letter - DECEP Reorganization	August 2018
<b>PHASE 3</b>	Process guides; presentation of funds generation proposals	August 2018
<b>PHASE 4</b>	Establish Advising Committee (Experts on Marketing, Accounting, Entrepreneurship)	August 2018
<b>PHASE 5</b>	Contract supporting personnel (areas of necessity: marketing or accounting, online services, project management)	August-Sept. 2018
<b>PHASE 6</b>	DECEP Student Registration System	August 2018
<b>PHASE 7</b>	Design electronic portal (including online payment)	September 2018
<b>PHASE 8</b>	Process Reengineering (automatization)	September-Dec. 2018
<b>PHASE 9</b>	UPR-RP Subsidiary Corporation Transformation	October 2019



## 13. SUMMARY OF DECEP PROJECTS

## Summary of Projects - DECEP

Iniciativas Institucionales				
Proyecto	Fecha de Inicio	Período	Proyección de Ingresos Neto del Periodo	Observaciones
A través de la unidad DECEP de la UPR, la conversión a educación a distancia de los actuales certificados profesionales de la DECEP y la incorporación de nuevas certificados de alta demanda en P.R., E.U. y Latam (Certificado Manejo de Alimentos, Empresarismo y curso de mayor demanda)	enero 2019	enero a junio 2019	\$20,000	Requieren una inversión inicial para incorporar a la solución de presencial la modalidad de educación a distancia para alcanzar mayor matrícula.
A través de la unidad DECEP de la UPR, ofrecer cursos de educación continua en las profesiones reguladas que requieren por ley una cantidad mínima de horas de capacitación por ciclo y recurrente.	agosto 2019	julio 2019 a junio 2020	\$50,000	Requieren una inversión inicial para incorporar a la solución de presencial la modalidad de educación a distancia para alcanzar mayor matrícula.
Ofrecer agresivamente capacitación a los empleados públicos de agencias gubernamentales en secuencias de cursos de re-adiestramiento para la adquisición de nuevas destrezas debido a la consolidación de agencias y/participante de la nueva ley del Empleador Único. La unidad coordinadora sería la DECEP.	enero 2019	enero a diciembre 2019	\$3,000,000	Requieren una inversión inicial para incorporar a la solución de presencial la modalidad de educación a distancia para alcanzar mayor matrícula.
Desarrollar a través de DECEP toda la estrategia para generar las oportunidades de ofrecer servicios de consultoría técnica en las modalidades de plan de práctica intramural y propuestas tipo "Vendor".	agosto 2019	julio 2019 a junio 2020	\$1,000,000	A base de proyectos presentados por las Facultades
Departamento de Educación Certificación a Distancia a maestros STEM	Agosto 2017	agosto 2017 a junio 2019	\$78,000	Proyecciones a base de matrícula
INIM	agosto 2019	agosto 2019 a junio 2020	\$195,000	
UNEX	enero 2020	enero a diciembre 2020	\$35,000	
Programa Adelanta	agosto 2019	agosto 2019 a 2020	\$30,000	
Decanato Auxiliar de Relaciones Internacionales	agosto 2019	julio 2019 a junio 2020	\$10,000	

14. SHORT AND LONG TERM INSTITUTIONAL INITIATIVES,  
INCLUDING DECEP

**LONG TERM PROJECTS****ACADEMIC YEAR 2019-2020**

<b>INTERDISCIPLINARY AND MULTICULTURAL INSTITUTE (INIM)</b>				
	<b>ACTIVITY</b>	<b>DATE</b>	<b>STATUS</b>	<b>Responsible person</b>
<b>PHASE 1</b>	Reassessment and expansion of offering	August to September 2018	In progress	Prof. Nadja Fuster Pérez
<b>PHASE 2</b>	INIM - DECEP Alliance	September 2018	In progress	Ms. Lisa M. Nieves - Prof. Nadja Fuster Pérez
<b>PHASE 3</b>	Automation of the processes of registration, billing and online payment	January 2019	-	Ms. Lisa M. Nieves and DTAA
<b>PHASE 4</b>	Marketing campaign	October and November 2018	-	DECEP and INIM
<b>PHASE 5</b>	Expand housing network inventory	December 2018	In progress	Office of the Dean of Students and Mr. Leonardo Morales
<b>PHASE 6</b>	Flexible enrollment throughout the year	September to October 2018	In progress	Mr. Juan M. Aponte, Registrar and DECEP
<b>PHASE 7</b>	Evaluation of processes	Upon ending processes	-	DECEP and INIM
Projection of annual income				\$ 195,000.00

**EXTENDED UNIVERSITY (UNEX)**

	<b>ACTIVITY</b>	<b>DATE</b>	<b>STATUS</b>	<b>Responsible person</b>
<b>PHASE 1</b>	Coordinator designation	To be determined	-	Ms. Lisa M. Nieves
<b>PHASE 2</b>	Design of the academic offering (trimester - weekend college)	To be determined	-	Coordinator and Registrar
<b>PHASE 3</b>	Curriculum Review Committee (pilot program)	To be determined	-	Curriculum Coordinator and Committee
<b>PHASE 4</b>	Coordination of physical spaces	To be determined	-	Coordinator
<b>PHASE 5</b>	Marketing	To be determined		Project Manager
<b>PHASE 6</b>	Implementation of the Unex	To be determined		Coordinator
<b>PHASE 7</b>	Evaluation	Upon ending		Coordinator
Projection of annual income				

**Recruitment plan: 2018-2022**

**RECRUITMENT AND MARKETING PLAN**

<b>Phases</b>	<b>Activity</b>	<b>Initial dates</b>	<b>Conclusion dates</b>	<b>Status</b>	<b>Office / person responsible</b>
Phase 1	Consultant search and selection	Aug-18	Sep-18	Meetings and conference calls with possible candidates	Chancellor's office- Office of the Dean of Students - Zaira Rivera International Relations - Luis Irizarry
	Translate web page to English	Sep-18	Oct-18	Not started	Language Department - Humanities Division of Technologies
	Gather statistical information needed for planning	Jul-18	Oct-18	Started-ongoing	International Relations - Luis Irizarry Communications Office - Lorna Castro Admissions Office
	Train personnel in recruitment and marketing-workshop	Sep-18	Nov-18	Not started	Outsource Consultants
	Select and contract web search engines and digital media ads			Research started	International Relations - Luis Irizarry Communications Office - Lorna Castro Division of Technologies
Phase 2	Travel to US mainland - participate in school fairs Media tours – radio and TV stations	Oct-18	Continuous - 1 trip per semester		Outsource consultants collaboration Recruitment office - Zaira Rivera International Relations – Luis Irizarry Prof. John Vililamil

	Create International Recruitment and Marketing Plan (3 to 5 year plan)	Oct-18	Dec-18		International Relations - Luis Irizarry Communications Office - Lorna Castro Admissions Office
Phase 3	Create and develop language programs for international and out-of-state students	Aug-19	Dec-19		Language Department - Humanities Faculty of General Studies- INIM
	Evaluate and refocus marketing efforts as necessary	Aug-19	Oct-19		Outsource consultants collaboration Recruitment office - Zaira Rivera
	Evaluate and redevelop recruitment plan as necessary	Aug-19	Oct-19		Outsource consultants collaboration Recruitment office - Zaira Rivera

## Sustainable Management

<b>Institutional Initiatives</b>			
<b>Project</b>	<b>Start date</b>	<b>Projection of annual income</b>	<b>Observations</b>
Production and staging of the musical Hamilton. 24 functions from January 2019	Jan-19	\$222,960	Rental of the UPR theater. (The cost of ushers, \$17,040, is subtracted from the grand total of \$240,000)
Fundraising activities during the staging of the musical Hamilton	January 2019	\$200,000	Marketing Office strategies
Plan for Raising Alumni Funds	October 2018	\$500,000	Executive professional development center Campaign should generate a total of \$2,000,000.00
Total projection		\$922,960	



**REORGANIZATION OF DECEP, TRAINING OF PUBLIC EMPLOYEES, INTRAMURAL PRACTICE/VENDOR PLAN,  
STEM PROJECTS - DEPARTMENT OF EDUCATION, Adelanta PROGRAM**

<b>REORGANIZATION OF THE DECEP</b>				
	<b>ACTIVITY</b>	<b>DATE</b>	<b>STATUS</b>	<b>Responsible person</b>
<b>PHASE 1</b>	Designation of the DECEP Restructuring Committee	July 2018	In progress	Dr. Luis A. Ferrao, Interim Chancellor
<b>PHASE 2</b>	Circular Letter - DECEP Reorganization	August 2018	In progress	Dr. Luis A. Ferrao, Interim Chancellor
<b>PHASE 3</b>	Process guides; presentation of funds generation proposals	August 2018	In progress	Ms. Lisa M. Nieves
<b>PHASE 4</b>	Establish Advising Committee (Experts on Marketing, Accounting, Entrepreneurship)	August 2018	In progress	DECEP Restructuring Committee
<b>PHASE 5</b>	Contract supporting personnel (areas of necessity: marketing or accounting, online services, project management)	August to September 2018	In progress	DECEP Restructuring Committee
<b>PHASE 6</b>	DECEP Student Registration System	September 2018	In progress	Ms. Lisa M. Nieves, Dr. Joshua Hernandez and Mr. Juan M. Aponte
<b>PHASE 7</b>	Design electronic portal (including online payment)	September 2018	In progress	Ms. Lisa M. Nieves, Marketing Office, DTAA
<b>PHASE 8</b>	Process Reengineering (Automation)	September to December 2018	-	DTAA
<b>PHASE 9</b>	UPR-RP Subsidiary Corporation Transformation	October 2019	In progress	DECEP Restructuring Committee

**Distance education (courses):**

	<b>ACTIVITY</b>	<b>DATE</b>	<b>STATUS</b>	<b>Responsible person</b>
<b>PHASE 1</b>	Recruitment of support staff	October 2018	In progress	Ms. Lisa M. Nieves
<b>PHASE 2</b>	Acquisition of programming	October 2018	In progress	Ms. Lisa M. Nieves
<b>PHASE 3</b>	Coordination with schools and professional associations that require continuing education	September to October 2018	-	DECEP
<b>PHASE 4</b>	Preparation of the inventory of courses	October to December 2018	In progress	Working Group
<b>PHASE 5</b>	Preparation of virtual learning objects	November 2018 to April 2019	-	Working Group (graphic designer, videographer, editor and project manager)
<b>PHASE 6</b>	Marketing and recruitment plan	January 2019	-	Office of Marketing, Development and Communications
<b>PHASE 7</b>	Registration	May 2019	-	Ms. Lisa M. Nieves
<b>PHASE 8</b>	Launch of online courses	August 2019	Date of implementation	Ms. Lisa M. Nieves, DECEP and project manager of EaD.
Projection of annual income				\$ 450,000.00

**Distance Education (3 certifications)**

	<b>ACTIVITY</b>	<b>DATE</b>	<b>STATUS</b>	<b>Responsible person</b>
<b>PHASE 1</b>	Recruitment of support staff	September 2018	In progress	Ms. Lisa M. Nieves
<b>PHASE 2</b>	Acquisition of programming	October 2018	In progress	Ms. Lisa M. Nieves
<b>PHASE 3</b>	Coordination with the academic and administrative units of the Campus	September to October 2018	-	DECEP
<b>PHASE 4</b>	Preparation of the inventory of courses	August 2018	In progress	Working Group
<b>PHASE 5</b>	Preparation of virtual learning objects	October to December 2018	-	Working Group (graphic designer, videographer, editor and project manager)
<b>PHASE 6</b>	Marketing and recruitment plan	October to December 2018	-	Office of Marketing, Development and Communications
<b>PHASE 7</b>	Registration	December 2018	-	Ms. Lisa M. Nieves
<b>PHASE 8</b>	Launching of online certifications (3 distance certifications)	January 2019	Date of implementation	Ms. Lisa M. Nieves, DECEP and project manager of EaD.
Projection of annual income				\$ 20,000.00

### TRAINING OF PUBLIC EMPLOYEES

	ACTIVITY	DATE	STATUS	Responsible person
<b>PHASE 1</b>	Open house to managers of governmental agencies	March 2018	Completed	DECEP
<b>PHASE 2</b>	Inventory of courses	March 2018	Completed	DECEP
<b>PHASE 3</b>	Retraining of government employees	August 2019	Pending Government Board of Directors	Central Administration
<b>PHASE 4</b>	Evaluation	Upon ending	-	DECEP
Projection of annual income				\$ 3,000,000.00

### INTRAMURAL PRACTICE/VENDOR PLAN

	ACTIVITY	DATE	STATUS	Responsible person
<b>PHASE 1</b>	Inventory of projects, courses, certifications, etc.	July 2018	Completed	Prof. Leticia M. Fernandez, Dean of Academic Affairs
<b>PHASE 2</b>	Evaluation and selection of priority projects	September 2018	In process	Advisory Committee
<b>PHASE 3</b>	Marketing	January to May 2019	-	DECEP Associate Director
<b>PHASE 4</b>	Offer of services, advice and consulting	August 2019 onwards	-	Personnel of the academic and administrative units of the Campus
<b>PHASE 5</b>	Evaluation - accountability	Upon ending each service	-	DECEP Associate Director
Projection of annual income				\$ 1,000,000.00

**STEM PROJECTS - DEPARTMENT OF EDUCATION**

	<b>ACTIVITY</b>	<b>DATE</b>	<b>STATUS</b>	<b>Responsible person</b>
<b>PHASE 1</b>	Present proposal	August 2017	Completed	DECEP and STEM team
<b>PHASE 2</b>	Approval of the proposal	March 2018	Completed	DECEP and Department of Education
<b>PHASE 3</b>	Contract signing	April 2018	Completed	Rector and Department of Education
<b>PHASE 4</b>	Course offering	May to December 2018	In progress	DECEP and STEM team
<b>PHASE 5</b>	Evaluation	May to December 2018	In progress	STEM team
<b>PHASE 6</b>	Extension of the contract	August 2018	-	DECEP and STEM team
Projection of annual income				\$ 78,000.00

**ADELANTA PROGRAM**

	<b>ACTIVITY</b>	<b>DATE</b>	<b>STATUS</b>	<b>Responsible person</b>
<b>PHASE 1</b>	Evaluate current services	August 2018	In progress	Ms. Lisa M. Nieves
<b>PHASE 2</b>	Launch recruitment campaign in secondary educational institutions	September to December 2018	-	Ms. Lisa M. Nieves
<b>PHASE 3</b>	Coordinate specialized offering	September to December 2018	-	Ms. Lisa M. Nieves and Program Coordinator Dr. Eileen Seguinot
<b>PHASE 4</b>	Registration	August 2018 and January 2019	-	DECEP
<b>PHASE 5</b>	Coordinate validation of courses of admitted students	September 2018	-	Ms. Lisa M. Nieves and Mr. Juan M. Aponte, Registrar
<b>PHASE 6</b>	Evaluation of the service	Upon course ending	-	Associate Director
Projection of annual income				\$ 30,000.00

**FUNDRAISING CAMPAIGN - REHABILITATION OF THE OLD SCHOOL OF ARCHITECTURE**

	<b>ACTIVITY</b>	<b>DATE</b>	<b>STATUS</b>	<b>Responsible person</b>
<b>PHASE 1</b>	Collection plan	August 2018	Completed	Dr. Josué Hernández Álvarez / Office of Marketing, Development and Communications
<b>PHASE 2</b>	Creation of donations account	August 2018	Completed	Office of the Chancellor
<b>PHASE 3</b>	Coordination to begin online donations	August 2018	In progress	Dr. Josué Hernández Álvarez / Office of Marketing, Development and Communications / Office of Financing
<b>PHASE 4</b>	Creation of the alumni portal	September 2018	In progress	Dr. Joshua Hernandez Alvarez / Division of Academic and Administrative Technologies
<b>PHASE 5</b>	Development of the alumni data template	October 2018	In progress	
<b>PHASE 6</b>	Creation of the miupi alumni portal	October 2018	In progress	
<b>PHASE 7</b>	Campaign launch	November 2018	In progress	Dr. Josué Hernández Álvarez / Office of Marketing, Development and Communications
Projection of two-year net income:				\$2,000,000.00

## Long Term Projects

ACADEMIC YEAR 2019-2020

INTERDISCIPLINARY AND MULTICULTURAL INSTITUTE (INIM)				
	ACTIVITY	DATE	STATUS	Responsible person
<b>PHASE 1</b>	Reassessment and expansion of offering	August to September 2018	In progress	Prof. Nadja Fuster Pérez
<b>PHASE 2</b>	INIM - DECEP Alliance	September 2018	In progress	Ms. Lisa M. Nieves - Prof. Nadja Fuster Pérez
<b>PHASE 3</b>	Automation of the processes of registration, billing and online payment	January 2019	-	Ms. Lisa M. Nieves and DTAA
<b>PHASE 4</b>	Marketing campaign	October and November 2018	-	DECEP and INIM
<b>PHASE 5</b>	Expand housing network inventory	December 2018	In progress	Office of the Dean of Students and Mr. Leonardo Morales
<b>PHASE 6</b>	Flexible enrollment throughout the year	September to October 2018	In progress	Mr. Juan M. Aponte, Registrar and DECEP
<b>PHASE 7</b>	Evaluation of processes	Upon ending processes	-	DECEP and INIM
Projection of annual income				\$ 195,000.00



**EXTENDED UNIVERSITY (UNEX)**

	<b>ACTIVITY</b>	<b>DATE</b>	<b>STATUS</b>	<b>Responsible person</b>
<b>PHASE 1</b>	Coordinator designation	To be determined	-	Ms. Lisa M. Nieves
<b>PHASE 2</b>	Design of the academic offering (trimester - weekend college)	To be determined	-	Coordinator and Registrar
<b>PHASE 3</b>	Curriculum Review Committee (pilot program)	To be determined	-	Curriculum Coordinator and Committee
<b>PHASE 4</b>	Coordination of physical spaces	To be determined	-	Coordinator
<b>PHASE 5</b>	Marketing	To be determined		Project Manager
<b>PHASE 6</b>	Implementation of the Unex	To be determined		Coordinator
<b>PHASE 7</b>	Evaluation	Upon ending		Coordinator
Projection of annual income				

**Recruitment plan: 2018-2022**

**RECRUITMENT AND MARKETING PLAN**

<b>Phases</b>	<b>Activity</b>	<b>Initial dates</b>	<b>Conclusion dates</b>	<b>Status</b>	<b>Office / person responsible</b>
Phase 1	Consultant search and selection	Aug-18	Sep-18	Meetings and conference calls with possible candidates	Chancellor's office- Office of the Dean of Students - Zaira Rivera International Relations - Luis Irizarry
	Translate web page to English	Sep-18	Oct-18	Not started	Language Department - Humanities Division of Technologies
	Gather statistical information needed for planning	Jul-18	Oct-18	Started-ongoing	International Relations - Luis Irizarry Communications Office - Lorna Castro Admissions Office
	Train personnel in recruitment and marketing-workshop	Sep-18	Nov-18	Not started	Outsource Consultants
	Select and contract web search engines and digital media ads			Research started	International Relations - Luis Irizarry Communications Office - Lorna Castro Division of Technologies
Phase 2	Travel to US mainland - participate in school fairs Media tours – radio and TV stations	Oct-18	Continuous - 1 trip per semester		Outsource consultants collaboration Recruitment office - Zaira Rivera International Relations – Luis Irizarry Prof. John Vililamil

	Create International Recruitment and Marketing Plan (3 to 5 year plan)	Oct-18	Dec-18		International Relations - Luis Irizarry Communications Office - Lorna Castro Admissions Office
Phase 3	Create and develop language programs for international and out-of-state students	Aug-19	Dec-19		Language Department - Humanities Faculty of General Studies- INIM
	Evaluate and refocus marketing efforts as necessary	Aug-19	Oct-19		Outsource consultants collaboration Recruitment office - Zaira Rivera
	Evaluate and redevelop recruitment plan as necessary	Aug-19	Oct-19		Outsource consultants collaboration Recruitment office - Zaira Rivera

## 15. FUNDRAISING PLAN

**Fundraising Plan  
University of Puerto Rico  
Río Piedras Campus**

**Project: Rehabilitation of the Antigua Escuela de Arquitectura (Old School of Architecture)**

**Introduction:**

UPRRP is developing a plan aligned with and sustained by the strategic plan of the institution through a landmark project aimed at rehabilitating the Antigua Escuela de Arquitectura. This initiative will help to strengthen the restructuring of the Division of Continuing Education and Professional Studies, providing it with a suitable space as a center for offering workshops, seminars, counseling, and classrooms, with the goal of providing funds to the institution.

**Vision:**

Develop a link between the Río Piedras campus and the present students and alumni, focused towards the institutionalization of a culture of collaboration for achieving goals and the sustainable management of the institution.

**Mission:**

Strengthen the ties between the Río Piedras campus and its alumni for the accomplishment of Campus objectives:

- Establish an alumni portal
- Promote active participation of alumni in Campus activities
- Know and publicize alumni contributions to our society and their success stories
- Promote commitment to the Alma Mater

**Goals:**

- Raise \$2 million for the rehabilitation of the Antigua Escuela de Arquitectura in the span of one year
- Promote and institutionalize a landmark fundraising project every year (or until completed)

**General objective:** Create and join efforts for the collection of funds in the diaspora and with people linked to the preservation of historic buildings.

**Specific objectives:**

- Develop a philanthropic culture with alumni, students, family
- Develop ties with students and alumni
- Foster a sense of belonging to the IUPI
- Create and join efforts for the collection of funds in the diaspora and with people linked to the preservation of historic buildings.

**Alignment with the Strategic Plan:**

Priority Area 4: Sustainable management, effectiveness, and efficiency

**Develop a new model for the collection of funds**

The Office of Marketing, Development and Alumni is a structure that has strengths that are aligned to the field of communications, but have a limited profile for fundraising strategies. For this, a digital virtual platform will be developed, sleek and easy to access, to raise funds online. At the same time, this platform will be a repository of donor information to document the success stories of our graduates. With the development of this platform we will make the process dynamic and agile; in turn, it will include information on the most relevant campus news, with the main focus of strengthening relationships with the campus. The platform invites our alumni to collaborate with the fundraising project.

To achieve the goals and objectives, the following will be carried out:

1. Develop the virtual platform with the collaboration of the Division of Academic and Administrative Technologies.
2. Develop an aggressive communication plan
3. Create a fundraising button for social networks
4. Collect Alumni success stories
5. Evaluate the process and adjust accordingly
6. Establish a system of accountability with donors
7. Perform regular income and expenditure projections

**Fundraiser project: Rehabilitation of the Antigua Escuela de Arquitectura (Old School of Architecture)**

An aggressive campaign fundraising for the rehabilitation of the old school of architecture will be developed. This structure was designed by Henry Klumb in 1958. It is a heritage buildings of modern architecture on the Río Piedras campus of the UPR. It has an approximate area of 35,000 square feet divided into two floors.

**Use of the facilities:**

The use of the facilities will be designed for an innovative center to meet the needs for sustainable management initiatives which are to be carried out through the Division of Continuing Education and Professional Studies.

**Costs:**

According to the proposal submitted and presented by Arch. Andres F. Mignucci, the approximate cost for the integral rehabilitation of the building is \$1,890,000. A reserve of \$110,000 is added to the estimate for contingencies, for a total of \$2,000,000.00

**Action plan:**

An aggressive strategic communication plan will be put in place to enhance and transform the mechanisms that the institution has used to obtain sources of income by way of donations. With the initiatives and new approaches, we will achieve an increase in funds from alumni, mainly those of the diaspora, turning them into Friends of the IUPI.

**Institutionalize the Alumni Office**

The Office of Marketing, Development and Communications shall establish a solid structure so that the Alumni Office have visibility and relevance in the fundraising campaign. It is necessary that, in exchange, the donor receive information on the activities that are conducted.

For this purpose, the OMDC must:

1. Make a calendar of campus activities
2. Create activities for alumni, in which the portal may be used to fundraise
3. Develop an activity to recognize the ten alumni who have most contributed to the institution
4. Develop a "Donate Your Change" campaign for the rehabilitation project
5. Make related material available at the MiUPI shop (memorabilia relating to the campaign)
6. Distinguished alum (dinner, as a possible strategy for fundraising).
7. Foster a culture of donors, alumni, students and their parents in the University's favor.
8. Establish solid links with future alumni
9. Direct a campaign to develop a sense of belonging
10. Promote the active participation of the student associations

To achieve the proposed goals for fundraising and the expressed objective, the University community must actively participate. For this, it is necessary to develop the community culture.

**Plan for Dissemination:**

The plan for the dissemination of the campaign will take place starting October 1, 2018. The launch will be on the following platforms:

- a) Emails through various databases
- b) Río Piedras email server
- c) Campus Portal
- d) Television and radio

- e) Letters to companies
- f) Billboards
- g) Dinners and galas to potential prospects for major donations
- h) Visits, trips, etc., for the collection of funds



## 16. CONSOLIDATED-CONDENSED-EXPENSE CONTROL

**University of Puerto Rico, Río Piedras Campus**  
**Deanship of Academic Affairs**  
**Consolidated Expense Control Activities (Condensed)**

College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
College of Business Administration	Accounting	Unspecified Goal	The companies that manage the databases specializing in business have given us a year of free service, taking into account a request which we made and the fiscal situation of the UPR.	40000	2018	Unspecified date
College of Business Administration	CICIA	Unidentified Goal	Savings from journal printing of Fórum Empresarial	5745	2017	Unspecified date
College of Business Administration	College of Business Administration	2.3 The campus will adopt a student success policy that achieves a sustained impact on success indicators and fosters access, inclusion and respect for diversity.	The printing of documents was reduced by 50% by using scanning and electronic files in administrative tasks. The printing of documents was reduced by 50% by sending students documents in digital form and using the Moodle learning platform to send educational materials to students. Student satisfaction surveys, exit surveys to graduating students, and evaluations of professors in their courses are being conducted in a digital manner or with minimal printed paper. The savings includes inks for printers and number of color copies.	10000	2017	Unspecified date
College of Business Administration	College of Business Administration	Unidentified Goal	Direct telephone lines were eliminated	143.49	2017	Unspecified date
College of Business Administration	College of Business Administration	Unidentified Goal	Cost of leasing photocopiers	1000	2017	Unspecified date
College of Business Administration	College of Business Administration	Unidentified Goal	Cost of photocopier maintenance	1328	2017	Unspecified date
College of Business Administration	College of Business Administration	Unidentified Goal	Food expenses for activities were eliminated	5467	2017	Unspecified date
College of Business Administration	College of Business Administration	Unidentified Goal	Elimination of the program Desarrollo Empresarial, which will be offered through the DECEP. Professor salary for running the office, professor contracts, and administrative secretary.	82500	2018	Unspecified date
College of Business Administration	College of Business Administration	Unidentified Goal	Credits offered AdHonorem - 46 credits	100000	2017	Unspecified date
College of Business Administration	Dean of Student Affairs	Unidentified Goal	The additional compensation to administrative staff for working 4:30-6:30 p.m. was eliminated and a later hour of entry was set to meet the schedule.	4496.64	2018	Unspecified date
College of Business Administration	DEPARTMENT OF FINANCE	Unidentified Goal	The program will be directed by a tenure-track professor with a replacement of 9 credits without bonus.	7200	2018	Unspecified date
College of Business Administration	EGAE	Unidentified Goal	One of the secretary positions was relocated to an area with greater need in the FAE. The additional compensation to administrative staff for continuing work after 4:30 pm was eliminated. The 3 credits for coordination of courses or concentrations was eliminated.	View amount details	2018	Unspecified date
College of Business Administration	ENLACE	Unidentified Goal	Accreditation Coordinator will receive a compensation of 6 credits instead of 9 credits. There was a reduction of \$62,256 in appointments of confidence in 2016-2017	8174	Unspecified date	Unspecified date
College of Business Administration	ESTA	Unidentified Goal	The coordination of concentrations and courses (except of core and appraisal) were eliminated. The professors will complete tasks as inherent to their work or ad honorem.	12258	2018	Unspecified date
College of Business Administration	GERE	Unidentified Goal	The coordination of concentrations and courses (except of core and appraisal) were eliminated. The professors will complete tasks as inherent to their work or ad honorem.	12258	2018	Unspecified date

**University of Puerto Rico, Río Piedras Campus**  
**Deanship of Academic Affairs**  
**Consolidated Expense Control Activities (Condensed)**

College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
College of Business Administration	Graduate School of Business Administration	2.3 The campus will adopt a student success policy that achieves a sustained impact on success indicators and fosters access, inclusion and respect for diversity.	In this new academic year (2018-2019), the EGAE established cohorts for the master's and doctoral programs. In this way the student maintains a defined route of studies and the course programming is limited to those specific courses. It also requires less compensation. Upon dropping or failing a subject, it should be repeated via a different route or cohort. It is expected that students will pass their subjects to stay in the EGAE cohort with whom they entered and therefore avoid delay in achieving their MBA. This represents savings for the EGAE and the UPR.	6000	First semester 2018-2019	Recurring
College of Business Administration	Graduate School of Business Administration	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Acquisition of technological equipment that helps us to be more effective and be able to do more with less. A camera with two monitors was ordered in order to serve our students and open the door from the administrative area in cases where the Administrative Assistant, who works at the front desk, is not available. This allows us to work with less administrative staff.	2000	2018	Unspecified date
College of Business Administration	OFFICE OF ACCREDITATION	Unidentified Goal	Accreditation Coordinator will receive a replacement of 9 credits instead of 12 credits.	8174	2018	Unspecified date
College of Education	College of Education	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	ACADEMIC-ADMINISTRATIVE RESTRUCTURING (DEPARTMENT MERGING; PROFESSIONAL CERTIFICATE CREATION, CREATION OF MASTER'S IN TEACHING)	Unspecified amount	Unspecified date	Unspecified date
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Ad Honorem Courses and Theses *	587772	2015-2016	2017-2018
College of Humanities	College of Humanities	Unidentified Goal	Reduction in paper purchasing	350	2014	2017-2018
College of Humanities	College of Humanities	Unidentified Goal	Reduction in ink purchasing	500	2016	2017-2018
College of Natural Sciences	College of Natural Sciences	3.2. Campus management will incorporate environmentally-responsible institutional practices.	Energy saving	Unspecified amount	Second semester 2017-2018	Unspecified date
College of Natural Sciences	College of Natural Sciences	3.2. Campus management will incorporate environmentally-responsible institutional practices.	Paper saving	Unspecified amount	2014	Unspecified date
College of Natural Sciences	College of Natural Sciences	Unidentified Goal	Relocation of the LTER offices	Unspecified amount	2018	Unspecified date
College of Social Sciences	Caribbean Studies Institute	1.1 The campus will increase the production of innovative knowledge through research and creative activity.	Keep the entire process related to the publication of articles or reviews with authors in the Caribbean Studies journal online, to save on paper costs. Keep an up-to-date file of shipment addresses for the journal so as not to incur unnecessary postage costs. A change took place in the journal's printer company, generating savings in the production of copies. Monitor office materials and keep track of them, since they are acquired through the revenues of the journal.	View amount details	1961	Continuous
Dean of Students	Dean of Students	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Graduation Acts. A series of measures were implemented allowing a savings compared to previous graduations. Measures include celebrating a single section, the leasing of space with more capacity and which includes services, eliminating the printed program.	10000	2018	Unspecified date

**University of Puerto Rico, Río Piedras Campus**  
**Deanship of Academic Affairs**  
**Consolidated Expense Control Activities (Condensed)**

College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
Dean of Students	Dean of Students	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Personnel actions. Coordination with the Security Division for preventive rounds allows us the elimination of the night shift on weekdays (\$22,611) and the elimination of two shifts on the weekends (\$17,014) of the Assistant Directors of the Campus Residence.	39625	2018-03	2018-08
Dean of Students	Dean of Students	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Administrative processes. Processing of documents and communications using institutional e-mail. Minimizing the use of paper, envelopes for correspondence sending.	3000	2017-2018	Continuous
Graduate School of Planning	Graduate School of Planning	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Reduction of 10% of the budget as required	22068	2018	2019
School of Architecture	School of Architecture	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	The curriculum of Environmental Design of the School of Architecture will be evaluated to integrate the Interior Design Program. This partnership will create a diverse and attractive program that serves as an incentive for student enrollment growth at the same time generating a cost reduction in the use of physical spaces and human resource.	Unspecified amount	Unspecified date	Unspecified date
School of Architecture	School of Architecture	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Assign administrative tasks to Program Coordinators and the Office of the Dean of Student Affairs	14400	2017-08	Unspecified date
School of Architecture	School of Architecture	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Strengthen the Technology Area, Computation Center, and curricular activities aimed at strengthening student knowledge	20040	2018-07	Unspecified date
School of Architecture	School of Architecture	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Strengthen the technology area of the Archive of Architecture and Construction of Puerto Rico	21720	2018-06	Unspecified date
School of Architecture	School of Architecture	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Comply with the restructuring of administrative and academic areas	34800	2018-07	Unspecified date
School of Architecture	School of Architecture	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Identify internal staff to perform tasks to minimize fiscal impact	Unspecified amount	Unspecified date	Unspecified date
School of Architecture	School of Architecture	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Relocate employees assigned to the Computation Center with the collaboration of library staff, in addition to using the Center as an additional resource for the creation of distance learning courses.	Unspecified amount	Unspecified date	Unspecified date

**University of Puerto Rico, Río Piedras Campus**  
**Deanship of Academic Affairs**  
**Consolidated Expense Control Activities (Condensed)**

College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
School of Architecture	School of Architecture	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	The equipment acquired through purchase order will be installed in the classrooms, as a technological resource to support professor performance and the development of student knowledge. With this acquisition, a post of Assistant Administrative II dedicated to making the delivery of equipment every day was eliminated.	Unspecified amount	Unspecified date	Unspecified date
School of Communication	Film, Radio and Television	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Travel expenses	1500	2018-07	2018-06
School of Communication	Film, Radio and Television	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Wage staff	7520	2018-07	Unspecified date
School of Communication	Film, Radio and Television	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Administrative Secretary IV	9200	2018-07	Unspecified date
School of Communication	Film, Radio and Television	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Administrative Assistant IV	28800	2018-07	Unspecified date
School of Communication	School of Communication	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Establish savings in the purchase of materials for administrative support.	210.2	2018-07	Unspecified date
School of Communication	School of Communication	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Create an administrative system of updating, collection, conservation, management and distribution of data and information, related to the academic programs (valuation, academic and administrative, professor, and student activities, etc.) and in function of the evaluation of the quality of services.	2000	2018-07	Unspecified date
School of Communication	School of Communication	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Establish savings in student allocations that support academic and administrative management.	5865	2018-07	Unspecified date
School of Communication	School of Communication	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Reduce the additional compensation through programming that meets required tuition and offering for active students of the School.	17340	2018-07	Unspecified date
School of Communication	School of Communication	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Reduce the cost of the budget solicited for contracting full- and part-time services of the School.	24093	2018-07	Unspecified date

**University of Puerto Rico, Río Piedras Campus**  
**Deanship of Academic Affairs**  
**Consolidated Expense Control Activities (Condensed)**

College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
School of Communication	School of Communication	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Freezing of tenure positions before the retirement of teachers	101000	2018-07	Unspecified date
School of Communication	School of Communication	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Maintain savings before the approval of license in service of Dr. Jimmy Tores Rodriguez to UPR Carolina from January 2017 to June 2019.	153776.13	2017-01	2019-06
School of Communication	School of Communication	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	Proposal for the restoration of the autonomy of the School of Communication and the integration of the Graduate School of Sciences and Information Technology.	Unspecified amount	2017-2018	Unspecified date
School of Law	School of Law	Unidentified Goal	Paperless	Unspecified amount	Unspecified date	Unspecified date
School of Law	School of Law	Unidentified Goal	Non-professor employee schedule changes to carry out activities, night schedules to carry out the night program	Unspecified amount	Unspecified date	Unspecified date
School of Law	School of Law	Unidentified Goal	Internal rearrangement of staff to cover areas due to lack of staff.	Unspecified amount	Unspecified date	Unspecified date

## 17. CONSOLIDATED-CONDENSED-INCOME GENERATION

**University of Puerto Rico, Río Piedras Campus**  
**Deanship of Academic Affairs**  
**Consolidated Income Generation Activities (Condensed)**

College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
College of Business Administration	Accounting	Unspecified Goal	Creation of certificate in entrepreneurship consisting of five courses of 21 hours each through the DECEP. It is projected to be completed in 1 1/2 years. It will be offered in hybrid mode to a minimum of 10 people per session and the participants will pay an approximate price of \$1,125 for 5 courses.	15000	2018	Recurring
College of Business Administration	Accounting	Unspecified Goal	The Accounting department develops biannual conferences for continuing education in conjunction with the College of Public Accountants which generates net income.	16000	2015	Recurring
College of Business Administration	Accounting	Unspecified Goal	University preamble: Summer of two-week immersion for students who are admitted to the FAE including preparation in quantitative methods, accounting, and business communication. Projected to admit an average of 500 students at a cost of \$300 each	120000	2019 Summer	Recurring
College of Business Administration	Business Administration Graduate School	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	A collaborative agreement with the DECEP will be established to provide short-term training courses for managers and entrepreneurs.	3000	Pending	Recurring
College of Business Administration	Business Administration Graduate School	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	The Graduate School has a collaborative agreement with the DECEP to generate income. Since the summer of 2015, we offer the course MECU 5050 for new students from other disciplines who do not have the mathematical prerequisites to be admitted to the Graduate School.	3000	2015 Summer	Recurring
College of Business Administration	College of Business Administration	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	A group of graduates created an endowment fund called Amigos de la FAE through the Community Foundation for direct fundraising for the business administration school. This fund has the ability to generate credits to finance and support projects of the school. Fundraising activities will continue to raise the minimum amount of \$20,000 and that revenue is acquired for use by the school.	8496	2018	Recurring
College of Business Administration	College of Business Administration	Unspecified Goal	The AFAE Alumni Association will be supporting annually with an unspecified amount of money to finance and support the most urgent needs.	5000	Unspecified date	Recurring
College of Business Administration	College of Business Administration	Unspecified Goal	A group of professors developed a proposal for \$80,000 and has been awarded a contract with the government agency ASUME which will be generating direct revenues to the School of Business Administration.	15000	2018	
College of Business Administration	International Business	Unspecified Goal	It is likely that the Programa de Movilidad Estudiantil y Docente Sociedad, Cultura y los Negocios en Puerto Rico will be organized for several institutions of higher education in Ecuador.	3800	In discussion	In discussion



**University of Puerto Rico, Río Piedras Campus**  
**Deanship of Academic Affairs**  
**Consolidated Income Generation Activities (Condensed)**

College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
College of Business Administration	International Business	Unspecified Goal	It is likely that the Programa de Movilidad Estudiantil y Docente Sociedad, Cultura y los Negocios en Puerto Rico will be organized for the Instituto Tecnológico de Santo Domingo (INTEC)	3800	In discussion	In discussion
College of Business Administration	International Business	Unspecified Goal	It is likely that the Programa de Movilidad Estudiantil y Docente Sociedad, Cultura y los Negocios en Puerto Rico will be organized for the Universidad Autónoma de Santo Domingo (UASD).	3800	In discussion	In discussion
College of Business Administration	International Business	Unspecified Goal	The Programa de Movilidad Estudiantil y Docente Sociedad, Cultura y los Negocios en Puerto Rico for the students of Universidad Autónoma of Santo Domingo (UASD) held from 21 to May 28, 2017.	3800	Work began May 3, 2017 with the first meeting at UASD, Santo Domingo and the program began May 21, 2018.	The program for UASD ended May 28, 2018.
College of Business Administration	International Business	Unspecified Goal	The Programa de Movilidad Estudiantil y Docente Sociedad, Cultura y los Negocios en Puerto Rico for the students of APEC University (UNAPEC) of Santo Domingo held from 21 to May 28, 2017.	5186.75	Work began February 19, 2016 with the first meeting at UNAPEC, Santo Domingo and the program began May 21, 2017.	The program for UNAPEC ended May 28, 2017.
College of Business Administration	Office Management	Unspecified Goal	The Office Management Program has a proposal pending for training teachers of commercial education of the Department of Education that consists of several weeks of training 60 teachers. It was estimated at \$100,000 and is still in the grant process. This budget includes payment to teachers, materials and other indirect expenses.	30000	Pending	
College of Business Administration	Office Management	Unspecified Goal	The Bloomberg Academics company offered to adopt the rehabilitation and renovation of the AMO 403 amphitheater, as soon as the procedures required by the UPR for the processes are completed.	75000	2018	
College of Education	College of Education	2.1 The campus will develop an academic and professional offering of distance learning of the highest quality that responds to the needs, opportunities, and educational trends in Puerto Rico, the Caribbean, Latin America and the Hispanic communities in the United States and internationally.	GRADUATE STEM CERTIFICATION PROJECT (WORK PLAN TO CERTIFY 434 TEACHERS OF THE DEPARTMENT OF EDUCATION IN STEM)	1730575	2018-06	2019-05
College of Education	College of Education	3.1 The Río Piedras campus will strengthen its ties to its social and physical environment through learning, research, assistance in the formulation of public policy, cultural management, and service to communities.	STEM SUMMER CAMP	70000	2019-06	2019-07

**University of Puerto Rico, Río Piedras Campus**  
**Deanship of Academic Affairs**  
**Consolidated Income Generation Activities (Condensed)**

College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
College of Education	College of Education	3.1 The Río Piedras campus will strengthen its ties to its social and physical environment through learning, research, assistance in the formulation of public policy, cultural management, and service to communities.	SPACE AND FACILITY RENTAL OF THE EUGENIO MARIA DE HOSTOS BUILDING	5000	Recurring	Recurring
College of Education	College of Education	3.1 The Río Piedras campus will strengthen its ties to its social and physical environment through learning, research, assistance in the formulation of public policy, cultural management, and service to communities.	BROOKLYN COLLEGE ANNUAL SUMMER INSTITUTE: BUILDING PARTNERSHIPS BETWEEN TEACHERS FROM NEW YORK AND PUERTO RICO	8000	Summers starting 2019 (so far use of equipment and facilities has been free of charge)	Recurring
College of Education	College of Education	3.1 The Río Piedras campus will strengthen its ties to its social and physical environment through learning, research, assistance in the formulation of public policy, cultural management, and service to communities.	ESCUELAS ALEDAÑAS PROJECT - LEARNING BETWEEN EDUCATIONAL COMMUNITIES FROM RIO PIEDRAS (ACER PROJECT) (DEPARTMENT OF EDUCATION OF PUERTO RICO - DEPR)	630000	2019-June or July	
College of Education	College of Education	3.1 The Río Piedras campus will strengthen its ties to its social and physical environment through learning, research, assistance in the formulation of public policy, cultural management, and service to communities.	PROJECTS AND SERVICES IN SPORTS FACILITIES	10000	Recurring	Recurring
College of Education	College of Education	3.1 The Río Piedras campus will strengthen its ties to its social and physical environment through learning, research, assistance in the formulation of public policy, cultural management, and service to communities.	PROPOSAL FOR SERVICES TO THE DEPR SCHOOL SPECIALIZING IN BASEBALL FROM COMERIO (PROGRAM OF SERVICES, RESOURCES AND SUPPORT IN THE AREA OF SPORTS PSYCHOLOGY FOR ATHLETES, PARENTS AND COACHES)	126475	As soon as processed at the internal level and approved by DEPR	1 year starting from the beginning
College of Education	College of Education	3.1 The Río Piedras campus will strengthen its ties to its social and physical environment through learning, research, assistance in the formulation of public policy, cultural management, and service to communities.	PROPOSAL FOR EARLY CHILDHOOD TEACHER TRAINING. SOURCES OF INCOME: 1) DEPR, 2) DEPARTMENT OF THE FAMILY, 3) ANGEL RAMOS FOUNDATION	Unspecified amount	Unspecified date	Unspecified date
College of Education	College of Education	4.2 The campus will reorganize its units, procedures, and services to optimize operations efficiency and create a conducive and enabling environment for research, creation, education, and service.	ACADEMIC-ADMINISTRATIVE RESTRUCTURING (DEPARTMENT MERGING; PROFESSIONAL CERTIFICATE CREATION, CREATION OF MASTER'S IN TEACHING)			
College of General Studies	College of General Studies	Unspecified Goal	Safety workshop on earthquakes, face-to-face or virtual/distance, depending on the needs of the participants.	20000	2019-08	2019-12
College of General Studies	College of General Studies	Unspecified Goal	Women and Gender Studies Program: Workshops on sexuality and gender, including social, labor and legal aspects.	30000	2018-12	Recurring
College of General Studies	College of General Studies	Unspecified Goal	Rent out amphitheatres to the community.	40000	Recurring	Recurring
College of General Studies	College of General Studies	Unspecified Goal	Propose and conduct seminars on conversational English for public employees; grammar and writing English or Spanish seminars.	50000	2018-08	Recurring

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College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
College of General Studies	College of General Studies	Unspecified Goal	International exchange trips (Interdisciplinary and Multicultural Institute)	100000	Recurring	Recurring
College of Humanities	College of Humanities	3.1 The Río Piedras campus will strengthen its ties to its social and physical environment through learning, research, assistance in the formulation of public policy, cultural management, and service to communities.	Title: Cultural management in public service The course offers an introduction to cultural management as an activity that is related to all areas of public service. Contemporary international cultural policy trends will be addressed in the interest of providing theoretical and practical tools to strengthen public cultural institutions (museums, theaters, libraries, archives, municipal cultural offices, etc.). In addition, the possibilities of integrating the cultural management are addressed, in areas such as health, primary and secondary education, community development, and the promotion of tourism, among others.	3000	Unspecified date	Recurring
College of Humanities	College of Humanities	3.1.d Number of forums in which members of the university community participate or which are carried out by the university community aimed at the discussion, development and promotion of public policies.	Title: Ethics, language and society Description: Presentation of the functioning of languages in their social contexts, including links with ethics, linguistic discrimination, and current social problems.	4800	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Title: Expository Writing Description: This course is aimed at people who have good English knowledge and want to strengthen their writing skills. Emphasis is on grammar, spelling, textual organization, clear sentence development, and use of the thesaurus to increase vocabulary.	30	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Title: English Grammar and Conversation: Basic Level Description: This course provides a review of basic grammatical rules and shows how they can boost confidence while leading to greater fluency and more dynamic conversations.	1500	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Title: English Grammar and Conversation: Intermediate Level Description: Directed at those who are already able to participate in basic English conversation, this course provides a review of intermediate grammatical rules and shows how they can lead to greater fluency and support participants' discussion of complex topics. The course will include strategies for avoiding common errors.	1500	Unspecified date	Recurring

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College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Title: Effective communication in Spanish Description: This workshop performs several functions: Answer questions relating to written expression and improve written communication skills. The course also aims at the improvement of participants' oral expression skills.	2000	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Title: Techniques of Translation Into English Description: Designed to introduce students to the practices, technologies and strategies of the translation industry and field. Requirement: Bilingual Spanish/English	2500	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Title: Techniques of Translation Into Spanish Description: Designed to introduce students to the practices, technologies and strategies of the translation industry and field. Requirement: Bilingual Spanish/English	2500	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Title: Conversational English- Advanced Level Description: This course is aimed at those who have a level of linguistic competence that allows them to deepen their conversational skills. The course will answer questions that the participants might have on the correct and proper use of English so that the participants can obtain a proficient level of spoken language, allowing them to express their thoughts and opinions in real and hypothetical situations with sureness and fluency.	3000	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Workshops on effective (oral) communication. Strengthening of effective public communication skills. This workshop is directed at professionals from all disciplines to improve and develop public communication skills through vocal, diction, and projection exercises and theatrical techniques.	3000	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Title: "Introduction to Mandarin Chinese language and culture" Description: This introductory course presents the participant with a basic knowledge of cultural expressions related to Mandarin Chinese. It offers basic knowledge on oral communication practices, auditory comprehension, and interactive peer participation.	3000	Unspecified date	Recurring

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College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Title: "Introduction to language and culture" (French, Italian, Portuguese, German) Description: This introductory course presents the participant with a basic knowledge of cultural expressions related to language taught. It offers basic knowledge on oral communication practices, auditory comprehension, and interactive peer participation.	3000	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Title: Ethics Description: The course focuses on the study and discussion of the issues and problems of ethics in public service and matters relating to corruption. It addresses the question of the ethnicity of the State and the ethical principles of responsible behavior by public servants. Governmental ethical issues will be discussed.	6000	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Title: New trends in history (various topics) Description: Familiarization with a select number of works that indicate new knowledge of history.	6000	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Music teacher training - [Elementary certificate] Training, certification and professional development of teachers and other school personnel. Provide, through modules, the the teacher with the theory, fundamentals, and latest methodologies in elementary music skills (e.g. singing, rhythmic band, and use of the recorder)	10000	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Post-Bachelor's Certificate in Applied Spanish Linguistics of 18 credits can be attained in a year. It is intended for Spanish teachers and other educators who wish to broaden their linguistic knowledge in Spanish: pathologists, specialists in curriculum and instruction, and people working in areas such as student learning evaluation and assessment.	35500	Unspecified date	Recurring
College of Humanities	College of Humanities	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Offer expert and professional document translation services, Spanish to English and English to Spanish.	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	2.2 The campus will renew face-to-face academic offerings, including specialized services, to maintain the highest academic quality and respond to the development of the disciplines.	Professional Master's in Natural Sciences	Unspecified amount	Unspecified date	Recurring

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College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
College of Natural Sciences	College of Natural Sciences	2.2 The campus will renew face-to-face academic offerings, including specialized services, to maintain the highest academic quality and respond to the development of the disciplines. 4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Create a "nutrition entrepreneur track" and to join the Business Administration faculty to create a business with healthy meals and drinks. This business could generate income while serving as a place of practice for Nutrition and Dietetics and Business Administration students	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Extension of the regular workshop offering to the students of the campus to interested government agencies. Professor library staff in charge: Prof. Sylvia J. Figueroa Rodríguez (coordination in charge of most of the workshops), Prof. Purísima Centeno Alayón, Prof. Elizabeth Borges Ocasio y Prof. Julia Y. Vélez.	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Charge for poster printing service to students who conduct investigations in private institutions without the supervision of research professors of the Faculty of Natural Sciences. The purpose is to raise funds for the purchase of materials for this service.	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Charging of fee to participants of the orientation fairs for graduate studies and professionals	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Course/Workshop - preparation and analysis of environmental and biological samples	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Course: BIODIVERSITY OF PUERTO RICO Description: Background on the biodiversity of Puerto Rico, emphasizing its conservation	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Course: Cyber security awareness Description: Basic knowledge for the general public about security in cyberspace	Unspecified amount	Unspecified date	Recurring

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College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Course: Improving the teaching of math Description: Strategies for improving the teaching of mathematics in elementary school, based on a completed research project.	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Course: Introduction to forensic analysis - An introduction to the recovery and investigation of material found on digital devices.	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Courses for water and wastewater treatment plant operators. By law, these operators have to be licensed and require continuing education hours.	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Courses: Introduction to UNIX - Introduction to basic UNIX commands and remote access to UNIX servers. UNIX security hardening - Best practices to ensure Unix server systems.	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Develop nutrition clinics in the University Medical Services. Place a dietitian full time (or a rotation between dietitians of the faculty as part of their academic work) and have the dietetic interns rotate these areas as part of their supervised practice.	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Establish a contract with a company that, in exchange for space, electricity and Internet access, pay between 10% to 15% of earnings from print and photocopies of documents in the library. The purpose is to generate funds to acquire materials for the library.	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Food safety training. Two professors are certified instructors of the ServSafe program from the National Restaurant Association. This is a 15-h course which could be developed and given through DECEP. It requires an additional fee (~ \$40) to cover the cost of the exam from the Nat. Rest. Assoc.	Unspecified amount	Unspecified date	Recurring

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College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Nutrition, health and fitness education modules could be developed to enrich elementary, middle and high school health curricula for purchase.	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Once the Nutrition Intervention Laboratory is completed in the Nutrition Annex (AED o AEFAN 201, building 045; facilities conditioning by UPR-RP and scientific instrumentation by USDA NIFA HSI Education Grant (award no. 2017-38422-27112, M. Schelske, Project Director), the body composition instrument, BodPod, and Fitmate indirect calorimeter could be used for paid measurements for investigation at RRP, RCM or private universities. Ours will be the first BodPod in the university system on the island, and the only BodPod in the San Juan metro area or eastern half of the island.	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Renting out halls and amphitheatres	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Renting space for training workshops to groups of 18 and 24 people, requiring use of computers with direct connection to the internet, on weekends from 8:00 am to 4:30 pm and nights from Monday to Friday from 6:00 to 9:00 pm. Programs required for the workshops, as well as access to the room must be coordinated in advance installation. CITec - Phase I Classrooms with computers CN 114, A and B sides	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Several courses - Web page development	Unspecified amount	Unspecified date	Recurring
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Several courses in programming: Python, C++, Perl, PHP, Java	Unspecified amount	Unspecified date	Recurring



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College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
College of Natural Sciences	College of Natural Sciences	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	The recently approved three courses, Integrative Nutrition I, II, III (NUTR 4501, 4502, 4503), to be offered in the hybrid or distance education format, can be turned into a comprehensive Registered Dietitian (RD) exam review course (15h/course for a total of 45h) that could be offered through DECEP.	Unspecified amount	Unspecified date	Recurring
College of Social Sciences	Caribbean Studies Institute	1.1 The campus will increase the production of innovative knowledge through research and creative activity.	Keep the entire process related to the publication of articles or reviews in the Caribbean Studies journal at the Caribbean and international level, to generate income in different ways through new subscriptions. Expand the resources of authors who publish in the magazine. A change took place in the journal's printer company, generating savings in the production of copies.	6000	1961	Recurring
Dean of Students	Dean of Students	2.3. The campus will adopt a student success policy that achieves a sustained impact on success indicators and fosters access, inclusion and respect for diversity.	Visits for interviews. Promote opportunities, in addition to the annual job fair, in which employers interested in recruiting students and alumni visit the campus to interview candidates for the available positions. -Proposed donation or charge of \$500.00 for each employer interested in our campus coordinating visits for interviews or the disclosure of individual employment opportunities.	5500	2018-08	Recurring
Dean of Students	Dean of Students	2.3. The campus will adopt a student success policy that achieves a sustained impact on success indicators and fosters access, inclusion and respect for diversity.	Annual Job Fair - Participation in the fair has a base cost of \$550.00 per employer. Expected annual participation of at least 40 employers.	6000	It has been performed for various years now	Recurring
Dean of Students	Dean of Students	2.3. The campus will adopt a student success policy that achieves a sustained impact on success indicators and fosters access, inclusion and respect for diversity.  4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Summer Program: "Vive la IUPI": Program aimed at high school students, who will have the opportunity of learning about all of the schools and the study possibilities of each. They will also learn about the employment opportunities related to those areas of study. Intends to reach 200 students in June at a rate of \$300 per student.	24000	2018 Summer	Recurring
Dean of Students	Dean of Students	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Trainings for professionals and members of the community. The unit has an inventory of already-planned workshops already may be offered in identified areas of service such as the community in general, support professionals, teachers, and school staff.	20000	To be determined	Recurring

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Dean of Students	Dean of Students	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Training of first aid for mental health (PASM) practice for the community. The unit has 12 professors certified as PASM instructors. The proposal consists in completing 36 trainings per year to reach 900 people in the community and/or agencies (25-30 people per training). It is projected to impact government agencies such as Correction, Department of Health, Department of Education, Department of Family. Similarly in the private sector it would offer services to health plans and private educational institutions.	30000	2019-01	Recurring
Dean of Students	Dean of Students	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Symposium on Innovative Practices in Counseling with University Students. It is estimated that 75 to 150 professionals will attend = \$9,000 (subtracting lunch and continuing education certificate). Aimed at service professionals working in public and private universities	5000	2019-01	Recurring
Dean of Students	Dean of Students	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Implement a fee for guided sightseeing tours (individual and group) - aims to offer services to agencies and cruise lines to offer tours (historical tour) for a donation to the Río Piedras campus. Currently, the student guide program offers this type of tour and has received calls from agencies asking about the cost. Student guides receive a stipend and participating in this initiative would be part of their stipend requirements. \$20pp	5000	2019-01	Recurring
Dean of Students	Dean of Students	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Donation campaign - Special Project - Sponsor A Student Guide (Proyecto Especial Apadrina a un Estudiante Orientador) - Creating an account for donations in which a former SG can sponsor a SG by a donation to cover the SG's pay and/or the residential seminar. There are approximately 1,250 former student guides (50 students per year x 25 years). If everyone made a donation of \$20 it would add up to \$25,000.	12000	2019-01	Recurring
Dean of Students	Dean of Students	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Collection of fees by way of exchange programs involving the Río Piedras campus students and students from universities abroad.	13000	It has been performed for various years now	Recurring
Dean of Students	Dean of Students	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Student residences. Set a \$25 fee per semester for use (rental) of appliances in students staying in dormitories. Also includes a \$75 fee in cases of negligent use and a \$25 fee when it is not returned.	16250	2019-01	Recurring

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Dean of Students	Dean of Students	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Implement phase I for payment for miscellaneous services in the Department of Medical Services. Services include health certificates, shots, medical certificates. This type of service is charged for in private practice and we would offer it at a lower cost. This first phase does not require billing to medical plans.	20000	2018-08	Recurring
Dean of Students	Dean of Students	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Sale in activities - Continue the activities that generate income to the revolving account of that unit, such as sales of shirts for the Puerto Rico Athletic Games and Sports Festival, photographs at graduation, robe rental, among others.	20000	It has been performed for various years now	Recurring
Dean of Students	Dean of Students	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Student residences. Increase the collection period on the part of the student residence ResiCampus from 8 to 10 months.	26800	2018-08	Recurring
Dean of Students	Dean of Students	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Sports summer camp - Proposed a maximum of 20 participants in 7 sports at an estimated cost of \$300.00 for two weeks.	15000	Summer 2019	Recurring
Graduate School of Planning	Graduate School of Planning	1.2 The campus will increase external fundraising through research and creation.	Schools as Communities for Learning	360000	2019	Recurring
Graduate School of Planning	Graduate School of Planning	1.2 The campus will increase external fundraising through research and creation.	An Assessment of Shoreline Changes after the Occurrence of Hurricane Maria at Puerto Rico	980000	2018	2019
Graduate School of Planning	Graduate School of Planning	1.2 The campus will increase external fundraising through research and creation.	Human Impact Over Coastal Ecosystem	1200000	2014	2019-06
Graduate School of Planning	Graduate School of Planning	1.2 The campus will increase external fundraising through research and creation.	Natural Coastal Infrastructure and Ecosystem Service Loss as a Result of Hurricane Maria: A Pilot Study at Selected Coastal Sites in Puerto Rico	1200000	2019	2020
Graduate School of Planning	Graduate School of Planning	1.2 The campus will increase external fundraising through research and creation. 2.2 The campus will renew face-to-face academic offerings, including specialized services, to maintain the highest academic quality and respond to the development of the disciplines.	Building University, Local and Commonwealth-Level Capacity to Recover from Hurricane Maria and Enhance Disaster Resilience through Faculty, Student and Practitioner Exchange Program	200000	2019	2020
Graduate School of Planning	Graduate School of Planning	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Continuing education program through DECEP	Variable amount	2019	Recurring

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College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
School of Architecture	School of Architecture	1.1 The campus will increase the production of innovative knowledge through research and creative activity.	Fab Lab - Prototyping, workshops, objects	60000	2018-01	Recurring
School of Architecture	School of Architecture	1.3 The campus will consolidate the local and international recognition of its academic excellence through research and creative production.	Publications (In Forma journal)	18000	2016-09	Recurring
School of Architecture	School of Architecture	2.1 The campus will develop an academic and professional offering of distance learning of the highest quality that responds to the needs, opportunities, and educational trends in Puerto Rico, the Caribbean, Latin America and the Hispanic communities in the United States and internationally.	Short courses	50000	2018-01	Recurring
School of Architecture	School of Architecture	2.1 The campus will develop an academic and professional offering of distance learning of the highest quality that responds to the needs, opportunities, and educational trends in Puerto Rico, the Caribbean, Latin America and the Hispanic communities in the United States and internationally.	Certified distance education - Partnership with the ETSAS of the University of Seville	180000	2019-01	Recurring
School of Architecture	School of Architecture	2.3 The campus will adopt a student success policy that achieves a sustained impact on success indicators and fosters access, inclusion and respect for diversity.	Summer workshop	30000	Every summer	Recurring
School of Architecture	School of Architecture	3.1 The Río Piedras campus will strengthen its ties to its social and physical environment through learning, research, assistance in the formulation of public policy, cultural management, and service to communities.	Casa Klumb - Certified restoration	120000	2018-11	2021-12 Phase 1
School of Architecture	School of Architecture	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	San Juan Oculito - Guided visits to the towns of the island	24000	2018-08	Recurring
School of Architecture	School of Architecture	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	IDEA - Professional services in architecture, urban planning, conservation	60000	2018-08	Recurring

**University of Puerto Rico, Río Piedras Campus**  
**Deanship of Academic Affairs**  
**Consolidated Income Generation Activities (Condensed)**

College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
School of Architecture	School of Architecture	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Space rental: Auditorium, classrooms, exhibition room	75000	2018-01	Recurring
School of Communication	Film, Radio and Television	1.2 The campus will increase external fundraising through research and creation.	Cultural trip to Egypt by RadioAmigos with one of our producers managed the Travel Gallery agency	3500	2018-12	2018-12
School of Communication	Film, Radio and Television	1.2 The campus will increase external fundraising through research and creation.	Underwriting Auspices for Radio Universidad	10000	2018-07	2021-06
School of Communication	Film, Radio and Television	1.2 The campus will increase external fundraising through research and creation.	Jazz, Arte y Amigos, Dec 2018 - Dec 2020	15000	2018-12	2020-12
School of Communication	Film, Radio and Television	1.2 The campus will increase external fundraising through research and creation.	Audiovisual Media Archives - Licensing for use of footage and transfer services	25000	2018-07	2019-06
School of Communication	Film, Radio and Television	1.2 The campus will increase external fundraising through research and creation.	Serrat Concert at the Centro Bellas Artes Santurce	30000	2019-02	2019-02
School of Communication	Film, Radio and Television	1.2 The campus will increase external fundraising through research and creation.	Radio Amigos Festival, 2018 - 2021	40000	2018-11	2021-05
School of Communication	Film, Radio and Television	1.2 The campus will increase external fundraising through research and creation.	Latino Public Broadcasting: Current Issues Fund GRANT	52445	2018-01	2019-05
School of Communication	School of Communication	1.1 The campus will increase the production of innovative knowledge through research and creative activity.	Identify external financing to develop projects that meet the lines of research of the School and provide a formative experience for its students.	Unspecified amount	2018-07	2019-06
School of Communication	School of Communication	1.2 The campus will increase external fundraising through research and creation.	Establish partnership agreement between the School and other faculties of our campus or the UPR system to develop proposals for service and/or research that have the potential to attract external funds.	3500	2018-09	2019-06
School of Communication	School of Communication	2.1 The campus will develop an academic and professional offering of distance learning of the highest quality that responds to the needs, opportunities, and educational trends in Puerto Rico, the Caribbean, Latin America and the Hispanic communities in the United States and internationally.	Develop a range of courses and trainings to serve the population of non-traditional students and other resources in the discipline for those requiring continuing education to keep up-to-date in their profession.	Unspecified amount	2018-03	Recurring
School of Communication	School of Communication	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Creating a revolving account to raise funds for the maintenance and financing of the acquisition of equipment for laboratories and activities aligned with the development plan	4000	2018-06	Recurring
School of Law	School of Law	2.2 The campus will renew face-to-face academic offerings, including specialized services, to maintain the highest academic quality and respond to the development of the disciplines.	Master's in Law for lawyers from Puerto Rico and the United States. Funds generation. 21 lawyers were accepted.	252000	2018-08	Recurring

**University of Puerto Rico, Río Piedras Campus**  
**Deanship of Academic Affairs**  
**Consolidated Income Generation Activities (Condensed)**

College/School	Unit	Strategic Plan Goal	Initiatives	Amount	Starting Date	Completion Date
School of Law	School of Law	2.2 The campus will renew face-to-face academic offerings, including specialized services, to maintain the highest academic quality and respond to the development of the fields.	Courses to be offered through the DECEP	Unspecified amount	Unspecified date	Unspecified date
School of Law	School of Law	2.3. The campus will adopt a student success policy that achieves a sustained impact on success indicators and fosters access, inclusion and respect for diversity.	Summer workshops. A summer workshop was created for high school students. This year, 38 students at a cost of \$400	15000	2018-07	2018-07
School of Law	School of Law	4.1 The campus will increase its fiscal sustainability and diversify its sources of income to supplement its budget with innovative projects that temper its performance to the economic and structural changes in the country.	Rental of robes: robes are rented annually to the graduates and with those funds the School of Law celebrates an activity for recognitions and achievements for the graduates.	7000	Unspecified date	Recurring

## 18. DA EFFICIENCY INITIATIVES

University of Puerto Rico  
 Rio Piedras Campus  
 Deanship of Administration

**I. Introduction**

The Deanship of Administration will be held responsible for the implementation of institutional projects related to energy saving, reengineering of procurement processes, acquisition of goods and hiring, pre-intervention processes in finance and administrative reorganizations that will result in the generation of economies. On the other hand, the Deanship of Administration presents initiatives for the generation of income to the Río Piedras Campus as urgent measures to address the fiscal crisis in the next three fiscal years FY 2019-2021. The projects described below are framed and advance the Strategic Plan **Compromiso 2023** in the following areas:

<p><b>PRIORITY AREA 3:          University social responsibility and community involvement</b></p>	<p><b>GOAL</b>          3.2 The Campus will incorporate environmentally responsible institutional practices in its management</p>	<p><b>OBJECTIVE</b>          3.2.1 Establish a sustainable enclosure policy, identifying specific actions that address urgent environmental challenges</p>
<p><b>PRIORITY AREA 4:          Sustainable management, effectiveness and efficiency</b></p>	<p><b>GOAL</b>          4.2 The Campus will reorganize its units, procedures, services to optimize the efficiency of its operations and create an enabling and facilitating environment for research, creation, teaching and service</p>	<p><b>OBJECTIVES</b>          4.2.1 Restructure units, academic processes, administrative approaches to intensively incorporate technology for an sprightly, efficient and effective performance facilitator of teaching and student success.          4.2.2 Practice effective and efficient institutional management</p>



## A. Energy Saving Projects

### 1. Improvements to the air conditioning system of the Central Plant of the UPRRP during the year 2017-2018 and FY 19

The Central Plant is the heart of the Rio Piedras Campus air conditioning system and provides cooling to 30 buildings on campus. It is a complex mechanical system that will consist of 6 modules of cooling towers and 2 centrifuges or Chillers of 1250 tons, water pumps and automatic controls its function is the distribution of ice water for the air handling units located in the buildings in the Campus.

During the 2017-2018 academic year, a project was initiated with the objective of addressing the state and deterioration of the existing cooling towers, by replacing them, improving the capacity and efficiency of the system and as a result a significant saving in the payment of electricity and water consumption. In January 2017, the auction was awarded for these purposes.

The project consists of 6 phases; each phase involves the demolition of the structures in a state of deterioration, the construction of the bases and the replacement in stages of all the cooling towers. In the process of replacing the towers, and due to the logistics of the project, the system reduces its cooling capacity and, in cases of greater heat during the day, increases the temperature in the work areas.

The estimated duration of the project was 180 days. Although the project originally had been designed and planned so that the most critical stages were carried out during the cooler season, during the months of November and December 2017, extraordinary events and nature major forces, such as the strike and hurricanes Irma and María, caused a delay of more than seven months. At this time, we are in Phase 4/6 of the project. In this phase the system is operating with only 60% of the available capacity. This is the most critical phase of the project with the lowest cooling capacity of the system. According to the revised project schedule, by July 23, 2018 we would have Tower # 4 in operation which would contribute significantly to improving temperatures. By August 2018, we should have better cooling capacity in operation with the installation of Tower # 3.

	<b>ACTIVITY</b>	<b>DATE</b>	<b>STATUS</b>
<b>PHASE 1</b>	Installation of the new towers 1 & 2 temporarily	August 2017	✓ Completed
<b>PHASE 2</b>	Demolition of the old towers, 5 and 6	December 2017	✓ Completed
<b>PHASE 3</b>	Installation of new towers 5 and 6	February 2018	✓ Completed
<b>PHASE 4</b>	Demolition of old towers 1,2,3 and 4	May 2018	✓ Completed
<b>PHASE 5</b>	Installation new tower 3 and 4	July 23rd/ August 15, 2018	In process
<b>PHASE 6</b>	Relocate new towers 1 and 2 to	October 2018	Programmed

	its final destination		
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Upon completion of the six phases of the project, an annual saving in electric power consumption is estimated between **\$ 150,000- \$ 200,000**.

### Future plans for the Central Plant during the years FY19 and FY20

However, the improvements made so far, the power consumption of the Central Plant requires a new model of power generation that is independent of the Electric Power Authority and that uses renewable energy sources that are in compliance with the energy policy of the UPR system. During this academic year, we will implement a new project for the Central Plant aimed at the generation of heat and power combustion through the use of natural gas. Natural gas produces energy to move utilities. In this case, it is to generate hot water and steam that is generated together with absorption chillers will produce ice water. This model is known as CHP ENERGY. The use of this model could generate estimated savings of over 50% of the electricity consumption.

### Work Plan 2018-2019

ACTIVITY	RESPONSIBILITY	DATE
Presentation of the operational model	Eng. Ramón Canto	August 20 <sup>th</sup> , 2018
Definition auction criteria or sole bidder	Mrs. Isis V. Betancourt Tapia	August – September, 2018
Auction Publication	Mrs. Anaisa M. López Cedrés	October 2018
Contract		November-December 2018
Communication about the project		December, 2018
Implementation		Second Semester 2018-2019
Measurement of savings		FY20

### 1. Luminaires indoor and outdoor project

Based on the recommendations of a study carried out by the Office of Conservation of University Facilities (OCIU in Spanish) during the 2014-2015 year, the interior luminaries of the Carmen Rivera Alvarado, Ramón Emeterio Betances and Ana María Oneill buildings will be replaced for Led luminaire instead of fluorescents. According to the study, the replacement by this type of luminaire will result in an annual saving of **\$ 50,000** with an average return on investment of 1.5 years.

ACTIVITY	RESPONSIBILITY	DATE
Study on interior luminaire	Deanship of Administration	FY 2015
Publish luminaire use policy	OCIU	November 2018
Start replacement phase in CRA	Chancellor's Office	February 2019
Start replacement in REB		April 2019
Start replacement in AMO		June 2019
Consumption and savings report		FY19

Publish the results		June 2019
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## 2. Energy saving campaign and concentration of night offer in a single building

As part of the energy saving measures, it is necessary to develop an educational and energy saving awareness campaign aimed at students and employees of the Campus. In addition, jointly concentrate the academic offer at night in a single building. With both measures we estimate an annual saving of approximately \$ **200,000.00**.

ACTIVITY	RESPONSABILITY	DATE
Campaign design with OMDC and group of the School of Communications	Mrs. Rebeca Guadalupe Sanabria, Deanship of Administration,	October 2018
Launch Campaign		November 2018
Policy of relocation of courses in a single building	Mrs. Lorna Castro, OMDC and School of Communications, Deanship of Academic Affairs	October 2018
Coordination with the Deanship of Academic Affairs, Security Department, Medical Services, DCODE and other services		November 2018
First night offer in a single building		January 2019

### A. Optimization of the processes of acquisition of Goods and Services through online platform and Lean Six Sigma methodology

The purchase processes are carried out manually and on paper, which results in significant delays in the processing of documents for approval and final payment. On the other hand, the manual processes limit the monitoring of the files and the power to give an adequate follow-up of the cases from its beginning until its closure. For this extent, we will carry out a pilot project with the company *Aquanima* during the next quarter. It is estimated a saving between 12-15% in the main categories of purchases, for a saving of \$ **75,000.00** per year.

ACTIVITY	RESPONSABILITY	DATE
Submission of proposal by <i>Aquanima</i>	Mrs. Isis V. Bentancourt Tapia, Mr. Joel Emanuelli from <i>Aquanima</i> and Mrs. Anaisa M. López Cedrés	August 2018
Revision of regulations and regulations in force (Certification No. 116, 2000-2001)		August-December 2018
Pilot project design		September 2018
Implementation		October-December 2018
Measurement of savings		January 2019
Report with findings and recommendations		March 2019

### A. Uniformity in the acquisition and administration of multifunctional equipment

The Río Piedras Campus spends close to \$ 310,489.22 on the leasing and maintenance of multifunctional equipment among more than five companies that have contracts in RRP. We have initiated a pilot project with Ricoh in Plaza Universitaria through the request for proposals to standardize the acquisition, use and maintenance of the multifunctional equipment in the Campus. The proposal will reduce spending by 35% on this concept.

ACTIVITY	RESPONSABILITY	DATE
Proposal presentation <i>Ricoh</i> Pilot project	Mrs. Isis V. Betancourt, Auxiliary Dean of the Deanship of Administration, Mrs. Anaisa M. López Cedrés, Purchasing Office Director	July 2018
Inventory of equipment		August 2018
Analysis and recommendations for the implementation of the pilot project		September 2018
Communication to the areas on the project		September 2018
Implementation for 6 months		September – March 2018
Evaluation of the results		April 2018
Public auction		April-May 2018
Adjudication and contract		May 2018
Implementation in phases		FY19
Measurement of savings		June 2019

### A. Administrative reorganizations

During the month of July, the petition was initiated to the Faculties and Schools to carry out and present a proposal of administrative reorganization, reclassifications aligned to the academic transformation and taking into consideration the retirements of their personnel for the next 5 years we are considering a saving of \$ 1 million is estimated.

ACTIVITY	RESPONSABILITY	DATE
Meeting with Auxiliary Deans of Administrative Affairs for commission	Mrs. Rebeca Guadalupe Sanabria and Mrs. Mayra Pérez Méndez, Deanship of Administration, Auxiliary Deans of Administrative Affairs of Faculty, and the Office of Human Resources	July 2018
Delivery of proposals		September 2018
Analysis of proposals		September-October 2018
Implementation		January-May 2019
Analysis and evaluation of reclassifications and other personnel actions for the reduction of temporary appointments		September-November 2018
Implementation of transfers and reclassifications		November - December 2018

## II. Proposals for income generation

### A. Maximize the leasing potential of physical and virtual spaces in the Campus and capture at least 50% of what is entered and transferred to the Central Administration to the General Fund

The current institutional policy, administered by the Finance Office of the AC, establishes that income from tuition and rents are covenanted for the payment of the bonds and are entered into the general fund, as defined in the Trust Agreement of the emissions of bonds of the UPR - Central Administration. It is a commitment of UPR to guarantee the payment of the debt of the bonds. However, the income for tuition and rent is three or four times higher than the payment of the debt. The Río Piedras Campus generates the concept of leasing physical spaces close to \$500K.

It is necessary to request, justify and negotiate to the President a percentage (between 30-50% for example) of the incomes generated by RRP rents to be reimbursed to the Campus. The signature of the President as agreed in the negotiation is processed with the Central Budget Office to establish the operational mechanism through which annually the transfer of such percentage to the Campus will be made.

A current example of a negotiation previously made and applicable to our Campus, is the agreement signed by the President in which the Campus receive a percentage of the income activity of the food vending machines (snacks) or soft drinks annually.

If this agreement is reached with Central Administration, the Campus would receive annually over \$ 250,000.00. On the other hand, it is necessary to review the lease rates of the current concessionaires to eliminate subsidy practices and include maintenance charges, as well as electricity, water, common areas, telephone and internet services that are not currently charged.

Once this has been negotiated, physical and virtual spaces in the Campus will be marketed to different private corporations in Puerto Rico that have an interest to promote themselves or consider having different activities in the Río Piedras Campus.

<b>ACTIVITY</b>	<b>RESPONSABILITY</b>	<b>DATE</b>
Letter to the President for the recovery of monies for the lease of physical spaces in the Campus	Mrs. Carmen Bachier, Deanship of Administration Mrs. Lorna Castro, OMDC Auxiliary Deans of Administrative Affairs	September 2018
Revision of the University Regulation	DTAA	July-September 2018
Drafting of an internal procedure for the administration of physical spaces	Office of Legal Advice	October 2018

Space inventory		August 2018
Programming a scheduled booking in next		October-November 2018
Establishment of an organizational structure in the Deanship of Administration for the lease of physical spaces in the Deanship of Administration		August-October 2018
Auction of dealers and criteria to add maintenance concepts, and technological infrastructure		August-September 2018
Campaign of Marketing and obtaining of private accounts for the leasing of physical and virtual spaces		October-December 2018
Portfolio and sale of spaces		October-December 2018
Marketing tour		January-March 2019
Contracts		March-May 2019

## 2. Completion of the remodeling of the Hotel and grant administration to a private entity

One of the important assets for the Río Piedras Campus is to complete the remodeling and opening of the Hotel in the Student Center. This project would catalyze and facilitate the ability to carry out high-impact and large-scale activities in the Campus, which would result in an income. The objective is to complete the remodeling as part of the permanent improvements and contract the administration of the Hotel to a prestigious and experienced hotel company. In addition, incorporate the program of hotels and restaurants at the Río Piedras Campus to take their students' practices to the Campus Hotel. At this time, it is imprecise to determine the income.

ACTIVITY	RESPONSABILITY	DATE
Take up the project from the Office of Physical Development in the Central Administration	Deanship of Administration ODFI-AC Chancellor's Office	September 2018
Begin construction work		TBD – Aproximately six months
Establish a collaboration agreement with the Carolina Campus		November 2018– January 2019
Management contract with hotel companies		February – May 2019
Intensive program of activities and conference in the Student Center through DECEP and INIM		March-May 2019
Inauguration		TBD

## 19. SAVINGS DUE TO PROCESS IMPROVEMENTS

## APPENDIX: Savings Due to Process Improvements

Project	Annual Savings	Implementation Date
Improvements to the air conditioning system- Central Plant	\$ 150,000-200,000	October 2018
Led Luminaires	\$50,000	June 2019
Energy saving campaign and reallocation of evening courses	\$200,000	January 2019
Extended Central Plan improvements	\$ 6 million	In phases till FY 2021
Use of online platform and Lean Six Sigma methodology - purchases	\$75,000	Pilot project First Quarter of 2018. Implementation in phases up to FY 2021
Equipment Acquisition and Maintenance	\$108,671	Implementation in phases through FY 2019
Administrative Restructuring Analysis and evaluation of reclassifications and other personnel actions for the reduction of temporary appointments Implementation of transfers and reclassifications	\$ 1 million in 5 years	September to November 2018  November to December 2018



## 20. UPR REVISED FISCAL PLAN

# FISCAL PLAN FOR PUERTO RICO

AS SUBMITTED TO THE FINANCIAL OVERSIGHT  
AND MANAGEMENT BOARD FOR PUERTO RICO  
AUGUST 20, 2018 REVISION



**RICARDO ROSSELLÓ NEVARES**  
GOVERNOR OF PUERTO RICO

**AAFAF**

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- Any future actions taken or not taken by the United States government related to Medicaid or the Affordable Care Act;
- The amount and timing of receipt of any distributions from the Federal Emergency Management Agency and private insurance companies to repair damage caused by Hurricanes María and Irma;
- The amount and timing of receipt of any amounts allocated to Puerto Rico and provided under the Community Disaster Loans Program;
- The amount and timing of receipt of any additional amounts appropriated by the United States government to address the funding gap described herein;
- The timeline for completion of the work being done by the Puerto Rico Electric Power Authority (“PREPA”) to repair PREPA’s electric system and infrastructure and the impact of any future developments or issues related to PREPA’s electric system and infrastructure on Puerto Rico’s economic growth;
- The impact of the measures described herein on outmigration; and
- The impact of the resolution of any pending litigation in the Title III cases

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### List of Acronyms and Key Terms

AACA	Automobile Accident Compensation Administration
AAFAF	Puerto Rico Fiscal Agency and Financial Advisory Authority (Spanish acronym)
ADEA	Agricultural Enterprise Development Administration (Spanish acronym)
Administration	Administration of Governor Ricardo Rosselló
ASEM	Puerto Rico Medical Services Administration (Spanish acronym)
ASES	Puerto Rico Health Insurance Administration (Spanish acronym)
BBB	Request for supplemental Federal assistance submitted on November 13, 2017 by the Government entitled Build Back Better Puerto Rico
CAFR	Comprehensive Annual Financial Report
CAGR	Compound Annual Growth Rate
Cardiovascular	Cardiovascular Center Corporation of Puerto Rico and the Caribbean
CDBG	Community Development Bank Grant
CDL	Community Disaster Loan from the CDL program
CFC	Controlled Foreign Corporations
CHIP	Children's Health Insurance Program (CHIP)
COFINA	Puerto Rico Sales Tax Financing Corporation (Spanish acronym)
COSSEC	Public Corporation for the Supervision and Deposit Insurance of Puerto Rico Cooperatives (Spanish acronym)
COR3	Central Recovery and Reconstruction Office
DCR	Department of Corrections and Rehabilitation
DB	Defined Benefit pension plan
DC	Defined Contribution pension plan
DDEC	Puerto Rico Department of Economic Development Commerce (Spanish acronym)
DMO	Destination Marketing Organization
DOH	Department of Health
DOJ	Department of Justice
DOL	Department of Labor
DOT	Department of Transportation
DPS	Department of Public Safety
DSA	Debt Sustainability Analysis
EEl	Electronic Export Information
EITC	Earned Income Tax Credit
ERS	Employee Retirement System
FDI	Foreign Direct Investment
Federal Government	The U.S. Federal Government
FEMA	Federal Emergency Management Agency
FMAP	Federal Medical Assistance Percentage (FMAP)
FOMB	Financial Oversight and Management Board for Puerto Rico
FQHC	Federally Qualified Health Center
FYTD	Fiscal-Year-To-Date
GAO	U.S. Government Accountability Office
GDB	Government Development Bank for Puerto Rico
GDP	Gross Domestic Product
GF	General Fund
GFEWG	Governor's Fiscal and Economic Working Group
GILTI	Global Intangible Low Income Tax
GNP	Gross National Product
GOSR	State of New York's Office of Storm Recovery
Government	Government of Puerto Rico
Governor	Governor Ricardo Rosselló
Hacienda	Puerto Rico Department of Treasury
HHS	U.S. Department of Health and Human Services
HUD	U.S. Department of Housing and Urban Development
Hurricanes	Hurricane Irma and Hurricane María
IFCU	Independently Forecasted Component Units
IMF	International Monetary Fund
IPR	Invest Puerto Rico
Island	Puerto Rico
KPIs	Key Performance Indicators
LEA	Local Education Agency
March 2017 Fiscal Plan	Fiscal Plan certified by the Financial Oversight and Management Board in March 2017, before Hurricanes María and Irma hit the Island
MCOs	Managed Care Organizations
MFCU	Medicaid Fraud Control Units
Mi Salud	Medicaid program in Puerto Rico
MMIS	Medicaid Management Information System
NAP	Nutrition Assistance Program (Spanish: Programa de Asistencia Nutricional, PAN)
NRW	Non-Resident Withholdings
OCFO	Office of the CFO

OMB	Office of Management and Budget
P3	Public Private Partnerships
P3 Authority	Public Private Partnership Authority
PA	Public Assistance
Parties	AAFAF and the Government
PayGo	New pensions program by which agencies and instrumentalities are responsible for paying their pensions obligations on an annual basis via a "PayGo Charge"
PBA	Public Building Administration
Platino	Medicare Advantage program that also provides Medicaid wraparound services equivalent to Mi Salud program
PMO	Program Management Office
PMPM	Per Member Per Month
PRASA	Puerto Rico Aqueduct and Sewer Authority
PRCCDA	Puerto Rico Convention Center District Authority
PRDE	Puerto Rico Department of Education
PREC	Puerto Rico Energy Commission
PREMA	Puerto Rico Emergency Management Agency
PREPA	Puerto Rico Electric and Power Authority
PRHFA (or HFA)	Puerto Rico Housing Finance Authority
PRHTA (or HTA)	Puerto Rico Highway and Transportation AUTHORITY
PRIDCO	Puerto Rico Industrial Development Company
PRITS	Puerto Rico Information Technology Service
PROMESA	Puerto Rico Oversight, Management and Economic Stability Act
PRTC	Puerto Rico Tourism Corporation
PSC	Puerto Rico Public Service Commission
RFQP	Request for Proposal
SCO	State Coordinating Officer
SRF	Special Revenue Fund
SR	Structural Reform
SUT	Sales and Use Tax
SIFC	State Insurance Fund Corporation
TANF	Temporary Assistance for Needy Families
UPR	University of Puerto Rico
WIOA	Workforce Innovation and Opportunity Act

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# EXECUTIVE SUMMARY

**The people of Puerto Rico need and deserve** plentiful good jobs, a dynamic and prosperous economy, affordable and reliable electricity, and an efficient and responsive public sector. Since 2005, the number of people living under the poverty level has increased, the economy has shrunk, electricity has remained expensive and unreliable and the public sector has provided declining levels of service at a high cost. These problems predate Hurricanes Maria and Irma and will continue to plague Puerto Rico long after it recovers from the storms unless the necessary actions are taken.

The Fiscal Plan provides a blueprint of the reforms and fiscal measures that will give Puerto Ricans an effective and efficient public sector and will put Puerto Rico on the path to meeting the objectives laid out in the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA): achieving fiscal responsibility and regaining access to the capital markets. These guidelines are necessary to restoring economic sustainability for the Island.

\* \* \*

For over a decade, Puerto Rico has experienced a severe fiscal and economic crisis. Since 2006, Puerto Rico's real gross national product (GNP) shrunk by more than 14%. More than 45% of Puerto Rico residents live in poverty, which is more than double the highest poverty rate of any U.S. state.<sup>1</sup> Puerto Rico's 9.1% unemployment rate is almost three times the national average.<sup>2</sup> Concerns about quality of life, poor delivery of public services and high unemployment have led to a historic population outmigration. In the past decade, more than 300,000 people left Puerto Rico for the mainland United States. The impact of Hurricanes Irma and Maria accelerated this trend with an additional 458,000 people (or about 14% of the population) expected to leave Puerto Rico by fiscal year 2023.

Puerto Rico's unfair and inequitable treatment as a territory has been a driving factor causing the Island's precipitous economic decline. Puerto Rico is treated unequally under key federal programs such as Medicaid as compared to U.S. states. For example, the Census Bureau reported in 2014 that Oregon—a relatively prosperous state with a population size similar to Puerto Rico—received over \$29 billion from the federal government, whereas Puerto Rico received only \$19 billion for the same year. Puerto Rico's unequal treatment under federal economic assistance programs is also one of the primary causes of the severe income disparity between Puerto Rico and U.S. mainland residents. In 2016, the median household income of Puerto Rico residents was \$20,078, which was approximately 63% less than the U.S. median income of \$54,617. As a result of this disparate treatment, Puerto Rico residents have migrated to the U.S. mainland in unprecedented numbers, leaving Puerto Rico with a diminished workforce.

Indeed, the most important and critical structural reform for Puerto Rico is a permanent solution to its territorial status.

The solution to these inequalities is statehood for Puerto Rico. Although it is the 30<sup>th</sup> most populated region of the United States, Puerto Rico has no voting representation in Congress. If admitted as a U.S. state, Puerto Rico likely would have two Senators and four Representatives in Congress, similar to states such as Connecticut and Iowa that have comparable populations. As a

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1,2 US DOL Bureau Labor of Statistics

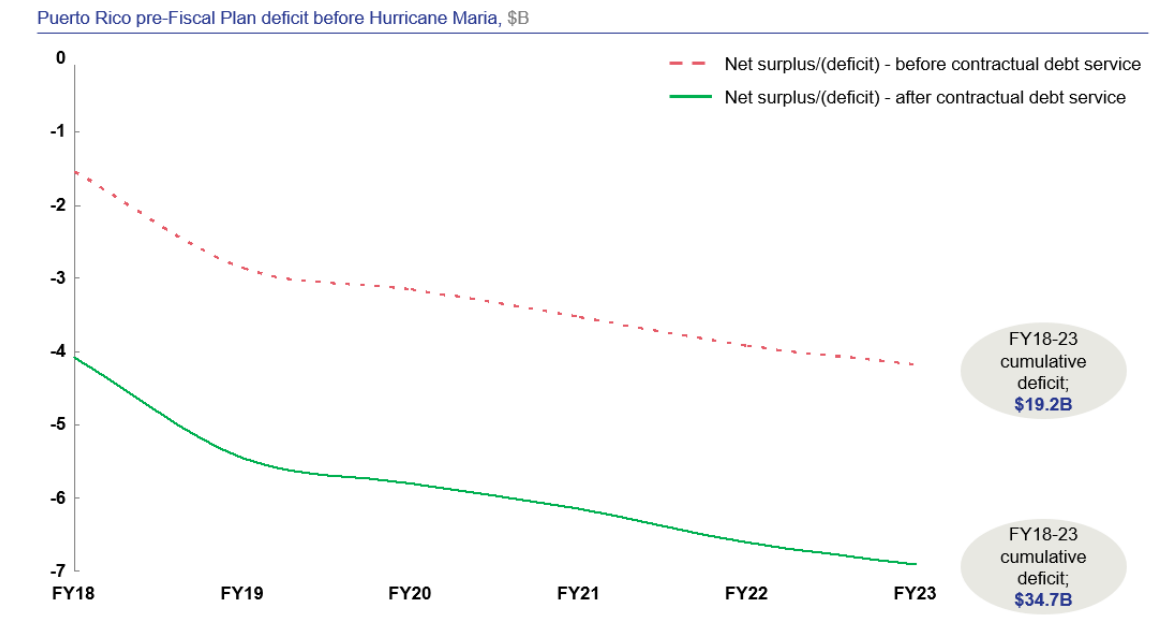


result, Puerto Rico residents could shape federal legislation and receive equal treatment under federal laws, thereby eliminating the primary benefits of moving to the U.S. mainland. **Statehood, therefore, is the best way for Puerto Rico to stop outmigration, increase the on-island workforce, and grow Puerto Rico’s economy.**

These pre-Maria problems are not new and temporary – they are long-standing and structural. For decades, the private sector was overly reliant on now expired Federal tax advantages while having to operate in a difficult business climate with poor infrastructure, especially expensive and unreliable electricity and transit systems, a public sector that is significantly larger than the size of the typical U.S. state yet often has provided poor service.

Puerto Rico has also had structural and fiscal imbalances for years, with actual revenues lower and actual expenses higher than projected, creating a growing general fund deficit (**Exhibit 1**). This general fund deficit is difficult to forecast with certainty, because of the accumulated delays in issuing annual audited financial statements that came to a head in 2016. Puerto Rico has also been in an economic structural decline for over a decade, which has meant an eroding tax base. Therefore, even before Maria, the primary deficit was growing consistently and considerably. To finance these primary deficits, Puerto Rico resorted to issuing debt which steadily became unsustainable.

EXHIBIT 1: PROJECTED PRE-MARIA DEFICIT BEFORE MEASURES AND STRUCTURAL REFORMS (PRE- AND POST- CONTRACTUAL DEBT SERVICE)



**It was amidst these protracted demographic, fiscal, and debt crises that Hurricanes Maria and Irma hit the Island.** Hurricane Maria has caused unprecedented and catastrophic damage to Puerto Rico, its people, and its businesses. According to current estimates, Hurricane Maria has created over \$80 billion in damages, and is projected to cause a real decline to GNP of 7.4% in FY18. On the other hand, over \$86 billion in Federal dollars is estimated to be invested in helping Puerto Rico recover and rebuild from Hurricane Maria. The Fiscal Plan is thus prepared assuming this support from the Federal Government as outlined in more detail in

“MACROECONOMIC AND DEMOGRAPHIC TRAJECTORY POST-MARIA”. This aid is projected to create temporary fiscal surpluses over the next several years but will not change the underlying structural problems Puerto Rico faces. While Puerto Rico will experience a brief stimulus from Federal disaster relief funding and is benefiting from a temporary reprieve from debt service due to PROMESA and Title III, we must change the underlying economic foundations to prevent fiscal imbalances from inevitably returning.

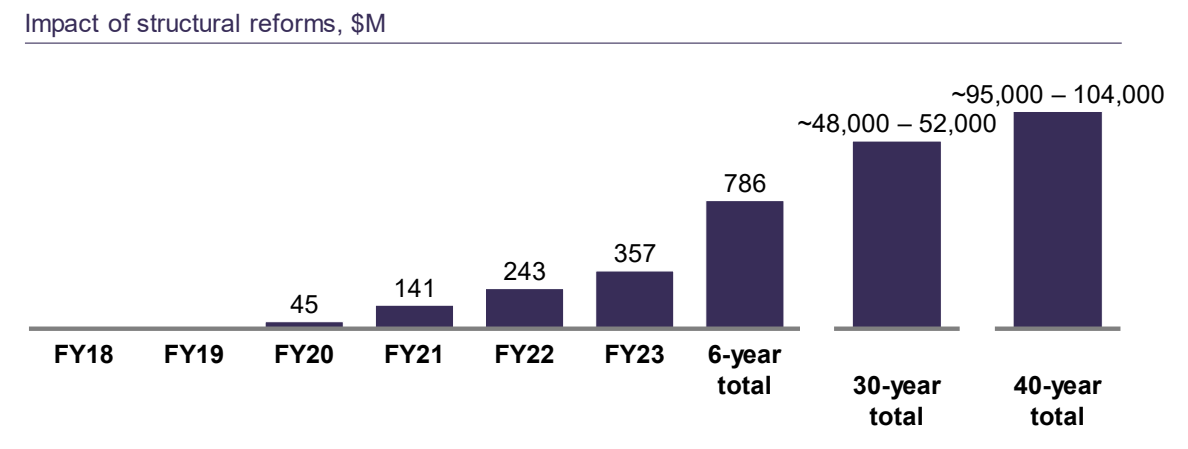
**The Government is committed to adopting a series of bold actions to improve its fiscal and economic trajectory.** These reforms and measures are essential to making the Government of Puerto Rico more efficient and responsive.

**Structural reforms**

The Fiscal Plan includes a series of reforms (“structural reforms”) to improve the trajectory of the economy and drive growth (**Exhibit 2**):

- *Human capital and welfare reform:* promoting participation in the formal labor force by creating incentives to work through Earned Income Tax Credit (EITC) benefits and welfare reform and providing comprehensive workforce development opportunities. These measures are projected to increase economic growth by 0.30% by FY2022 due to EITC and labor reforms, and by an additional 0.26% from FY2033-2058 from long-term benefits of education and workforce development.
- *Ease of doing business reform:* promoting economic activity and reducing the obstacles to starting and sustaining a business in Puerto Rico through comprehensive reform to improve ease of paying taxes, importing and transporting goods, registering property, and obtaining permits. These reforms are projected to drive a 0.65% uptick in overall growth by FY2023.
- *Power sector reform:* providing low-cost and reliable energy through the transformation of PREPA and establishment of an independent, expert, and well-funded energy regulator. This is projected to increase growth by 0.30% starting in FY2020.
- *Infrastructure reform:* prioritizing economically transformative capital investments with Federal funds and launching maintenance and infrastructure investment policies.

EXHIBIT 2: IMPACT OF STRUCTURAL REFORMS

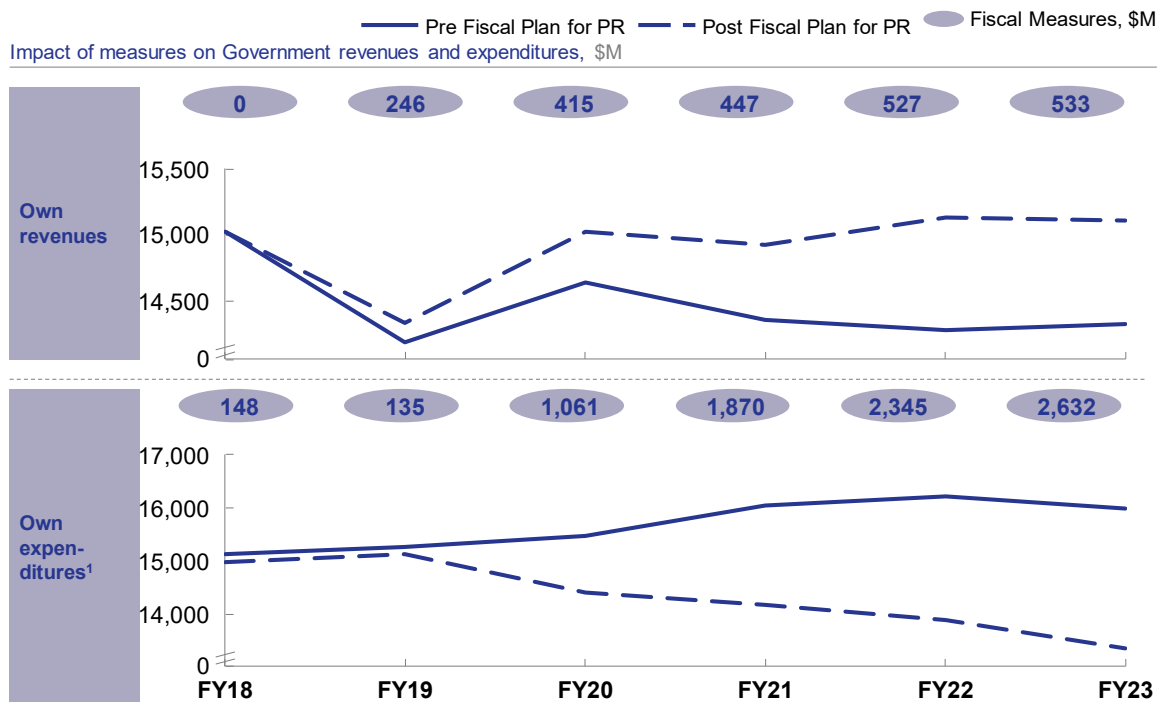


## Fiscal measures

The Fiscal Plan includes a set of fiscal actions (“measures”) to increase Government revenues and reduce expenditures (**Exhibit 3**):

- *Enhancing tax compliance:* Employing new technology and other innovative practices to broaden the tax base, reduce fraud, and improve fairness to boost overall tax revenues.
- *Agency efficiencies:* Consolidating agencies, instituting shared services programs and incorporating best practices to deliver better government services at lower costs including increased buying power through centralization of procurement function across government agencies.
- *Reduction of appropriations:* Lowering the fiscal burden on the General Fund by slowly reducing appropriations to municipalities and the University of Puerto Rico.
- *Healthcare reform:* Reducing healthcare cost inflation through a comprehensive new healthcare model that prioritizes quality, cost-effective care
- *Office of the CFO:* Instituting fiscal controls and accountability, reducing special revenue fund deficits, and improving governance, accountability, and transparency

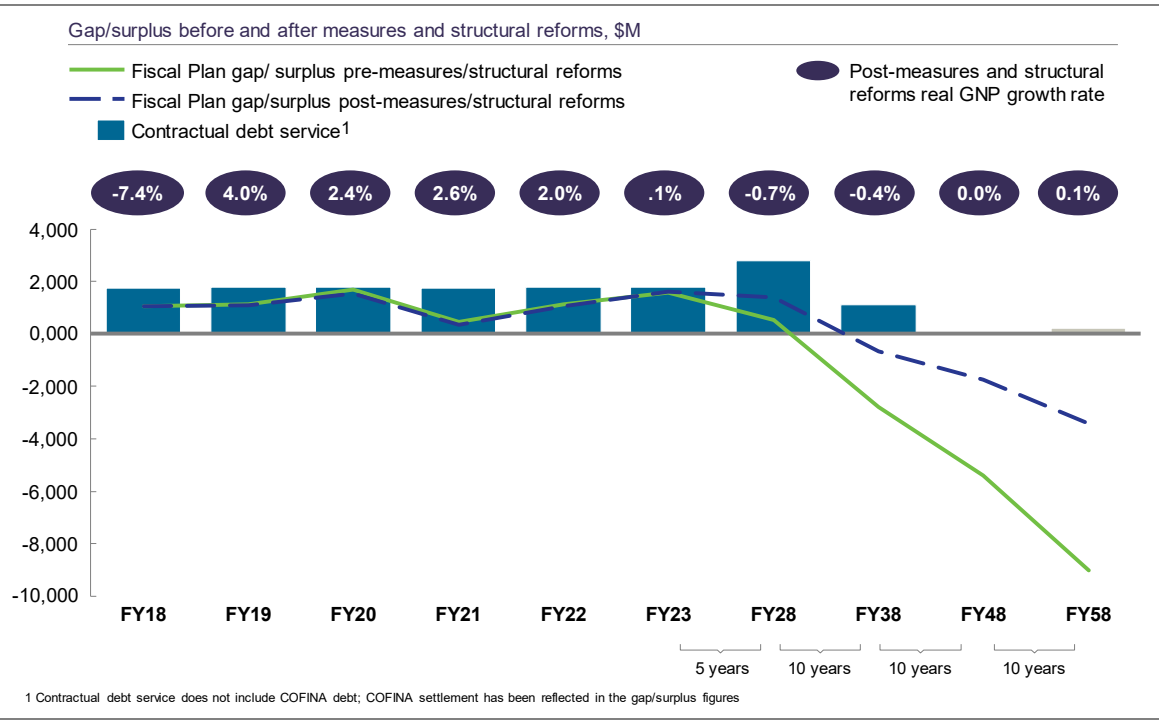
EXHIBIT 3: IMPACT OF REVENUE AND EXPENSE MEASURES ON OWN REVENUES AND EXPENDITURES



<sup>1</sup> Own Expenditures includes all CW, Federally funded, and SRF Medicaid expenses and excludes CW and Federally funded social programs; pre-measures, own expenditures increase between FY20 and FY21 due to Medicaid Supplemental Funding phase out

**Implementing these structural reforms and fiscal measures**, which will provide low-cost and reliable energy, robust infrastructure, more incentives to enter the formal labor market, an improved regulatory and permitting environment, and a more effective and efficient public sector, will enable companies to grow and prosper, leading to more and better jobs for residents and a stronger tax base for the Government.

EXHIBIT 4: FISCAL PLAN PROJECTED SURPLUS BEFORE AND AFTER MEASURES AND STRUCTURAL REFORMS MACROECONOMIC AND DEMOGRAPHIC TRAJECTORY POST-MARIA



**Puerto Rico cannot afford to meet all its contractual debt obligations, even with aggressive implementation of these reforms and measures.** Puerto Rico is committed to repaying an affordable and sustainable amount of its outstanding debt and to treating its creditors equitably; however, it needs a comprehensive restructuring of its debt to have renewed access to the capital markets and to create the basis for a sustainable economy. The best time to implement these reforms and restructure the debt is while Puerto Rico has the temporary benefits of Federal disaster relief funding and a stay on debt service.

# PART I: Context for Puerto Rico's current economic and fiscal challenges

## Chapter 1. LONG-TERM ECONOMIC TRENDS

Before being battered by the most powerful hurricane to strike the Island in almost a century, Puerto Rico's economy had been in an acute structural decline for over a decade, the Government had defaulted on debt exceeding the size of Puerto Rico's annual GNP, and nearly half of Puerto Ricans lived below the national poverty line. The reasons for these problems are multiple, but the root causes stretch back decades.

On June 25, 1938, Congress legislated to authorize the Puerto Rico Legislature "to create public corporate authorities to undertake slum clearance and projects, to provide dwelling accommodations for families of low income, and to issue bonds therefor."<sup>3</sup> Bonds issued by public corporations did not constitute debt of the Puerto Rican insular government. This federal legislation permitted Puerto Rico to dramatically increase its debt capacity. By 1947, the Puerto Rico Water Resources Authority (today PREPA) placed the largest debt issuance of any agency or public corporation in the U.S while Puerto Rico was dramatically poorer than mainland jurisdictions.

In the 1940s and 1950s, led by Operation Bootstrap, Puerto Rico's economy grew rapidly, and productivity increased by 5% per annum as it transitioned from an agricultural-led to a manufacturing-led economy. This transition was anchored to the institutionalist economic policy adopted in Puerto Rico during the governorship of Rexford G. Tugwell. However, as economic performance began to decline in the 1970s, the Federal Government adopted two significant policies to help Puerto Rico shore up its economy.

First, transfer programs increased dramatically, particularly as Puerto Rico started receiving Nutritional Assistance Program (PAN) funding, eventually providing, in aggregate, a portion of residents' personal income that was twice the U.S. mainland average.

Second, in 1976, Section 936 of the Federal tax code was introduced to promote investments by companies that could transfer their "intangible assets" to Puerto Rico, and thereby shift profits to the Island. These Section 936 companies, which were mostly in pharmaceuticals and life sciences, became a pillar of Puerto Rico's economy, creating valuable local supply chains, local banking deposits, and contributing substantial tax revenue.

In 1996, Congress decided to end Section 936, gradually phasing it out by 2006. In the face of an anemic local private sector, the Government also expanded its employment to the point that by 2000, 30% of Puerto Rico's jobs were in Government. Large sectors like water, electricity and ports are still run by public corporations, and have consistently crowded out private investment. This crowding out is partly the result of the institutionalist policies instituted long ago. There is also pervasive cross-subsidization between the Government and public corporations and other parts of the public sector that obfuscates financial management and accountability. As a result,

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<sup>3</sup> U.S. Statute at Large, 75th Cong. 3rd Session, Ch. 703, June 25, 1938, 52 Stat., p. 1203.

today Puerto Rico underperforms on all important measures of a modern economy, including educational attainment, cost of electricity, quality of water, tax compliance, and labor market participation.

To promote the private sector, the Government undertook a broad tax incentives policy that led to a highly complex web of subsidies and special tax arrangements.

Government revenues suffered and became increasingly hard to forecast. To make up for this recurring and growing budgetary shortfall, the Commonwealth turned to debt markets. As investor appetite began to wane, the Government turned to securing new debt by pledging various revenue streams. The result was a highly complex financial structure that limited transparency and financial accountability and management.

When the Great Recession hit in 2008, Puerto Rico's economy was already in a fragile fiscal and financial position. Since then, the economy has continued to worsen – Puerto Rico has seen its GNP shrink by 20%, and the Island's population has fallen by 10%. Today, Puerto Rico is much poorer relative to the U.S. than it was in 1970.

## Chapter 2. ENACTMENT OF PROMESA

By 2016, Puerto Rico was facing an imminent default. Because Puerto Rico and its public corporations cannot take advantage of Chapter 9 of the U.S. Bankruptcy Code, and an attempt to create a territorial bankruptcy law was struck down by the U.S. Supreme Court, Congress stepped in to head off Puerto Rico's financial crisis by passing PROMESA, the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA"). PROMESA imposed an automatic stay on Puerto Rico's debt obligations and created the Financial Oversight and Management Board for Puerto Rico (the "FOMB" or "Oversight Board").

As required by PROMESA, Government of Puerto began drafting a fiscal plan that would help the Government achieve fiscal responsibility and regain access to the capital markets. The outcome of this work was the Commonwealth Fiscal Plan that the Oversight Board certified on March 13, 2017 (the "March 2017 Certified Fiscal Plan"). A few months later, the Oversight Board filed for Title III for the Commonwealth, COFINA, HTA, ERS, and PREPA.

## Chapter 3. IMPACT OF HURRICANES MARIA AND IRMA

On September 6, 2017 and September 20, 2017, Hurricanes Irma and Maria struck Puerto Rico, causing unprecedented humanitarian, economic, and infrastructure-related damages and upending the daily lives of Puerto Rico's over 3 million residents. Thousands of residents were left homeless, basic utilities were completely shut down, and schools, hospitals, and businesses were destroyed. Tens of thousands of Puerto Ricans fled the Island. The Federal Government's response has become one of the largest and most complex disaster recovery efforts in U.S. history.

The damage inflicted on Puerto Rico by Hurricane Maria required that the March 2017 Certified Fiscal Plan be revised. On October 31, 2017, in light of the devastating effects of these historic

storms, the Oversight Board requested the Government to submit a fiscal plan to replace the March 2017 Certified Fiscal Plan.

After several months of intense negotiations between the Governor and Oversight Board, the Government submitted revised Commonwealth fiscal plans to the Oversight Board on January 24, 2018, February 12, 2018, March 23, 2018, and April 5, 2018. On April 19, 2018, the Oversight Board instead certified its own fiscal plan, which was subsequently amended and recertified on May 30, 2018 and June 29, 2018 (the “June 29th Certified Fiscal Plan”).

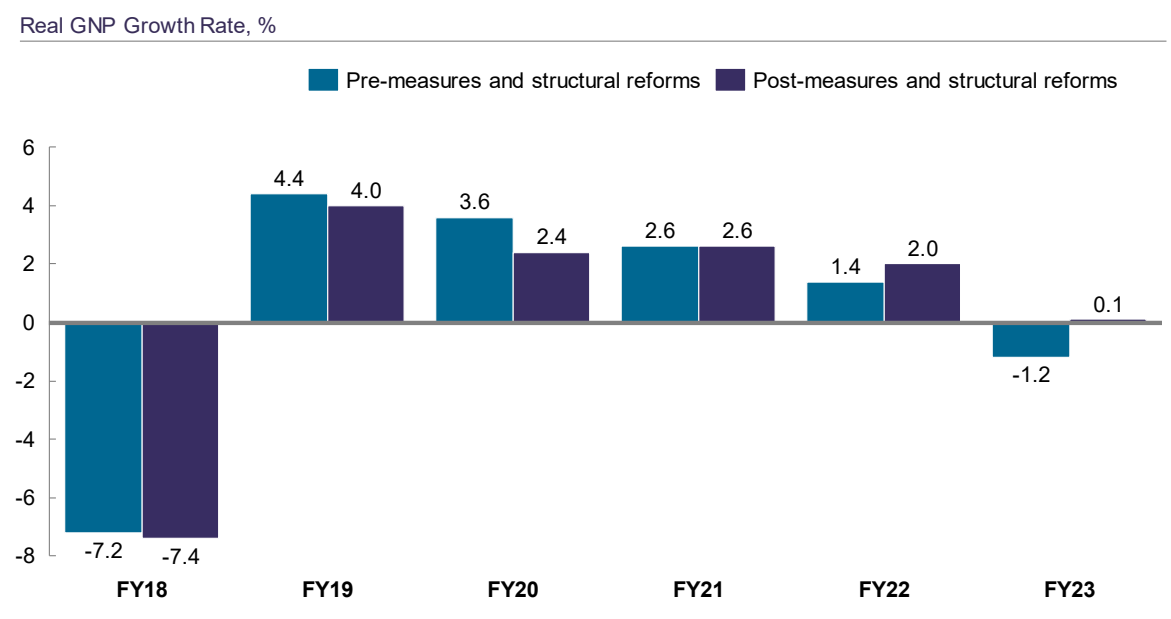
On August 1, 2018, the Oversight Board requested the Government to submit a revised fiscal plan to replace the June 2018 Certified Fiscal Plan in light of new information including, among other things, fiscal year 2018 financial information, revised federal disaster spending estimates, and updated demographic projections. This Fiscal Plan is submitted in response to the Oversight Board’s request and continues the iterative process with the Oversight Board to certify a fiscal plan under PROMESA section 201.

# PART II. Puerto Rico’s path to fiscal and economic sustainability

## Chapter 4. MACROECONOMIC AND DEMOGRAPHIC TRAJECTORY POST-MARIA

Hurricanes Irma and Maria have created a new economic reality for Puerto Rico, drastically impacting the years to come. Given this context, the Fiscal Plan projects there will be macroeconomic volatility in the wake of the storms. In FY2018, there is a significant decline in GNP, followed by a partial bounce-back in FY2019 due to disaster relief funding, then a return to slightly above trendline by FY2023 due to the impact of structural reforms.

EXHIBIT 5: REAL GNP GROWTH RATE, BEFORE AND AFTER MEASURES AND STRUCTURAL REFORMS, INCLUSIVE OF DISASTER RELIEF SPENDING

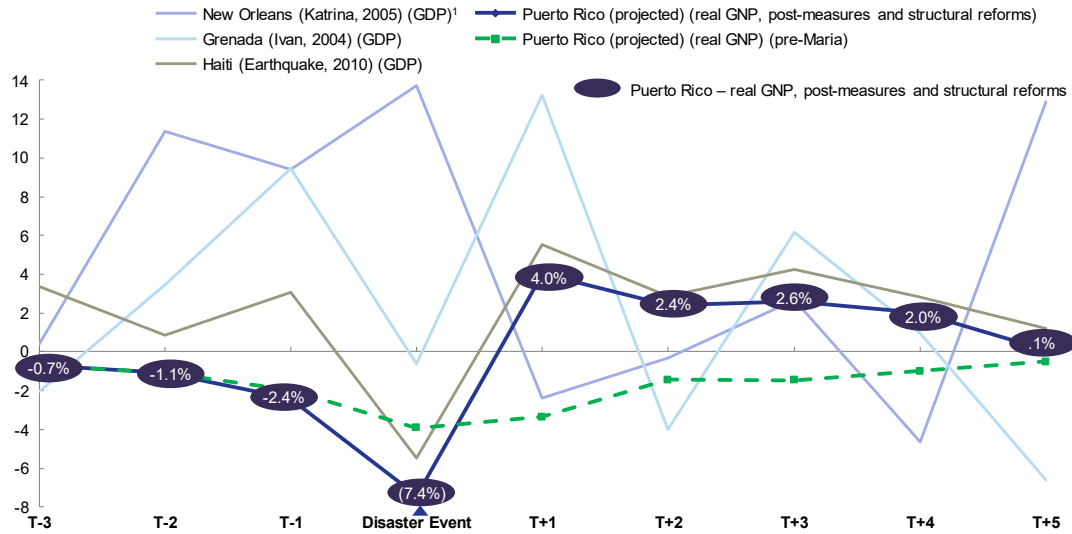


This trendline has similarities to the growth trendline faced by other jurisdictions that have suffered from major natural disasters (**Exhibit 6**).



**EXHIBIT 6: PUERTO RICO'S PROJECTED GROWTH TRAJECTORY COMPARED TO OTHER JURISDICTIONS AFTER NATURAL DISASTERS**

Puerto Rico's projections track with other areas suffering from natural disasters, T = year of shock; constant local currency units (LCU) unless otherwise stated; year on year change



<sup>1</sup> Katrina figures not adjusted for inflation

SOURCE: World Bank, Bureau of Economic Analysis, and ECCB

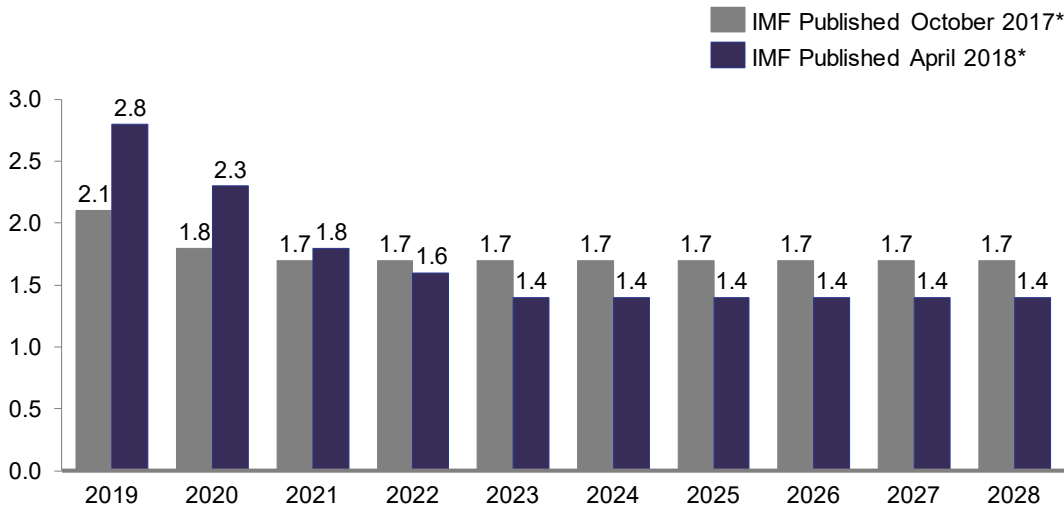
As part of the revision requested by the Oversight Board, new and updated data has been incorporated in the macroeconomic model, including actual consumer price inflation for Puerto Rico in fiscal year 2018, new data on actual and projected future reconstruction spending, and other updated source data used in macroeconomic projections.

The source for the forecasts of world oil and food prices and United States inflation and gross domestic product used in the macroeconomic projections is the International Monetary Fund's World Economic Outlook (WEO). The June 29 2018 Certified Plan included forecasts from the October 2017 vintage of the WEO. After the fiscal plan was first certified on April 19, 2018, the IMF published an updated WEO in late April 2018. This edition of the WEO included a marked downward revision in medium term economic growth for the United States, from 1.7% to 1.4%, citing lower potential growth in the outer years of the forecast following a temporary strong expansion caused by recent fiscal policy changes in the United States. U.S. Treasury has rejected the IMF's view that tax cuts will provide the U.S. economy only a temporary boost and is projecting a stronger economic outlook since it believes that U.S. policies, including the productivity-boosting blend of tax reform and regulatory relief, will result in more sustainable economic growth. This revision has a material negative impact on the macroeconomic forecast for Puerto Rico. There has been no methodological change to the macroeconomic model; all changes reflect only the incorporation of new information into the existing model.

The financial model relies on the IMF WEO forecast, but the Congressional Budget Office (CBO) 10-year economic projections offer an alternative source for economic projections. The CBO forecast is also widely utilized by forecasters as one input for determining growth. The Government has modeled its financial projections utilizing both the IMF WEO and CBO forecasts, but for illustrative purposes and in order to reasonably compare to the June 29 2018 Certified Fiscal Plan, we will only reference in this document figures derived utilizing the IMF WEO forecast in this document.

**Exhibit 7: Real GNP Growth Rate Comparisons (IMF World Economic Outlook)**

Real GNP Growth Rate, %



\*The IMF forecasts are 5 year forecasts and years 2024-2028 are a continuation of 2023.

**Exhibit 8: Real GNP Growth Rate Comparisons (CBO)**

Real GNP Growth Rate, %

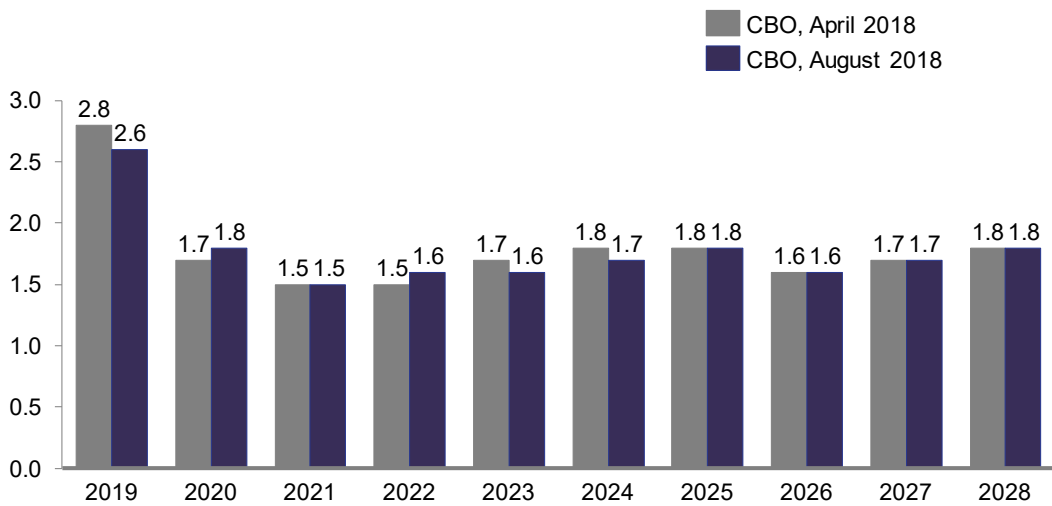
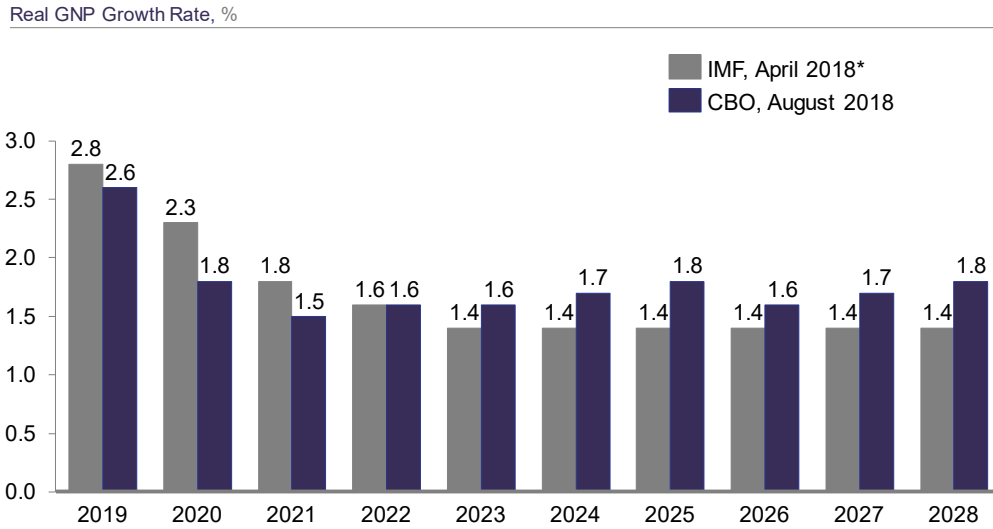


Exhibit 9: Real GNP Growth Rate Comparisons (Most recent IMF and CBO forecasts)



\*The IMF forecast is a 5 year forecast and years 2024-2028 are a continuation of 2023.

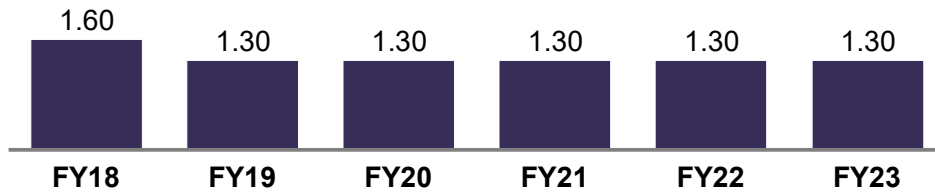
The economic outlook model, which forecasts GNP growth, primarily relies on a comprehensive data set on the Puerto Rican economy from 1965 to 2017. It includes dozens of variables that collectively describe the Puerto Rican economy (e.g., growth, population, capital stock, etc.),<sup>4</sup> and is largely impacted by four major factors: a) the pre-hurricane trendline of Puerto Rico, b) short- and long-term impacts from the storm on economic activity and capital stock, c) the stimulating impact of disaster relief assistance (*discussed in Section 4.1*), and d) proposed fiscal consolidation measures and structural reforms (*discussed in Section 4.2*).

These factors result in a -7.4% decline in real GNP for FY2018, which is directionally in line with the Fiscal-Year (FY) activity of the Puerto Rican Economic Activity Index (EAI) – a metric that historically tracks closely with GNP. For Fiscal Year 2018, EAI was down 6.8% from the previous year. Projected inflation rates (**Exhibit 10**) serve as a proxy for the GNP deflator yielding nominal GNP growth rates of -5.9 to 5.4% each year, while real GNP grows in the range of -7.4% to 4.0% each year.

<sup>4</sup> The forecast relies on a 60-year comprehensive dataset and applying statistical regressions to show the effects of multiple yet distinct inter-related components of past hurricanes, exogenous developments, and economic policies on growth and inflation

EXHIBIT 10: ANNUAL INFLATION RATE

Annual inflation rate, %



#### 4.1 Disaster relief Funding

In November 2017, the Government presented the **Build Back Better Plan** to Congress, which included a preliminary description of the damage caused by the onslaught of hurricanes Irma and María, along with an initial evaluation of the recovery funds required to rebuild Puerto Rico in a way that was stronger, smarter, and more resilient. On August 8, 2018, the Central Office of Recovery, Reconstruction and Resiliency (COR3)<sup>5</sup> delivered to Congress Governor Rossello’s Economic and Disaster Recovery Plan as required by the Bipartisan Balanced Budget Act of 2018. The Government has expanded the discussion and methodology of Build Back Better Plan to continue directing the recovery processes to rebuild a new Puerto Rico.

The *Transformation and Innovation in the Wake of Devastation: An Economic and Disaster Recovery Plan for Puerto Rico* (the “Recovery Plan”) outlines the Governor’s vision for Puerto Rico’s recovery built around four core principles: (1) promoting effective governance and transparency, (2) investing in building the capacity needed both for reconstruction and for the future of Puerto Rico, (3) incorporating resiliency into everything that is built and done, and (4) pursuing innovation in our recovery wherever possible. The Recovery Plan is divided into 17 initiatives with the purpose of making Puerto Rico stronger and resilient, while guaranteeing a long term economic recovery.

Building on these principles, the vision for Puerto Rico seeks to define how we will fit into the economy, environment, and the society of the future at not only the national but also the global levels. Puerto Rico has much to contribute to America’s success as a global leader, and the Recovery Plan sets the foundation for a strong, resilient, and thriving Puerto Rico. This plan addresses how Puerto Rico can accomplish this as (1) a source of the “Human Cloud,” (2) a platform for innovation, (3) “open for business,” (4) a connector of the Americas, and (5) a place that enhances the quality of life of the U.S. citizens of Puerto Rico. Each of these components of the vision strengthens the Island’s ability to be a leader in a global economy.

<sup>5</sup> Following the devastation wrought on Puerto Rico in the wake of Hurricane María, Governor Rosselló signed Executive Orders Nos. 2017-065 of October 23, 2017 and 2017-069 of November 10, 2017. The Executive Orders directed the Puerto Rico Public-Private Partnership Authority to organize COR3 a division of the P3 Authority for the purpose assuming the principal responsibility of developing and implementing a strategic plan for the reconstruction of Puerto Rico after the passage Hurricanes Irma and María. The P3 Authority formalized the creation of the COR3 on December 8, 2017 pursuant to Resolutions 2017-39 and 2017-41 of the Board of Directors of the P3 Authority. The COR3 is based on best practices identified in the recovery and reconstruction efforts of the States of Louisiana and New York after Hurricane Katrina and Super Storm Sandy. The COR3 is also based on the successful Puerto Rico ARRA Program Management Office established within PRIFA in 2009 to direct the investment and deployment of funds awarded to Puerto Rico under the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 (“ARRA”).

The path presented in the Recovery Plan is not only essential to Puerto Rico's recovery and reconstruction, but also marks a key opportunity for America to correct course on the patchwork of separate unequal and incoherent federal laws and policies that have limited Puerto Rico from reaching its full potential to date. The plan presents an opportunity to build on the policies of fiscal stabilization and debt restructuring laid out in PROMESA and to invest in a way that revitalizes our island and people as an asset for America's national and global economic success.

In preparing the Recovery Plan, the Government of Puerto Rico has also taken into account the requirements of Section 21210(a)(6) of the Bipartisan Budget Act of 2018, Pub. L. 115-123, which establishes that the Recovery Plan must be certified by the Oversight Board to be consistent with the purpose set forth in section 101(a) of PROMESA (48 U.S.C. 2121(a)). Towards that end, a draft of the Recovery Plan was delivered to the Oversight Board during its development and the final version of Recovery Plan has been provided for their analysis in compliance with the Bipartisan Budget Act of 2018. The Oversight Board has yet to provide certification.

The recovery funding that Congress has appropriated to date should provide the resources needed to jumpstart this vision. The Government is fully committed to invest those federal resources responsibly and wisely and to take the actions necessary to modernize our government structures so that we can truly transform Puerto Rico. Toward that end, the COR3 will serve as a focal point for strategic thought and management of the recovery. This office will lead the implementation of the Governor's vision and coordinate with other stakeholders across the Island and across the nation to make it a reality.

In its development, COR3 worked closely with a long list of federal government agencies, the Homeland Security Operational Analysis Center (HSOAC, a federally funded research and development center operated by the RAND Corporation under contract with the U.S. Department of Homeland Security) , municipalities, the private sector, the nonprofit sector, and others to begin the process of developing and operationalizing this shared vision for Puerto Rico.

### **The Fiscal Plan incorporates updated information contained in the Recovery Plan.**

Disaster spending tends to have a major stimulating effect on an economy post-crisis.<sup>6</sup> The Government anticipates the level of public and private disaster relief spending to be significant when compared to the overall size of the economy. Public and private disaster relief spending will impact the economy in two ways:

- **Stimulating impact over the life of the plan caused by spending on the Island that is expected to be nearly 100% of the projected 2018 GNP.** This stimulus can come in multiple forms such as construction companies hiring local, unemployed workers or workers from the mainland U.S. paying local withholding taxes and spending money for food and lodging.
- **Expected refurbishment of the capital stock on the Island.** The Fiscal Plan factors in the estimated damage to capital stock which is repaired, largely due to the infusion of federal and private monies. This infusion contributes to the bounce-back anticipated in FY2019 and for the increase in growth above pre-Maria trend thereafter.

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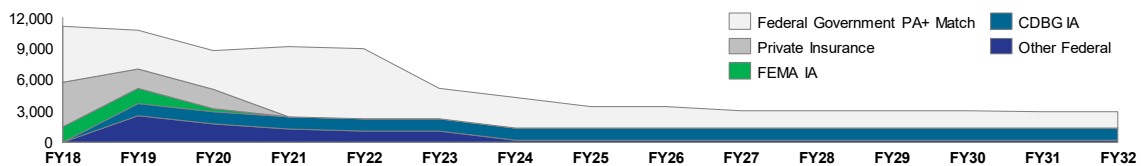
<sup>6</sup> Relief aid after the Haitian Earthquake represented nearly 200% of overall GDP, providing a major economic "cushion" after the disaster. In Grenada, disaster aid equaled about 2/3 of GDP at the time, and despite declines immediately after the hurricane, revenues returned to pre-storm levels after about two fiscal quarters and growth rebounded quickly. The year after Hurricane Ivan (2005) Grenada's economy grew at a faster rate than any year since 1985, at a clip of 12.5%

**The Fiscal Plan projects that approximately \$86.8<sup>7</sup> billion of disaster relief funding in total, from Federal and private sources, will be disbursed in the reconstruction effort. It will be used for a mix of individual assistance (e.g., reconstruction of houses, personal expenses related to the hurricane such as clothing and supplies), public assistance (e.g., reconstruction of major infrastructure, roads, and schools), and to cover part of the Commonwealth's share of the cost of disaster relief funding (states often must match some portion of Federal public assistance spend<sup>8</sup>). Exhibit 11 shows the different sources of disaster relief funding and expected rollout.**

**EXHIBIT 11: PROJECTED PRIVATE AND PUBLIC DISASTER RELIEF FUNDING AND ROLL OUT**

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	Total	Total %
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	%
<b>Federal Public Assistance + PR Match<sup>1</sup></b>	\$5,397	\$3,697	\$3,697	\$6,709	\$6,709	\$2,912	\$2,912	\$2,023	\$2,023	\$1,656	\$1,656	\$1,656	\$1,656	\$1,569	\$1,569	\$45,843	55.2%
	11.8%	8.1%	8.1%	14.6%	14.6%	6.4%	6.4%	4.4%	4.4%	3.6%	3.6%	3.6%	3.6%	3.4%	3.4%		
<b>CDBG-DR</b>	-	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$16,096 <sup>4</sup>	19.4%
	-	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%		
<b>FEMA Individual Assistance<sup>2</sup></b>	\$2,310	\$564	\$330	-	-	-	-	-	-	-	-	-	-	-	-	\$3,204	3.9%
	72.1%	17.6%	10.3%	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Private Insurance<sup>3</sup></b>	\$4,299	\$1,851	\$1,850	-	-	-	-	-	-	-	-	-	-	-	-	\$8,000	9.6%
	53.7%	23.1%	23.1%	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Other Federal Funding</b>	-	\$2,562	\$1,769	\$1,315	\$1,133	\$1,091	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$225	\$9,888	11.9%
	-	25.9%	17.9%	13.3%	11.5%	11.0%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%		
<b>Total</b>	<b>\$12,006</b>	<b>\$9,824</b>	<b>\$8,796</b>	<b>\$9,174</b>	<b>\$8,992</b>	<b>\$5,153</b>	<b>\$4,286</b>	<b>\$3,397</b>	<b>\$3,397</b>	<b>\$3,030</b>	<b>\$3,030</b>	<b>\$3,030</b>	<b>\$3,030</b>	<b>\$2,943</b>	<b>\$2,944</b>	<b>\$83,031</b>	<b>100.0%</b>
<b>Spending as a % of GNP</b>	12.3%	9.5%	8.1%	8.1%	7.7%	4.3%	3.6%	2.8%	2.8%	2.5%	2.4%	2.4%	2.4%	2.3%	2.3%		
<b>CDBG cost share</b>	-	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271	\$271		

Disaster aid by source of funding, \$M



1 Includes \$2B of CDBG funding allocated specifically for electrical infrastructure  
 2 \$3.2B is current FEMA projected funding for Maria-related disasters  
 3 Based on analysis of data from the Office of the Insurance Commissioner of Puerto Rico on already processed payments  
 4 Excludes CDBG expected cost match which is included as an offset for cost share

The major sources of disaster relief funding are detailed below:

- **FEMA Disaster Relief Fund (DRF):** FEMA provides Individual Assistance to individuals and families who have sustained uncovered losses due to disasters. FEMA also provides Public Assistance for infrastructure projects and other permanent improvements including the Hazard Mitigation Grant Program.<sup>9</sup>
- **HUD Community Development Block Grant- Disaster Recovery (CDBG-DR):** HUD provides CDBG-DR funding that can be used for assistance to individuals (e.g., housing repair) and public assistance (e.g., infrastructure development), or can also be used by the

<sup>7</sup> \$3.8 billion of disaster relief funding is used for payment of cost share.  
<sup>8</sup> The Fiscal Plan only contemplates cost share paid for by the Commonwealth (and UPR), not PREPA / PRASA or HTA.  
<sup>9</sup> The Fiscal Plan does not account for Operations and Administration funding, which only flows to federal agencies. Rather, it looks at funds that are spent for reconstruction on-Island, though those funds could flow to firms that are local or external

Government for certain operational costs (e.g., to cover their disaster relief funding match.) The supplemental appropriation included in the Bipartisan Budget Act of 2018 requires that at least ~\$2 billion be used to repair the Island's electric infrastructure.

- **Private insurance funding:** Large personal property and casualty losses have been incurred in the aftermath of Hurricane Maria. Analysis of data from the Office of the Insurance Commissioner of Puerto Rico was used to determine the amount that will be paid out to individuals and businesses for major damages.

Disaster roll out for FEMA funds, CDBG funds, and private spending have been projected separately:

- **Roll out of Public Assistance and private insurance funds.** It will take time to disburse the total amount of funding, due to a combination of factors, including capacity constraints and permitting as well as other requirements necessary to access FEMA funding.<sup>10</sup> As a result, projected roll out declines over time and is spread out as shown in **Exhibit 11**.
- **Roll out of CDBG.** It is estimated to be even slower given the length of time typically needed for the application and disbursement process. As a result, projected roll out is also spread out over time, as shown in **Exhibit 11**.

In assessing impact of disaster relief funding on the economy of Puerto Rico, it is important to isolate what portion of the disaster relief funding directly affects the local economy and what portion flows to entities off-Island. The Fiscal Plan estimates that, on a weighted average basis, 12.5% of funds will directly impact the local economy. This figure is estimated using a weighted individual and public assistance (FEMA and non-FEMA) and is supported by history of previous FEMA spending. It is augmented by a 5.5% addition for on-cost logistics for a **total passthrough rate of 18%**.<sup>11</sup>

GNP is projected to rebound quickly in FY2019 in large part due to disaster relief funding, and this has a direct positive influence across most revenue categories.

## 4.2 Impact of fiscal measures and structural reforms

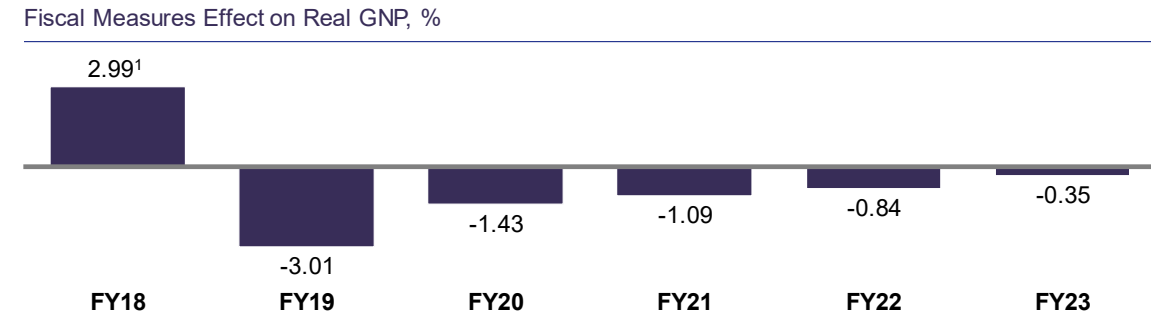
By optimizing revenue collection and reducing government-wide expenses, **fiscal measures** seek to strategically streamline the Government of Puerto Rico to a size appropriate for its population. Such policy actions, inescapably, will generate a contractionary impact on the economy in the short term, but are necessary to drive fiscal sustainability in the long term. In fact, they drive significantly more in savings than revenues lost due to economic contraction. In addition, the economic contraction from cost-saving measures is limited in the long-term, while such measures are critical for providing long-term financial stability. The macroeconomic impact of the measures is summarized in **Exhibit 12**.

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<sup>10</sup> According to FEMA and Government reports, FEMA spend in Puerto Rico has been slower than anticipated in 2018. It has also been slower in Puerto Rico than in other natural disasters to which FEMA has responded in 2018 (*Economist, 2018*)

<sup>11</sup> Estimated using local contracts (e.g., PREPA contract representing public project assistance and a multi-unit residential construction project representing Individual Assistance, which were estimated to have a 10% and 17% pass-through on the economy, respectively). Maintenance and repair of projects related to individual assistance have less specialized requirements and can expect a larger pass through from direct labor. Historical FEMA spending and the percentage of DHS contracts awarded to local Puerto Rican firms supported this figure. The pass-through is augmented by a 5.5% addition for on-cost additions to logistics based on a study of main contractor on-costs in multi-layered supply chains in the construction industry.

EXHIBIT 12: MACROECONOMIC IMPACT OF FISCAL MEASURES, INCLUSIVE OF DISASTER RELIEF SPENDING



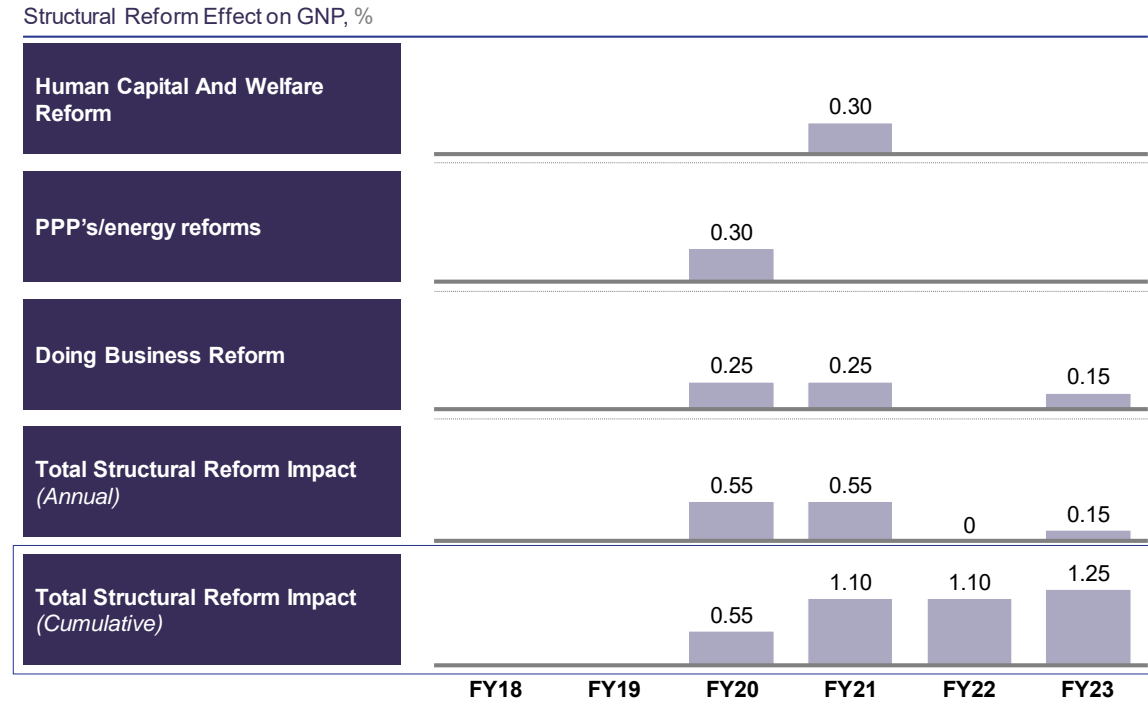
<sup>1</sup> Reflects one-time effects of NAP, RESTART, SUT Exemptions, Debt Moratorium, and FEMA individual assistance

The timing and impact of **structural reforms** is based on work done by the IMF on similar reforms implemented in Europe (e.g., Spain, Estonia), South America (e.g., Peru, Colombia), among other jurisdictions, utilities reform in Latin America, and broadly accepted metrics for measuring improvement in the World Bank’s Ease of Doing Business Rankings. Structural reform benchmarks broadly come from nations or jurisdictions without monetary policy options and high informal labor markets. **Labor, energy, and ease of doing business, reforms** are projected to increase GNP by **1.25 % by FY2023 (Exhibit 13)**. **K-12 education reforms** add an additional 0.01% annual impact beginning in FY2033, resulting in total GNP increase of **1.51% by FY2048**.<sup>12</sup>

<sup>12</sup> The impact of educational / human capital structural reforms is 0.26% by FY2058



EXHIBIT 13: MACROECONOMIC IMPACT OF STRUCTURAL REFORMS



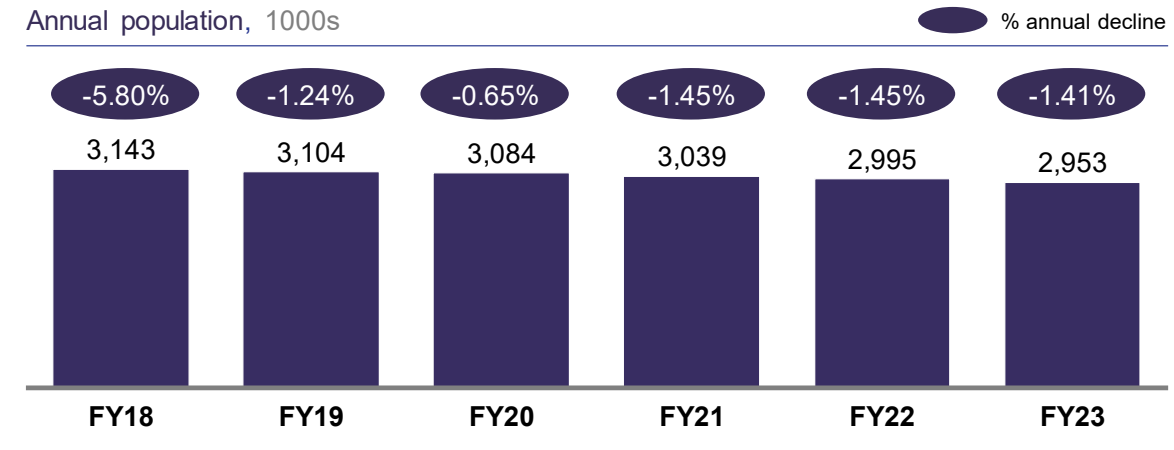
### 4.3 Population projections

In the past five years, Puerto Rico’s population has trended downward by 1-2% every year as residents have left to seek opportunities elsewhere and birth rates have declined.<sup>13</sup> This trend accelerated after the storm. While some are projected to return as the Island rebuilds, population is still projected to decline over the period of the Fiscal Plan by ~11.2% over six years (**Exhibit 14**).<sup>14</sup> Much of this is based on estimated net departures in FY2018, while in the long term, population is projected to continue to decline, but at a rate closer to pre-hurricane trends. One key element of the population projection is the assumption that the low historical rate of immigration into Puerto Rico will continue.

<sup>13</sup> Federal Reserve Bank of St. Louis Economic Research (FRED)

<sup>14</sup> The Fiscal Plan adopts demographic projections calculated by the Oversight Board’s demographer. The projections were initially presented in an Oversight Board listening session held on November 16, 2017 and have since been updated to incorporate the latest available migration data and economic growth projections, as well as real-time estimates of population loss since the hurricane (e.g. net airplane departures). This revision includes a correction due to a forecasting error included in the June 2018 Certified Fiscal Plan.

## EXHIBIT 14: PROJECTED POPULATION CHANGE



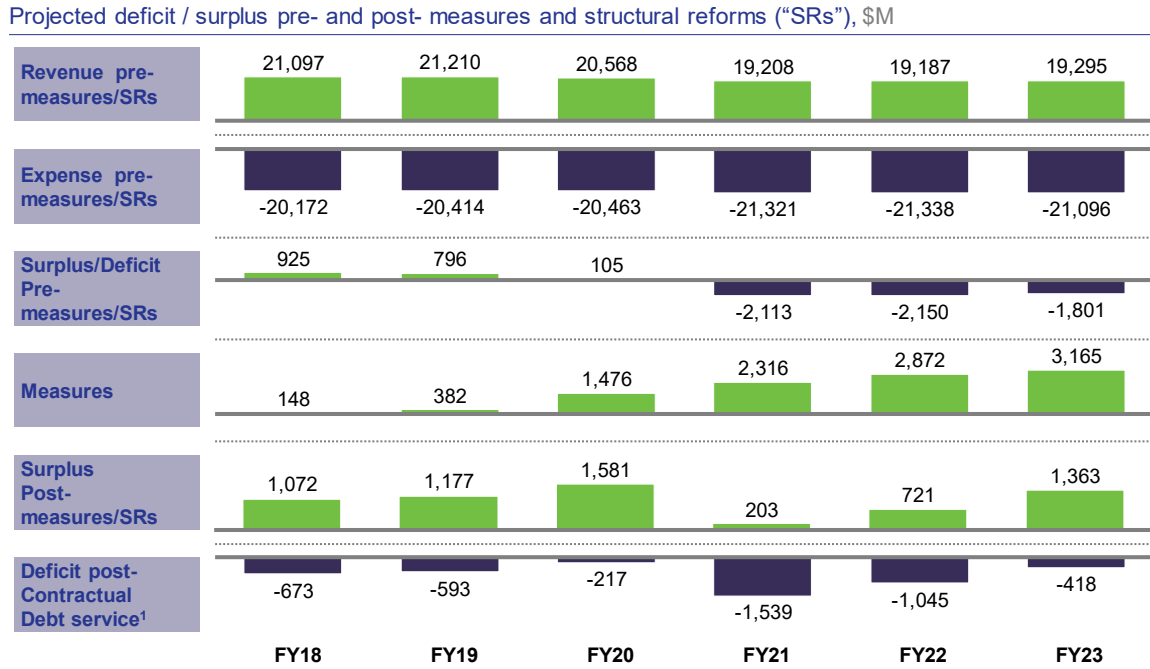
## Chapter 5. FISCAL PLAN FINANCIAL PROJECTIONS<sup>15</sup>

Before measures and structural reforms (“baseline forecast”), there is a pre-contractual debt service surplus in through FY23. The surplus is due, in part, to revenues that are bolstered by a positive macroeconomic trajectory resulting from the massive disaster relief funding stimulus, as well as incremental, temporary Federal Medicaid funding. Over the long term, the baseline forecast surplus is not sustainable as Federal disaster relief funding slows down, supplemental Medicaid funding phases out, Act 154 and Non-Resident Withholding revenues decline, and pensions and healthcare expenditures rise. Without decisive action, the Island would begin incurring a deficit by FY21 that would continue to grow over the remainder of the forecast period.

Fiscal measures and structural reforms contained in the Fiscal Plan help transform what would be a cumulative deficit through FY23 into a cumulative surplus, prior to the expected COFINA settlement and contractual debt service, as structural reforms will drive a 1.51% increase in growth (by FY58), and fiscal measures will drive ~\$10.4 billion in savings and extra revenue through FY2023. However, even after fiscal measures and structural reforms, there is an annual deficit reflected in the projection starting in FY34. After contractual debt service, this deficit drops to much more severe annual deficit for all years of the plan (**Exhibit 15**).

<sup>15</sup> For illustrative purposes, financial projections referenced in this plan utilize the IMF WEO data released in April and the Article IV consultation data released in June 2018

**EXHIBIT 15: PROJECTED DEFICIT / SURPLUS PRE- AND POST-MEASURES AND STRUCTURAL REFORMS**



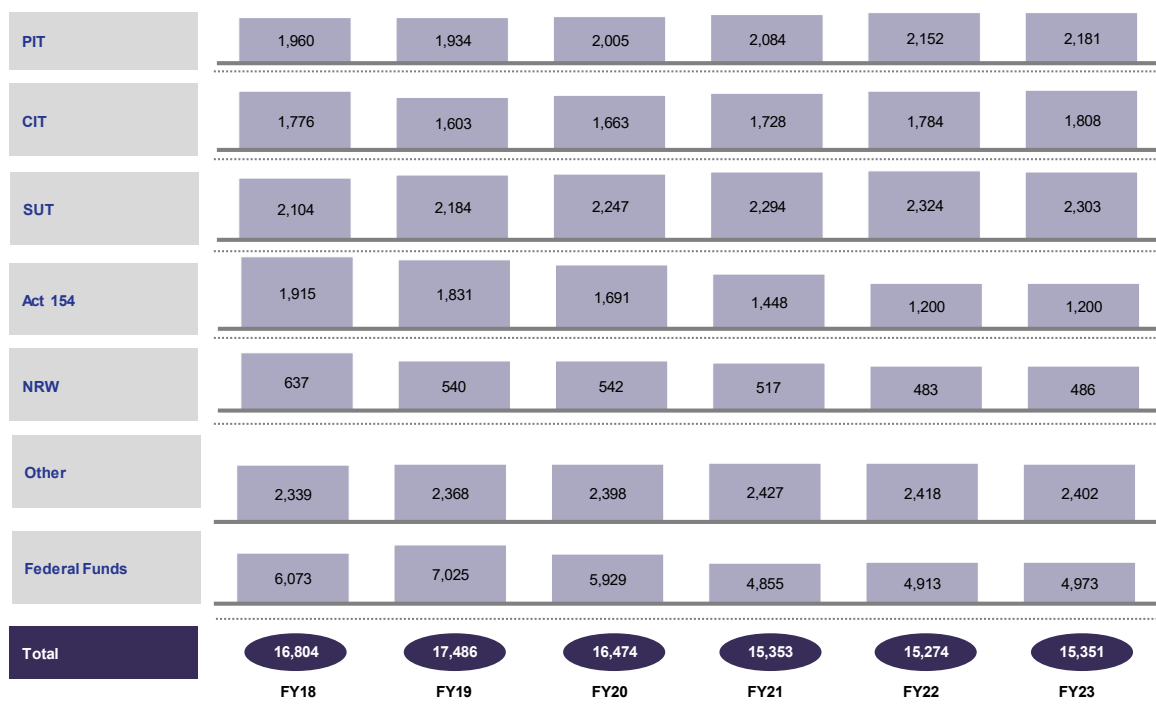
<sup>1</sup> Debt service based on prepetition contractual debt obligations. Presented for illustrative purposes only and does not represent anticipated future payments on restructured debt. Excludes HTA, UPR, PREPA, PRASA, Children’s Trust, and COFINA

**5.1 Baseline revenue forecast**

Major tax revenue streams (**Exhibit 16**) include non-export sector General Fund revenues (including individual, corporate, and sales and use taxes) and export sector revenues (including Act 154 excise taxes paid by multinationals operating on the Island, and non-resident withholdings), as well as federal funding.

## EXHIBIT 16: MAJOR REVENUE CATEGORIES

Key Baseline Revenue Drivers, Pre-measures and structural reforms, \$M



### 5.1.1 Non-export sector General Fund revenue projections

Despite a precipitous drop in revenue immediately post-hurricane, FY18 revenues recovered in Q4 and were generally consistent with FY17. Initial expectation was that FY18 revenues would have been 10% - 15% lower than FY17 due to the negative impact of the hurricane. The primary drivers of the relative outperformance include faster and greater than expected economic impact of disaster recovery spend; resilience within the Act 154 base and the impact of previously unaccounted for temporary stimulus such as the credit moratorium, incremental nutritional assistance and other initiatives.<sup>16</sup>

**Individual income taxes:** Individual income taxes are concentrated, with 78.2% of revenues coming from the 8.7% of returns reporting income above \$60,000 per year. Revenues from individual income taxes were up 0.8% relative to prior year. **Normalizing for non-recurring income related to reconstruction, revenue is down 3.8% relative to prior year.** Hacienda initially expected to see increased deductions related to property damage which would result in refund claims of \$112 million.<sup>17</sup> FY18 saw an impact of \$16 million. The FY19 revenue projection is based on the normalized FY18 and incorporates the \$46 million estimate for additional claims.

<sup>16</sup> The Fiscal Plan incorporates preliminary FY18 actual revenue for income taxes and SUT normalized for potential non-recurring items to forecast FY19 and beyond.

<sup>17</sup> This calculation was based on casualty and personal property loss estimates from Hurricane Georges, and the impact is intensified (by about 4x) to account for the increased severity of Maria. Hacienda's analysis would result in ~20% increase in tax refunds/ deductions, which is in-line with the impact seen on U.S. Federal tax refunds in 2001 and 2008, in the aftermath of two large economic recessions.

**Corporate income taxes:** There is also concentration in tax receipts among the largest corporations operating in Puerto Rico (e.g., ~29% of corporate income tax is paid by 20 corporate taxpayers).<sup>18</sup> Corporate income tax revenues in FY18 were the most impacted by the reconstruction spend as several new companies entered Puerto Rico to assist with the reconstruction of the power grid and other facets of the recovery. These companies made large initial quarterly estimated tax payments. **Normalizing for the reconstruction impact and several other non-recurring items, corporate income tax revenue was down 2.8% relative to FY17.** Before these adjustments, corporate income tax revenue was up 11%. Similar to individual taxes, FY19 is projected from the FY18 normalized base and an adjustment is made in FY19 of \$38 million to account for potential claims related to property losses.

**Sales and use taxes (SUT):**<sup>19</sup> SUT revenue was expected to maintain a post-hurricane down-approximately ~14%; however, reconstruction efforts had an amplified impact on Q4 FY18 resulting in revenues that were down only 3.1% relative to FY17. FY19 revenues are projected from a normalized FY18 base that accounts for ~\$114 million of emergency measures taken immediately post-hurricane that were partially offset by \$109 million on non-recurring benefit related to reconstruction.

**Other General Fund Revenue (Motor Vehicles, Alcoholic Beverages, Cigarettes):** These revenues ended the year generally consistent with FY17 despite the initial drop post-hurricane. Several one-time adjustments were identified, primarily related to cigarettes and motor vehicles. Cigarette revenues for FY18 are normalized by \$64 million to account for one-time promotions and the need for distributors to restock damaged inventories. Motor vehicle excise taxes are normalized by \$46.5 million to account for promotions and temporary impacts associated with reconstruction.

### *5.1.2 Export sector revenue projections*

Act 154 and Non-Resident Withholding (NRW) tax revenues are both concentrated in a small number of multinational corporations that are subject to potential risk factors such as the impact of the Federal tax reform (creates uncertainty, until regulations are filed, related to Puerto Rico's attractiveness as a low tax jurisdiction for multinationals) and hurricane impact (creating challenges restoring manufacturing operations and supply chain logistics). In some cases, these disruptions revealed concentration risk in Puerto Rico that manufacturers may consider in making future business continuity plans. Without major reform to the corporate tax code, it's expected that no major new payers will locate on island and the existing base will continue to

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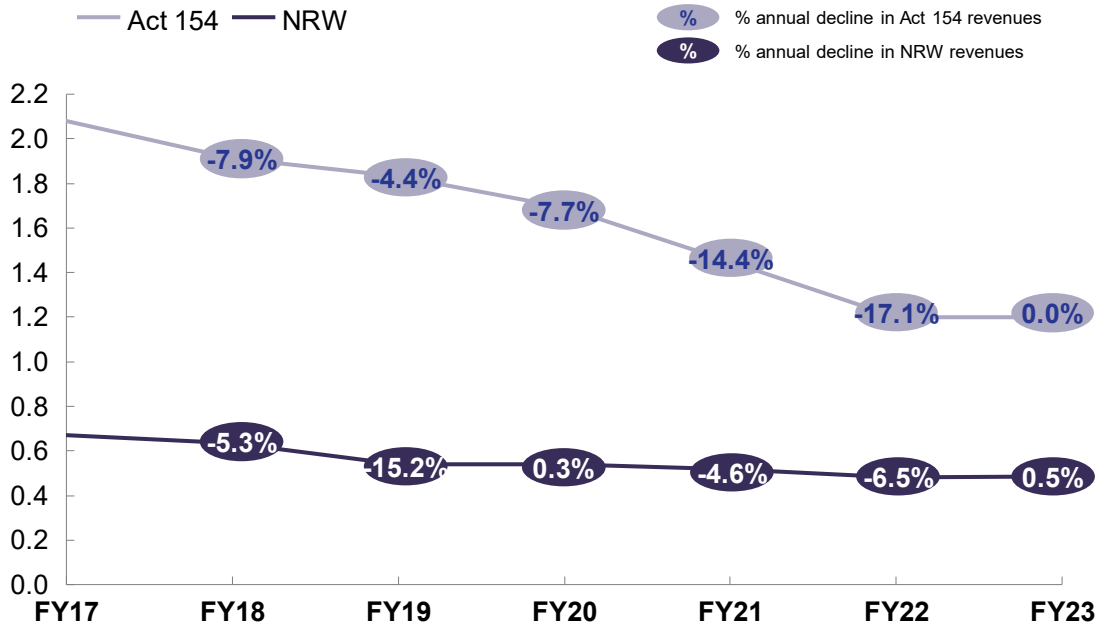
<sup>18</sup> Hacienda historical reports

<sup>19</sup> The Fiscal Plan incorporates the proposed COFINA settlement which if implemented would result in 53.65% of the PSTBA being utilized to settle the COFINA debt.

erode. It is assumed that the Act 54 base declines by 37% of the FY18 level by FY23 and then by 55% of the FY18 level by FY31.

EXHIBIT 17: PROJECTED ACT 154 AND NON-RESIDENT WITHHOLDING (NRW) REVENUES

Projected annual Act 154 and NRW revenues, \$M



5.1.3 Medicaid Federal funding

In the steady state, Medicaid costs are typically funded primarily by the local Government, as there is a cap on available Federal funding. Yearly Federal funding streams are the following, projected based on current law and statutory growth rates:

- **Standard annual Federal Medicaid funding.** Although Puerto Rico has a 55% Federal matching assistance percentage (FMAP), this amount is capped each year at an amount that is below 10% of costs. As of FY2018, this funding stream was capped at \$359.2 million, and though the cap grows each year, it does not keep pace with healthcare expenditure growth.<sup>20</sup>
- **Children’s Health Insurance Program (CHIP) funding.** CHIP funding is not subject to a Federal cap. It also has a higher FMAP at 91.5%, though this Federal cost share is projected to decrease in FY2020 with the expiration of the Affordable Care Act’s temporary increase. In FY2018, this amount totaled \$172 million.
- Each year, funds are **passed directly through to the Department of Health**, totaling \$200 million out of the annual Federal funds available for Medicaid. This funds Federally Qualified Health Centers (Centros 330, “FQHC”) and Medicaid Operations.

<sup>20</sup> According to the Social Security Act, the cap grows by the medical component of CPI-U as reported by BLS each year. From FY2011-FY2016, this growth averaged 2.9%. This inflation rate differs from the healthcare inflation index for Medicaid and Medicare used elsewhere in this Fiscal Plan. Instead, the medical component of CPI-U includes other factors that lower the inflation rate by approximately 3-5 percentage-points, meaning the increase in the Federal funding cap will not keep up with actual increases in expenditures

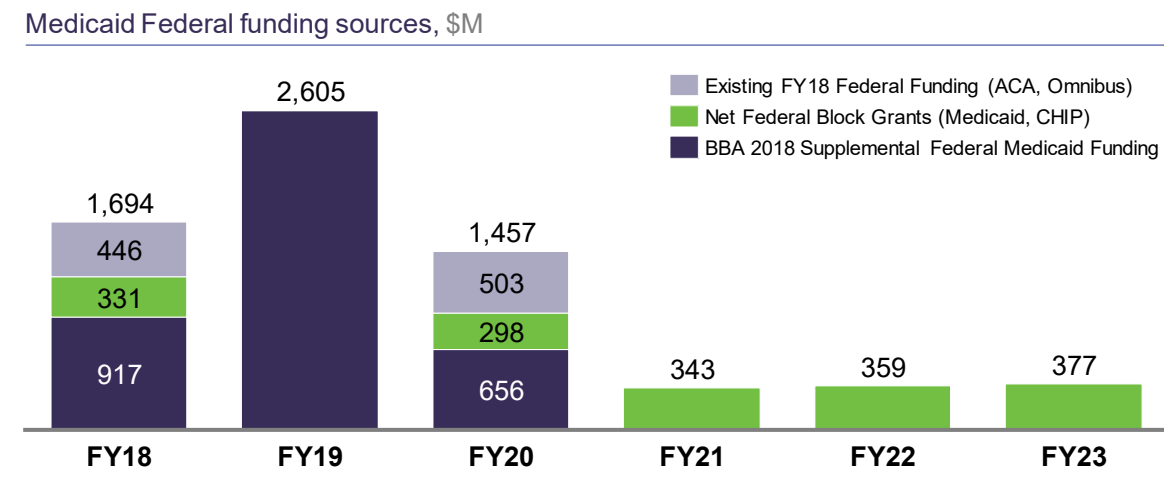
In FY2018, however, the available share of Federal funds is much higher due to several Federal fund sources. Additional Federal funding is provided in FY2018 by **remaining Affordable Care Act (ACA) block grant** funds (approximately \$598 million as of the beginning of the fiscal year) and supplemental FY2017 Omnibus Federal funding of \$296 million.

In addition, in February 2018 the Bipartisan Budget Act of 2018 (BBA) allocated a supplemental \$4.8 billion of Federal funding to Puerto Rico Medicaid, for use between January 2018 and September 2019. Per CMS guidance, this funding is estimated to apply only as a reimbursement for eligible populations (i.e., Federally funded Medicaid expenses). The Puerto Rico Health Insurance Administration (ASES) will spend as much of the allocation as possible before drawing down any remaining ACA funds, which can resume use from September 30, 2019 until expiration in December 31, 2019.

Depending on the exact parameters of eligible spending (e.g., if Commonwealth-funded populations and/or some dual-eligible CHIP members are eligible), ASES will be able to absorb between \$4.5 billion and \$4.8 billion of the allocated funding for core Medicaid expenditures.<sup>21</sup> It will continue to receive its annual CHIP,<sup>22</sup> FQHC, and DOH Medicaid operations funding.

**Exhibit 18** outlines expected Medicaid Federal fund receipts. Starting in FY2020, Supplemental funding is projected to phase out. This “funding cliff” highlights the need to implement cost-saving measures to reduce long-term Medicaid costs (Medicaid expenditures are discussed in detail in *Section 5.2.2*).

EXHIBIT 18: MEDICAID EXPECTED FEDERAL FUND RECEIPTS



#### 5.1.4 Other Federal Funding

In addition to Medicaid funding, Puerto Rico receives other federal funds, which cover both social benefits and operational expenditures. In the Fiscal Plan, these funds have been modeled based

<sup>21</sup> Current assumption is that only Federally funded Medicaid beneficiaries (excluding all CHIP and Commonwealth members) are eligible for reimbursement using BBA funds. These beneficiaries represent approximately 80% of total MCO disbursements, 100% of Platino premiums, all administrative costs, and less any cost-saving measures (described in Chapter 14) that reduce reimbursable spend during the timeframe

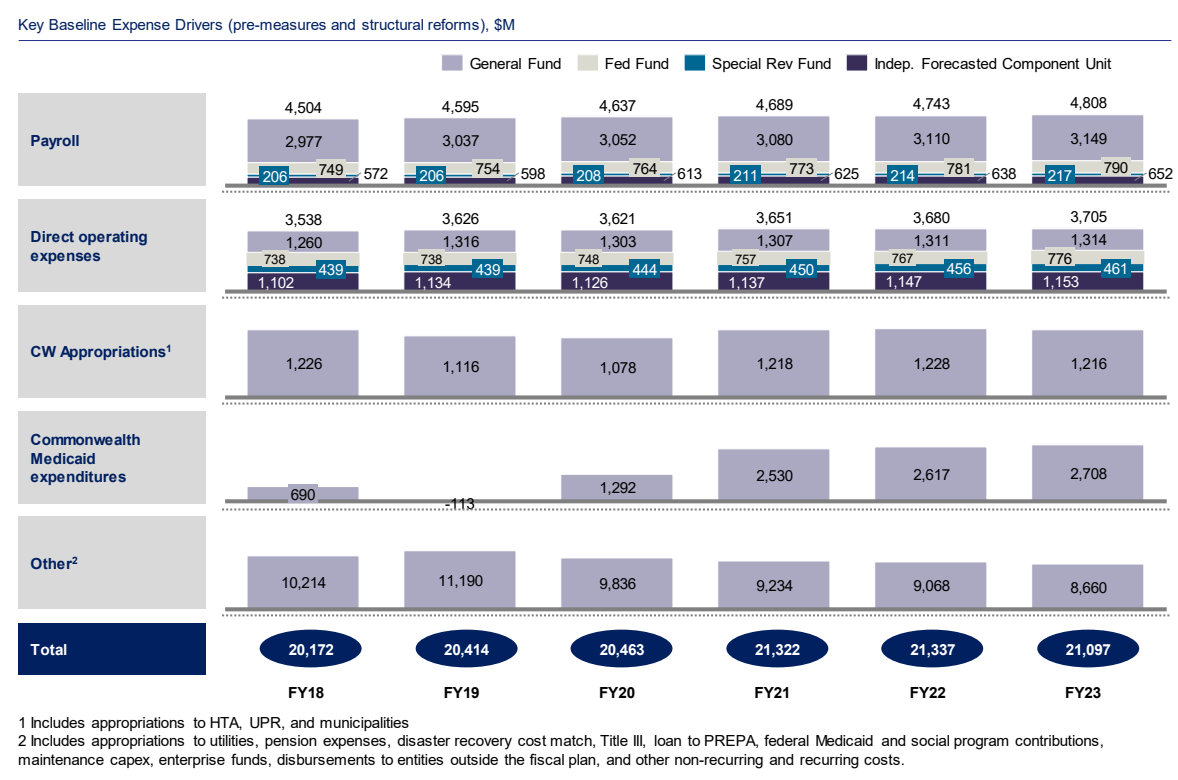
<sup>22</sup> CHIP funding will continue at 91.5% FMAP until expiration of the ACA enhanced FMAP in September 2019. At that point, FMAP will return to 68.5% pre-ACA level, according to §2101(a) of the Affordable Care Act which amended §2105(b) of the Social Security Act

on what types of costs they cover (e.g., benefits or operations) as well as the statutory formula that defines the size of Puerto Rico’s allotment. For example, while TANF funds are typically pass-through (e.g., none of these funds go to operational costs), some Title I education funds are used for operational purposes (e.g., teachers’ salaries, school supplies for programs for students with special needs, etc.). For the former, federal fund inflows and outflows mirror each other (as benefit needs decline, so do funds). For the latter, though inflows may decline, it does not necessarily mean expenditures decline as well – as expenditures are based on operations, not on benefits formulas. Meanwhile, while Head Start funds are allocated from the federal government based on the number of children living in poverty, PAN funds are provided through a block grant that is capped. The former, therefore, should change by population, while the latter should be consistent regardless of population size.

## 5.2 Baseline expenditure forecast

Over the next five years, baseline expenditures are set to increase over FY2018 due to inflation and increases in Medicaid and pensions costs (**Exhibit 19**).

EXHIBIT 19: MAJOR EXPENDITURE CATEGORIES



### 5.2.1 Payroll expenses and non-payroll operating expenditures

**Payroll expenses:** The expenditure model holds payroll expense constant at the FY2018 approved budget levels based on legislation approved in 2017. Payroll projections do not assume reductions from either attrition or absenteeism, as reductions would need to be met with limits on rehiring to truly capture any cost savings – therefore, any workforce reductions will be



captured only through fiscal measures. Further, whereas the March 2017 Fiscal Plan included a payroll freeze through FY2019 (which is reflected in the baseline), the extension of this payroll freeze is proposed by the Fiscal Plan and will therefore be counted as a measure. After FY2019, all figures are projected to grow by Puerto Rican inflation.

**Non-Personnel Operating Expenses:** Like payroll expenses, non-personnel operating expenses are projected to be frozen FY2018-FY2019 by the March 2017 Fiscal Plan measures, with costs growing by inflation thereafter.

### *5.2.2 Medicaid costs*

Medicaid costs are projected to reach over \$3.1 billion annually by FY2023 (**Exhibit 20**). These costs are primarily driven by the cost per member per month (PMPM) and the number of people enrolled in Medicaid (Federal and Commonwealth), CHIP, and Platino dual eligible programs. Other categories also contribute, including health-related expenses (e.g., HIV and Pulmonary programs) and program administration, bringing total expenditures to \$3.5 billion by FY2023.

In the short term, Hurricane Maria is expected to affect both PMPM and enrollment, as evidenced by historical post-disaster environments. From August (pre-Maria) to March 2018, actual enrollment data has indicated nearly a 5% increase in enrollment, as residents face higher rates of utilization and struggle to fulfill basic needs. Other post-disaster areas have exhibited a similar spike in proportion of population enrolled in Medicaid but have shown that enrollment soon declines back to trend.<sup>23</sup> Similarly, the proportion of Puerto Ricans enrolled in Medicaid is expected to slightly drop after a time. As the overall population of Puerto Rico decreases, the Mi Salud population will decline concurrently, but will likely lag overall outmigration trends by a year due to the time needed for individuals to switch to a new plan once they have left the Island.

**PMPM costs** are projected to grow at 6.2% annually from FY19 to FY20. This rate combines expected normal healthcare cost inflation rate of 5.1% experienced in Puerto Rico before the storm,<sup>24</sup> along with an additional 1.1% observed in other post-disaster environments.<sup>25</sup> After FY20, the healthcare cost inflation rate drops to 5.1% in perpetuity.

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<sup>23</sup> Analysis included effect of Hurricane Katrina on Medicaid population in New Orleans. Directly following the storm, the proportion of overall population on Medicaid spiked, but declined beginning a year after the hurricane. Source Louisiana Department of Health and Hospitals, Bureau of Health Services Financing. "Louisiana Medicaid Annual Report," 2005-2009, <http://dhh.louisiana.gov/index.cfm/newsroom/detail/1699/>

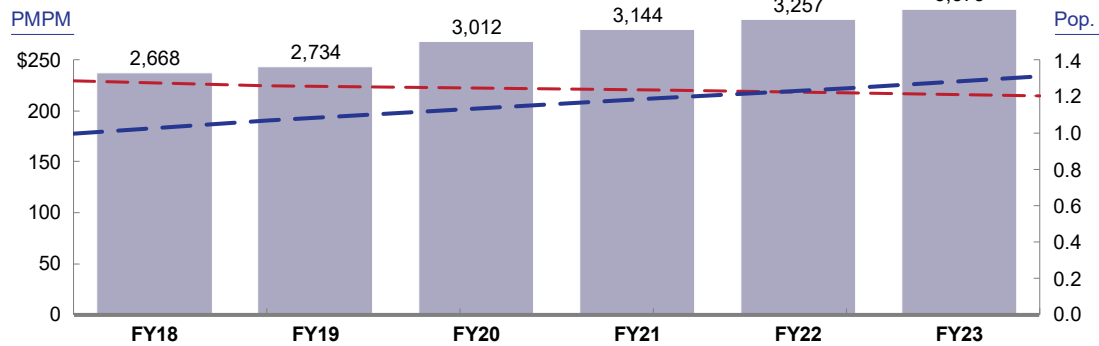
<sup>24</sup> From 2011-2016, the CAGR for PMPM inflation in Puerto Rico averaged about 6.6% (ASES analysis of historical PMPM rates). Milliman actuarial analysis projects a 5-7% PMPM inflation rate from FY2018-FY2020 and 4-6% PMPM inflation rate from 4-6%

<sup>25</sup> NBER working paper 22272 analyzing fiscal effects of hurricanes on healthcare costs. Table 7, Panel B coefficient for implied effect after 7.5 years spread year over year; Took the value of the implied effect after 7.5 years (0.085); Divided this by the number of years (7.5); Provided the change year over year =  $0.085/7.5 = 0.0113$ ; Then, interpreted the coefficient; Given the variable is logged, the interpretation is: (change year over year) \* (100%) = % change year over year, generating a 1.13% change projected year over year. Deryugina, Tatyana. "The Fiscal Cost of Hurricanes: Disaster Aid Versus Social Insurance." National Bureau of Economic Research, May 2016

EXHIBIT 20: PROJECTIONS FOR MI SALUD BASELINE PMPM AND ENROLLMENT (NOT INCLUDING PLATINO)

Medicaid projected PMPM, enrollment, and expenditures, \$M total cost, M enrollees, \$ PMPM

■ Total cost (Medicaid, Commonwealth, CHIP), \$M    - - - Total enrollment (Medicaid, Commonwealth, CHIP), M  
 - - - PMPM (Medicaid, Commonwealth, CHIP weighted average), \$



Note: Only includes Medicaid (CHIP, Commonwealth- and federally-funded). Excludes Platino dual-eligible.

**Other costs**, which include HIV/PDP, Health Insurance Provider Fee, Air Ambulance, MC21 Administrative Fee, Super Utilizers, and Pulmonary, among others, are projected to grow at the rate of Puerto Rico inflation.

Expenditures for the Platino dual eligible program were estimated using a consistent \$10 PMPM over FY2018-FY2023, representing payment for wrap-around services supplementing main Medicare coverage. Enrollment is projected to be affected similarly to Medicaid enrollment, though with less fluctuation in actual proportion of population enrolled.<sup>26</sup> Platino costs are expected to total \$29 million in FY2018 and decline slightly to \$28 million by FY2023.

### 5.2.3 Other costs

**Appropriations:** Baseline municipal appropriations are projected to remain constant at ~\$220 million from FY2018-FY2023, apart from a *one-time* allotment to municipalities because of Hurricanes Irma and Maria, provided in FY2018 for \$78 million, and which will be allocated on the same basis as the existing municipality subsidies. The University of Puerto Rico appropriation baseline is \$708 million in FY2018 and remains ~\$717 million from FY2019-FY2023.

**Pension costs:** Projections rely on demographic estimations for Employees' Retirement System (ERS), Teachers' Retirement System (TRS), and Judicial Retirement System (JRS) populations and benefit obligations and include updated data and actuarial projections for regular TRS and JRS benefits (extrapolated to update estimates for ERS). From FY2018-FY2023, costs are projected to grow slowly but remain approximately \$2.3 billion for the Fiscal Plan period.<sup>27</sup> Starting in FY2018 ERS pension benefits have been paid on a pay-as-you-go basis, given that the majority of the liquid assets in the retirement system have been depleted.

**Capital expenditures:** Centrally funded maintenance and capital expenditures of the Commonwealth (excluding PREPA, PRASA, HTA self-funded capex/one-time transfers) is

<sup>26</sup> Projected based on a smaller observed spike in actual enrollment from pre- to post-Maria relative to Medicaid spike

<sup>27</sup> Projections for pension expenses are provided by Pension Trustee Advisors (PTA) calculations

expected to be \$400 million annually. Of this, \$124 million will be appropriated to HTA and UPR, with the remaining \$276 million for use by the Commonwealth. The capital expenditure costs are lower in the short-term because of the large disaster relief funding allocations from the Federal Government and from Puerto Rican cost match. HTA's capital expenditure funds will be used to support reconstruction, maintenance, traffic reduction, completion of the strategic network, and P3-related expenditures. UPR's capital expenditure funds will support, among other projects, Phase III of the large Molecular Sciences building, building restoration at Rio Piedras, and the development of a major campus building at Mayagüez.

**Independently Forecasted Component Units (IFCUs):** IFCUs include Puerto Rico Industrial Development Company, Public Buildings Authority, Ports Authority, State Insurance Fund Corporation, Medical Services Administration, Tourism Company, Health Insurance Administration, Cardiovascular Center, Housing Finance Authority, Department of Agriculture, Integrated Transport Authority, AAFAF, and Convention Center Authority. From FY2018-FY2023, IFCU payroll expenditures are projected to be ~\$600 million annually. Non-payroll operating expenditures are projected to remain at ~\$1.1 billion annually.

**Disaster relief funding cost share:** Federal funds for public assistance typically require a local match from the entity receiving them. In the case of Puerto Rico, the Fiscal Plan projects that the Commonwealth will need to cover an estimated 11% of Federal public assistance funds, amounting to \$5.0 billion from FY2018-FY2032. However, \$3.8 billion is expected to be covered by CDBG funds.

**PROMESA related costs:** PROMESA related expenses are projected to be \$1.5 billion for FY2018 to FY2023, comprised of professional fees (approximately \$1.1 billion over six years) and funding for the Oversight Board (\$430 million over six years) which includes professional fees as well. The estimate for professional fees was developed, in conjunction with the FOMB, by analyzing FY2018 run-rate billings based on available information and soliciting input from certain professionals. Fees were benchmarked versus comparable restructuring situations that yield an average professional-fee-to-funded-debt ratio of 1.89% relative to 1.65% projected for the Commonwealth (**Exhibit 21**).

EXHIBIT 21: PROJECTED PROFESSIONAL FEES RELATIVE TO OTHER MAJOR RESTRUCTURINGS

Title III costs for restructuring

	Date filed	Outstanding debt, USD	Total fees and expenses, USD	Fees to funded debt, %
City of Detroit, Michigan	Jul. 2013	\$20,000,000,000	\$177,910,000	0.89%
Residential Capital, LLC	May-12	\$15,000,000,000	\$409,321,308	2.73%
Sabine Oil & Gas Corp.	Jul. 2015	\$2,800,000,000	\$78,553,223	2.81%
Caesars Entertainment Operating Company	Jan. 2015	\$18,000,000,000	\$258,278,005	1.43%
Lehman Brothers Holdings Inc.	Sep. 2008	\$613,000,000,000	\$956,957,469	0.16%
Lyondell Chemical Company	Jan. 2009	\$22,000,000,000	\$205,932,292	0.94%
American Airlines	Nov. 2011	\$11,000,000,000	\$391,637,858	3.56%
Washington Mutual, Inc.	Sep. 2008	\$8,000,000,000	\$271,085,213	3.39%
Edison Mission Energy	Dec. 2012	\$5,000,000,000	\$96,244,628	1.92%
Energy Future Holdings Corp.	Apr. 2014	\$40,000,000,000	\$450,110,233	1.13%
Puerto Rico	2017	\$64,000,000,000	\$1,057,990,545	1.65%

Summary Statistics

Avg.	1.89%
Max	3.56%
Min	0.16%
Med	1.68%



Puerto Rico involves added complexity as the largest public sector restructuring in the history of the United States

**Emergency reserve:** The Government is establishing an emergency reserve of \$1.3 billion, or ~2.0% of FY2018 GNP, by reserving \$130 million per year for 10 years. The methodology supporting this reserve is informed by guidance provided to The Bahamas, another Caribbean island, by the International Monetary Fund in defining an adequate emergency reserve (2-4% of GNP, accumulated at ½% per year).<sup>28</sup> Restrictions on the use of this fund will ensure that it is a true emergency reserve.

<sup>28</sup> IMF Bahamas Article IV report published March 22, 2018

# Chapter 6. LONG-TERM PROJECTIONS AND DEBT SUSTAINABILITY ANALYSIS (DSA)

The DSA provides a framework to assess the Government’s long-term debt capacity, minimizing the risk of future default, and provides a framework for future market access. The DSA aims to provide a view of a sustainable level of Net Tax-Supported<sup>29</sup> debt (“NTSD”) by:

- (i) comparing Puerto Rico’s financial metrics to other US States,
- (ii) estimating debt levels given a range of fixed annual debt service, sensitizing for interest rates and contingency levels

## 6.1.1 U.S. States as comparable peers

U.S. states are the most appropriate comparison group to use in benchmarking sustainable debt levels for Puerto Rico. Like U.S. states, Puerto Rico does not control its own currency, has no access to IMF or similar international sovereign restructuring support programs or funding packages, is reliant on the same long-term municipal bond markets as U.S. states and is rated on the same metrics as U.S. states.

Moody’s<sup>30</sup> identifies four key financial ratios when comparing states (the “NTSD Ratios”): (i) net tax-supported debt as a percentage of GDP, (ii) net tax-supported debt as a percentage of state personal income, (iii) debt service as a percentage of revenues, and (iv) net tax-supported debt per capita.

EXHIBIT 22: NTSD RATIOS<sup>31</sup>

Net tax-supported debt, as a % of GDP		Net tax-supported debt to state personal income, %		Debt Service Ratio, % of Own Source Revenues		Net tax-supported debt per capita, \$	
Puerto Rico	55.1%	Puerto Rico	91.2%	Puerto Rico	28.1%	Puerto Rico	\$16,662
Low 10	0.4%	Low 10	0.5%	Low 10	1.0%	Low 10	\$239
Mean	2.6%	Mean	2.9%	Mean	4.5%	Mean	\$1,477
Top 10	5.9%	Top 10	6.8%	Top 10	9.2%	Top 10	\$3,779
1 Connecticut	9.0%	1 Hawaii	10.4%	1 Connecticut	13.8%	1 Connecticut	\$6,544
2 Hawaii	8.9%	2 Massachusetts	9.5%	2 Massachusetts	11.7%	2 Massachusetts	\$6,085
3 Massachusetts	8.3%	3 Connecticut	9.5%	3 Hawaii	10.5%	3 Hawaii	\$5,257
4 New Jersey	6.7%	4 New Jersey	7.0%	4 New Jersey	9.4%	4 New Jersey	\$4,281
5 Mississippi	5.1%	5 Illinois	5.6%	5 Illinois	9.2%	5 New York	\$3,082
6 Illinois	4.7%	6 Delaware	5.5%	6 New York	8.1%	6 Illinois	\$2,919
7 Kentucky	4.5%	7 Mississippi	5.2%	7 Washington	7.7%	7 Washington	\$2,662
8 Washington	4.1%	8 New York	5.2%	8 Kentucky	7.3%	8 Delaware	\$2,587
9 New York	4.1%	9 Kentucky	5.1%	9 Maryland	7.0%	9 California	\$2,188
10 Rhode Island	4.0%	10 Washington	5.0%	10 Mississippi	6.9%	10 Rhode Island	\$2,188

### 6.1.1.1 PUERTO RICO IMPLIED DEBT CAPACITY – AVERAGE U.S. STATES

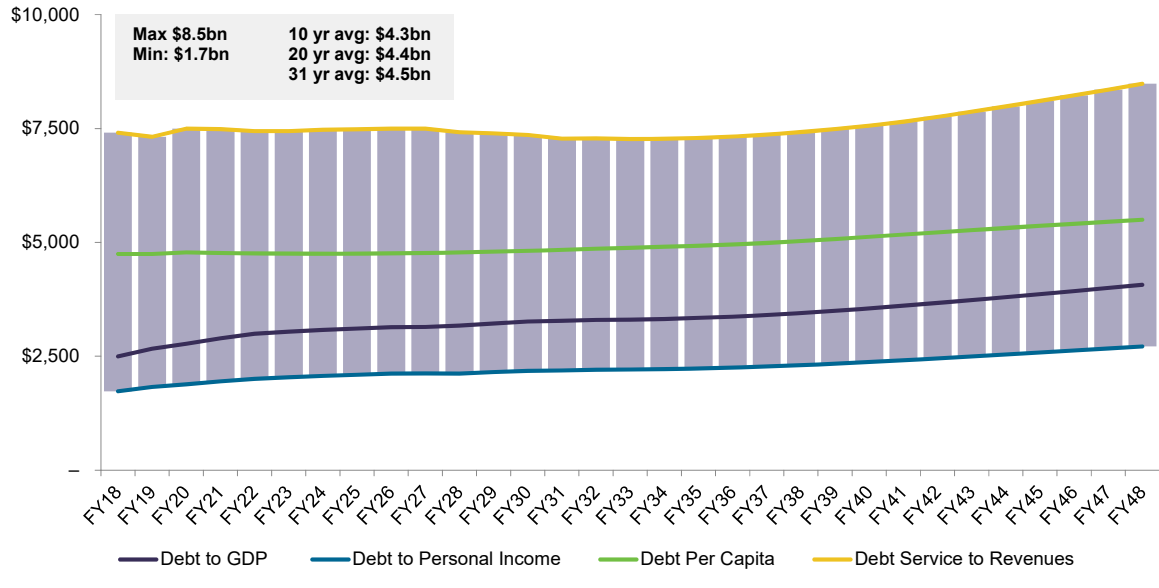
<sup>29</sup> Net Tax-Supported debt is defined as debt payable from statewide taxes and other general resources, net of obligations that are self-supporting from pledged sources other than state taxes or operating resources (such as utility or local government revenues). Puerto Rico had \$56.8 billion of Net Tax-Supported debt (2017 – Moody’s) and includes GO, PBA, COFINA, PRIFA, HTA, PRCCDA, ERS, PFC, and UPR

<sup>30</sup> Moody’s Investor Services, “Medians - State Debt Continues Slow Growth Trend”, dated 24 April 2018

<sup>31</sup> Due to withdrawn ratings, Moody’s did not report metrics for Puerto Rico in the April 2018 report. Puerto Rico metrics per Moody’s Investor Services, “Medians – Total State Debt in 2017 Remains Essentially Flat” report, dated 3 May 2017. Personal income for Puerto Rico based on Government estimates for FY17

Applying the NTSD Ratios of the average U.S. states to Puerto Rico's future projected GDP, population and Own-Source Revenues provides an average implied debt capacity over 31-years of \$4.5bn.

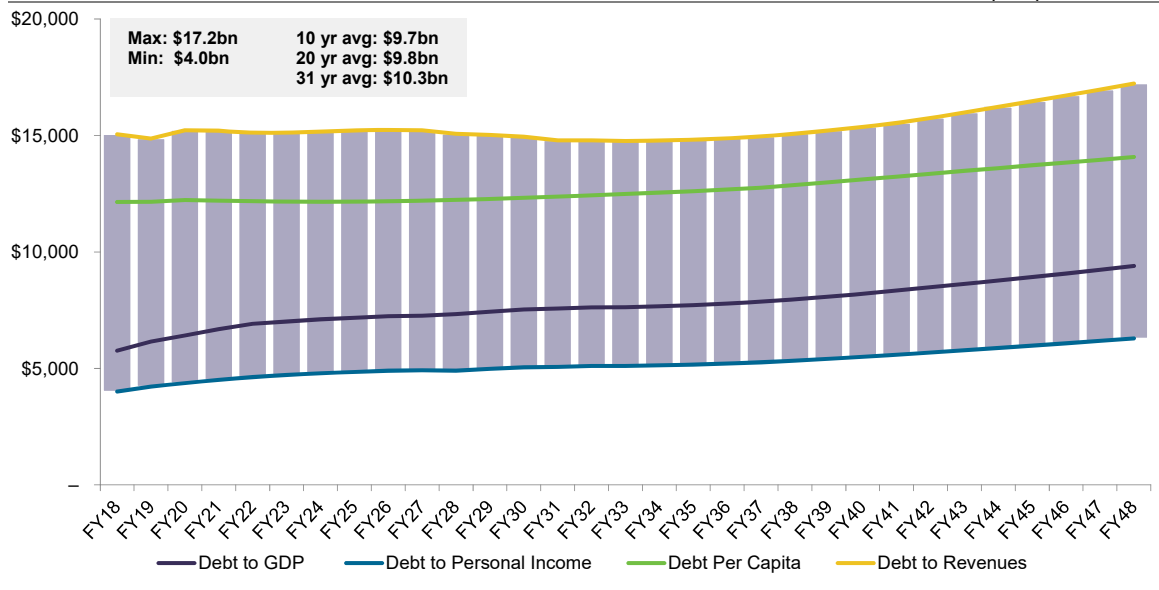
**EXHIBIT 23: IMPLIED DEBT CAPACITY – AVERAGE U.S. STATES (\$M)**



*6.1.2 Puerto Rico Implied debt capacity – 10 most-indebted U.S. states*

Applying the NTSD Ratios of the 10 most indebted U.S. states to Puerto Rico's future projected GDP, population and Own-Source Revenues provides an average implied debt capacity over 31 years of \$10.3bn.

**EXHIBIT 24: IMPLIED DEBT CAPACITY – 10 MOST-INDEBTED U.S. STATES (\$M)**



**6.1.3 Maximum annual debt service cap on restructured fixed payment debt**

The aggregate debt service due on all fixed payment debt of the Government should be capped at a maximum annual debt service (“MADs”) level derived from NTSD Ratios, and specifically from the “Debt Service Ratio.”

To the extent the Debt Service Ratio is used to set a MADs cap on the restructured debt and the Primary Surplus is below the MADs level, then the debt service due on fixed payment debt would need to be set at the lower of the amount available for debt service from the Primary Surplus (less any contingency) or the MADs limit.

Any additional cash flow above the MADs cap that is generated over the long-term could be dedicated to a combination of contingent “growth bond” payments to legacy bond creditors, debt service due on future new money borrowings, and/or additional “PayGo” capital investment, among other purposes.

**6.2 Illustrative fixed debt service**

The implied debt capacity can also be estimated based on a range of interest rates and Fiscal Plan implementation risk factors (contingency) under an assumed illustrative 30-year term and level debt service. The implementation risk factor is calculated by reducing the amount of projected cash flow available per year for debt service by a certain percentage. For example, a 20% implementation risk factor case would use only 80% of the projected cash flow available to pay debt service on fixed payment debt.

**EXHIBIT 25: FIXED DEBT SERVICE IMPLIED DEBT CAPACITY (\$M)**

Illustrative Debt Sustainability Analysis (\$M)								
		Sensitivity Analysis: Implied Debt Capacity at 20% Contingency						
Illustrative Cash Flow Available		\$600	\$800	\$1,000	\$1,200	\$1,400	\$1,600	\$1,800
Sensitivity Analysis: PV Rate %	4.0%	\$8,300	\$11,067	\$13,834	\$16,600	\$19,367	\$22,134	\$24,901
	5.0%	7,379	9,838	12,298	14,758	17,217	19,677	22,136
	6.0%	6,607	8,809	11,012	13,214	15,417	17,619	19,821
		Sensitivity Analysis: Implied Debt Capacity at 5% PV Rate						
Illustrative Cash Flow Available		\$600	\$800	\$1,000	\$1,200	\$1,400	\$1,600	\$1,800
Sensitivity Analysis: % Contingency	10.0%	\$8,301	\$11,068	\$13,835	\$16,602	\$19,369	\$22,136	\$24,903
	20.0%	7,379	9,838	12,298	14,758	17,217	19,677	22,136
	30.0%	6,456	8,609	10,761	12,913	15,065	17,217	19,369

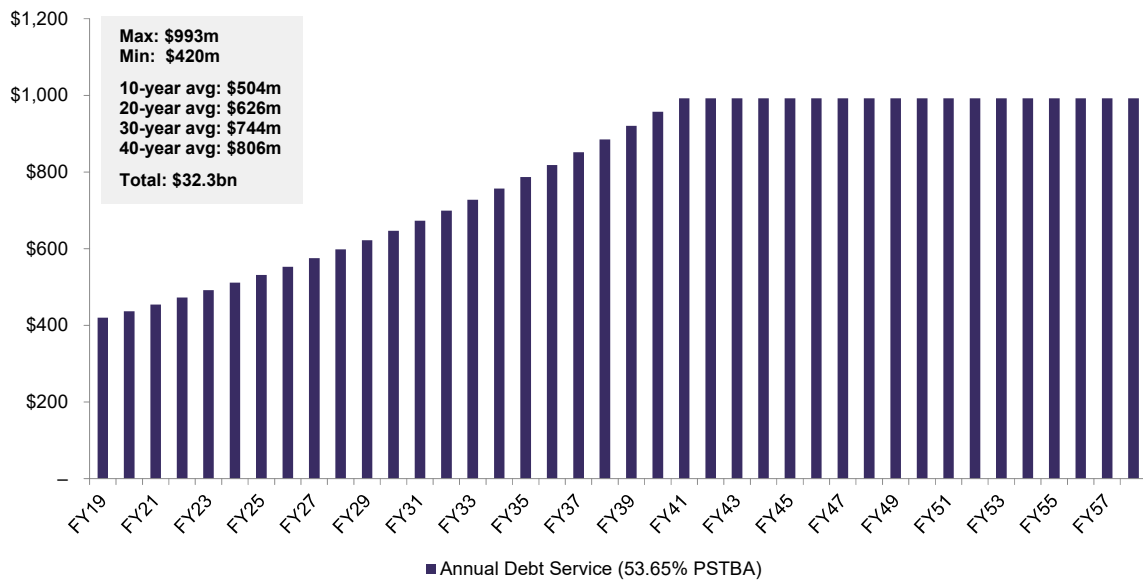
**6.3 The COFINA Settlement**

On June 7, 2018, the Commonwealth Agent and the COFINA Agent publicly announced an agreement in principle (the “June Agreement in Principle”) to settle the dispute between the Commonwealth and COFINA regarding ownership of the sales and use taxes purportedly transferred by the Commonwealth to COFINA and pledged by COFINA to secure the repayment of certain indebtedness, including, without limitation, ownership of tax collections held to the credit of the “Dedicated Sales Tax Fund,” which funds accumulate to the “Pledged Sales Tax Base Amount” (or “PSTBA”). Under the June Agreement in Principle,

subject to limited exceptions, the Commonwealth will have a 46.35% ownership interest in the PSTBA, and COFINA will have a 53.65% ownership interest in the PSTBA.

Subsequently, on August 8, 2018, the Oversight Board and publicly announced that they had reached an agreement in principle (the “August Agreement in Principle”) with COFINA’s bondholders and monoline insurers centered on the June Agreement in Principle, including the 46.35%/53.65% split. The Oversight Board and AAFAF expect the August Agreement in Principle to lead to a consensual plan of adjustment to restructure COFINA’s outstanding indebtedness and validate the Commonwealth’s 46.35% ownership interest in the PSTBA. The August Agreement in Principle remains subject to finalization of a plan term sheet, execution of a plan support agreement, agreement on such other definitive documentation required to implement the transactions contemplated thereby, and approval of the Title III Court in the Commonwealth’s Title III proceeding and COFINA’s Title III proceeding. Upon court approval and implementation of the transactions contemplated by the August Agreement in Principle, the Commonwealth will own a 46.35% interest in the PSTBA, which funds will be used in their entirety and without restriction to fund Government operations, consistent with the assumptions and projections of this Fiscal Plan.

EXHIBIT 26: THE COFINA SETTLEMENT (\$M)





## PART III: Restoring growth to the Island

A sustainable fiscal and economic turnaround depends entirely on comprehensive reforms. Only such reforms can drive growth in the economy, reversing the negative trend growth over the last 10 years and enabling the Island to become a vibrant and productive economy going forward. To reverse the negative economic trends, the Government will implement reforms in the following areas:

**Human capital and welfare reforms** will improve job creation, workforce participation, and the well-being and self-sufficiency of welfare recipients, resulting in a cumulative GNP impact of 0.30% by FY2023. The impact is enhanced in the long-term as K-12 education reforms begin adding an additional 0.01% GNP impact per year, resulting in an additional 0.16% uptick by FY2048 that continues growing in outer years (to 0.26% by FY2058).

**Ease of doing business reforms** will improve conditions for economic activity and job creation, trading across borders, employment opportunities, and business vitality, resulting in a cumulative GNP impact of 0.65% by FY2023.

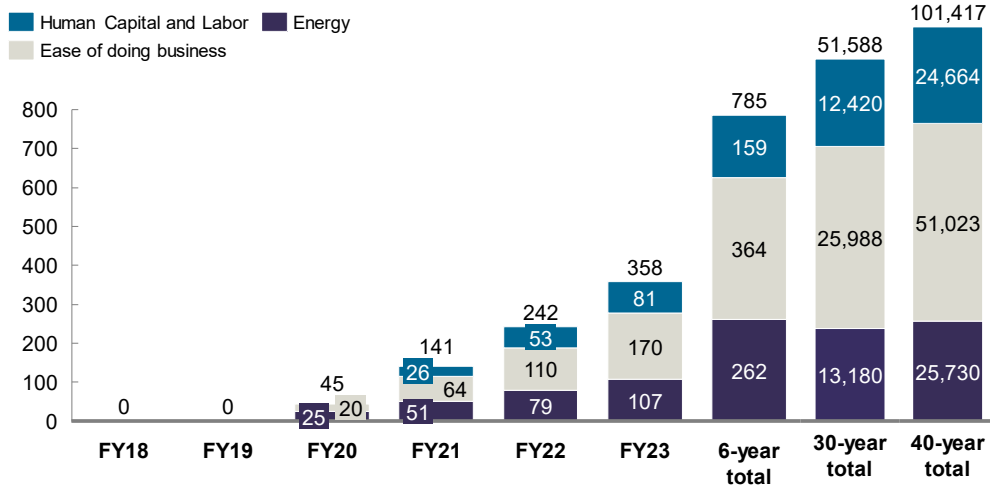
**Power sector reforms** will improve availability and affordability of energy for families and businesses, resulting in 0.30% cumulative GNP impact by FY2023.

**Infrastructure reform and capital investment** will improve the flow of goods, services, information, and people across the Island. It has not been scored to provide a specific GNP uptick, yet undoubtedly contributes a consequential uptick in the Island's long-term development.

**The structural reforms are projected to result in a sustained 1.25% annual real GNP growth by FY2023.** As shown below (**Exhibit 27**), these reforms equal approximately \$50 billion in increased Commonwealth revenues over 30 years (and over \$100 billion over 40 years). In the long term, **education reforms are projected to add an additional cumulative 0.26% to GNP growth, making total impact 1.41% by FY2048 and 1.51% by FY2058.** The reforms are crucial to placing Puerto Rico on a path to long-term structural sustainability.

## EXHIBIT 27: IMPACT OF STRUCTURAL REFORMS OVER 30 YEARS

Impact of structural reforms, \$M



<sup>1</sup> Structural reforms in the 30 & 40 years are estimated due to macroeconomic compounding and long-term projection uncertainty

## Chapter 7. HUMAN CAPITAL & WELFARE REFORM

### 7.1 Current state of human capital and welfare laws

Puerto Rico faces immense challenges with formal labor force participation and preparedness. The Island's formal labor force participation rate is only ~40%, compared to the U.S. mainland average (63%) or the lowest-ranked U.S. state (West Virginia, 53%), and below other Caribbean islands. According to World Bank data, Puerto Rico's formal labor force participation rate is currently 7<sup>th</sup> lowest in the world and has never ranked higher than the bottom 20.<sup>32</sup> Puerto Rico's youth unemployment rate is 23.8%, almost double the world average (13.8%) and more than double the U.S. average (10%).<sup>33</sup> These low rates of employment are a long-term structural problem that the Government will address through changes to public policy.

Unless Puerto Rico substantially increases its labor force participation and employment, incomes will always fall far below mainland states and outmigration will continue to draw Puerto Ricans away from the island of their birth. If Puerto Rico's labor force participation rate grew to match even to that of the lowest U.S. state, incomes would rise, poverty would decline, and the budgetary deficit would improve. **The Government is committed to increasing labor force participation, as it may be the single most important reform for long-term economic well-being in Puerto Rico.**

<sup>32</sup> Puerto Rico ranking has never surpassed 215<sup>th</sup> out of the 232 countries, states, and territories tracked by The World Bank Group since The World Bank Group began collecting data in 1990

<sup>33</sup> The World Bank Group, 2017, via International Labour Organization, ILOSTAT database. Data retrieved in March 2017. <https://data.worldbank.org/indicator/SL.UEM.1524.ZS>

### *7.1.1 Labor laws*

As mentioned before, Puerto Rico's historically low levels of formal labor force participation cannot be attributed to any single factor, but a range of public policies have served to reduce employment on the Island.

In order to improve labor force participation, the Government has recently made strides to improve labor market conditions with the Labor and Flexibility Act (Act 4-2017) enacted in January 2017, which added flexibility to overtime regulations and increased work requirements to become eligible for Christmas Bonus and severance pay, among other reforms.

Key labor market measures are showing signs of improvement:

- Seasonally adjusted employed persons reached 1,004,000 people in June 2018, which represented an increase of 2.3 percent, compared to July 2017. Total employed persons had not reached more than 1,000,000 people since August 2013.
- Number of self-employed persons reached 153,000 people in July 2018, which represented an increase of 8.5 percent compared to the same month of the previous year.
- Non-seasonally adjusted labor participation rate reached 41.0 percent in July 2018, which reflected an increase of 1.4 percentage points as compared to the same month of the previous year.
- Unemployment rate was 9.1 percent in the month of July 2018 and, compared to July 2017, reflected a decline of 1.2 percentage points.

### *7.1.2 Welfare policies*

Puerto Rico residents may also face disincentives to participate in the formal labor market due to rules attached to various welfare benefits, including the Nutritional Assistance Program (PAN), Mi Salud (Medicaid), Section 8 public housing, TANF, WIC, and other welfare programs.

The phase-out of government transfer benefits as earned income increases acts as a tax to disincentivize formal employment, as effective hourly wage (income received by working minus the loss of benefits) can be substantially lower than the formal hourly wage received.

When benefits are phased out as a beneficiary works, loss of benefits may be larger relative to earnings than for a mainland worker. This can serve as a greater deterrent to seek a formal job, than on the mainland.

It is difficult to quantify how large such disincentive effects may be due to limitations on the data available. Different individuals entitled to different sets of benefits are thus faced with various incentives that inform the ways they engage with the labor market. It is reasonable to conclude that for many welfare beneficiaries, a formal employment may sometimes do little to increase household incomes.

For individuals receiving food stamps (PAN), Mi Salud, TANF and public housing, it often makes little financial sense to work at the minimum wage in the formal sector. For a full-time minimum wage worker, the loss of benefits will probably offset most or all income received from work, leaving the household no better off.<sup>34</sup>

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<sup>34</sup> Burtless, Gary, and Orlando Sotomayor. "Labor supply and public transfers." In *The Economy of Puerto Rico: Restoring Growth* (2006): 82-151

Mainland states face many of these same incentive issues, which they address in two ways. First, residents of mainland states are eligible for the Federal Earned Income Tax Credit (EITC), which provides a partial refund against Federal income taxes for eligible low-income workers. Many states supplement the Federal EITC to increase benefits to recipients. By increasing the reward to work, the EITC has been shown to increase labor force participation.<sup>35</sup>

Likewise, the Federal Government requires that food stamp programs on the mainland (Supplemental Nutrition Assistance Program, “SNAP”) contain a work requirement. In general, working-age SNAP beneficiaries on the mainland must register for work, cannot turn down a job if offered, and may be required by the state to attend education or work training classes. In addition, Federal law requires that able-bodied adults without dependents must work, attend education, or volunteer at least 20 hours per week to maintain eligibility for benefits. Puerto Rico’s food stamp program funds are received as a block grant (unlike states in the Mainland). This grant does not include any specific allocation for the Government to provide trainings or educational services to its beneficiaries.

### *7.1.3 Workforce preparedness*

Finally, Puerto Rico’s potential workforce is also not well prepared to fill jobs currently needed by the economy. Around 20% of Puerto Rico’s working age population has less than a high school diploma (compared to U.S. average of under 12%), and about 30% of that same population have a college degree, which is about 3% below the mainland average.<sup>36</sup> These challenges contribute to Puerto Rico’s rate of youth unemployment, which is more than double the rate in the U.S. mainland.<sup>37</sup>

## **7.2 Future vision for the Puerto Rican human capital and welfare reform**

To ensure Puerto Rico can provide opportunities for its people for years to come, structural reforms must increase workforce participation, and enhance student outcomes and workforce development opportunities to ensure a pipeline of prepared and appropriately-skilled individuals.

## **7.3 Structural reform initiatives for human capital and welfare reform**

Labor market reforms should increase the availability of jobs while increasing incentives and preparedness to work. To accomplish this broad-based reform, the Government will enact welfare reform measures including a local earned income tax credit (EITC) for low-income workers and a work requirement for able-bodied PAN beneficiaries. It will also implement programs to develop critical skills in the workforce and improve employment readiness for jobseekers and students.

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<sup>35</sup> See Eissa, Nada, and Jeffrey B. Liebman. "Labor supply response to the earned income tax credit." *The Quarterly Journal of Economics* 111, no. 2 (1996): 605-637

<sup>36</sup> Federal Reserve Bank of New York, "An Update on the Competitiveness of Puerto Rico’s Economy," July 31, 2014. <https://www.newyorkfed.org/medialibrary/media/outreach-and-education/puerto-rico/2014/Puerto-Rico-Report-2014.pdf>

<sup>37</sup> The World Bank Group, via International Labour Organization, ILOSTAT database. Data retrieved in March 2017. <https://data.worldbank.org/indicator/SL.UEM.1524.ZS>

### *7.3.1 Welfare structure reforms*

To implement the human capital and welfare reform package, address labor market challenges and encourage residents to participate in the formal labor market, the Government will launch an Earned Income Tax Credit (EITC) program by January 2019, raising pay for formal laborers. The Government will also institute a work requirement for the Nutrition Assistance Program (PAN) which is currently being discussed with the Food and Nutrition Service (FNS) federal agency in order to be included as part of its FY 2020 Annual State Plan.

#### **Earned Income Tax Credit (EITC)**

The EITC is a benefit for working people with low to moderate income. To qualify, people must meet certain requirements and file a tax return, even if they do not owe any tax. The EITC reduces the amount of taxes owed and may result in a cash refund if the benefit is higher than owed taxes.

Since the welfare reform in 1996, the EITC has become the cornerstone of anti-poverty policy in the United States. It has refocused the U.S. safety net on working families, dramatically increasing employment among single women with children and removing more children from poverty than any other program. In the U.S., this translates to approximately 6.5 million people (half of whom are children) lifted out of poverty. Furthermore, the EITC improves employment rates (a \$1,000 increase in EITC benefit has been tied to a 7.3% increase in employment)<sup>38</sup> and provides increased opportunities for individuals to invest in their own futures with education, training, childcare, or other costs that improve longer-term outlook. The EITC has proven to be a powerful tool to encourage the transition into the formal labor force and file taxes.

From 2006 to 2014, Puerto Rico had a Worker's Tax Credit, which was later discontinued due to its unsuccessful individual eligibility parameters, but mostly as a cost saving measure. This prior Work Credit applied to 45% of all tax filers at a cost of \$152 million in its last year of implementation.

The implementation of the a new EITC program will be similar to the Federal EITC but adjusted to the relative wages of the Island. Eligible recipients will receive credits according to their marital status, family size, and earned income. As earnings increase, the benefit will increase up to a specified cap; at the cap, benefits will plateau and eventually decrease at the phase-out income level until it reaches \$0 (**Exhibit 28**), resulting in an **average benefit of \$525.30** per individual per year. This structure diminishes the "benefits cliff" many face as their earned income increases, as it incentivizes citizens who participate in the formal economy.

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<sup>38</sup> Hoynes and Patel 2015, <http://www.taxpolicycenter.org/briefing-book/how-does-eitc-affect-poor-families>

EXHIBIT 28: EITC BENEFIT FORMULA

EITC Benefit Formula, \$

- Benefits begin with the first dollar of reported income. As income increases, **benefits also increase at the phase-in rate** (different depending on household size), **up to the maximum credit**
- When income **reaches the phase-in cap, the benefit increase ceases**. Benefits remain constant at income levels that fall between the phase-in cap and phase-out start
- When income **reaches the phase-out start, benefits begin decreasing at the phase-in rate** for each additional dollar earned, **until income reaches the income cap** (at which point benefits are \$0)

Number of Children	Phase-in rate, %	Phase-in cap, \$	Phase-out start, \$	Individual/ Single income cap, \$	Married income cap, \$	Maximum Credit, \$
0	5.00%	6,000	18,000	20,500	21,750	<b>300</b>
1	7.50%	12,000	13,000	20,500	24,250	<b>900</b>
2	10.00%	15,000	16,000	28,500	34,750	<b>1,500</b>
3 or more	12.50%	16,000	17,000	33,500	42,000	<b>2,000</b>

For example, a single mother with two children working at minimum wage for 35 hours per week earns approximately \$12,180 annually. With EITC, she can qualify for up to \$1,500 in additional take-home pay per year, effectively raising the minimum wage by more than 12%.

The EITC program would cost approximately \$200 million per year, but it will raise formal labor force participation significantly, providing a positive return on the investment. The EITC will be implemented no later than FY2019.

**PAN Work requirement**

PAN is Puerto Rico’s largest welfare program. It is similar to the mainland SNAP, but it is funded and administered separately and does not include a work requirement nor specific budget allocations to administer such requirements. As part of the human capital and welfare reform package, the Government will institute work requirements for able-bodied adults without dependents in order to qualify for PAN benefits.

Puerto Rico has already submitted a work requirement language in its FY2019 Annual State Plan to the Food and Nutrition Service Agency. During FY2019 the Government will develop, alongside the Food and Nutrition Service Agency, the work requirement program policies, parameters, operational guidelines and compliance oversight that will be included in its FY2020 Annual State Plan submission. The annual state plan may be amended at any point throughout the fiscal year with the proper request, review, and approval by the Food and Nutrition Service Agency.

*7.3.2 Workforce development programs*

Human capital and welfare reforms should increase supply and demand for jobs; to fully close the gap and implement the human capital and welfare reform package, however, the Government is committed to ensure that its future workforce is prepared with critical skills.

## **Workforce Innovation and Opportunity Act (WIOA)**

First, the Government is updating the WIOA State Plan to focus its programs and incentives on high-priority sectors and capabilities (e.g., aerospace, software development, and creative services). WIOA is the primary way in which the Federal Government invests in adult education and workforce development, and it is designed to help jobseekers access employment, education, and support services to succeed in the labor market, and to match employers with the skilled workers they need. The Government will broaden the list of core industries that qualify under WIOA and focus on high impact economic sectors to provide a skilled workforce that meets the needs of employers in each specific region. It will integrate this WIOA program with the broader promotional efforts of the Department of Economic Development and Commerce (DDEC), iPR, and the DMO. The Government will submit a revised WIOA annual plan to the Federal Department of Labor by the end of 2018.

### **Youth development initiatives**

In addition to WIOA, the Government will help develop critical skills in the workforce through multiple proposed initiatives, including:

- **Youth development:** Investment in STEM through targeted teacher professional development and related programs; apprenticeship programs through partnership with universities and local businesses; opportunities for work-based learning and business programs; occupational opportunities and certification programs
- **Higher education:** Curriculum development grants and scholarships for UPR students focused on high-impact sectors, e.g., the IT industry and Computer Science.
- **Current labor market:** Apprenticeship Programs through collaboration with the private sector; training & certification programs focused on the areas of reconstruction efforts; creation of a job council to coordinate development and employment opportunities for youth and the unemployed

By pursuing aggressive reforms to incentivize job creation and formal labor market participation, and to improve the overall quality of human capital in Puerto Rico, the Government will fundamentally transform the Island's labor market for the better.

## **Chapter 8. EASE OF DOING BUSINESS REFORM**

### **8.1 Current state of business regulation and investment attraction**

One of the strongest means of increasing economic growth is by reducing a variety of inefficiencies related to building, expanding and attracting businesses. Easier-to-navigate regulations, less complex and faster permitting processes, and other legal and regulatory changes can encourage new businesses to hire employees and invest in growth. To quantify a jurisdiction's overall effectiveness in this regard, the World Bank created the Doing Business Index, which ranks 190 countries and entities worldwide on several core indicators. Countries and territories that have been able to meaningfully improve their ranking have shown real growth. For example, when the Republic of Georgia improved its ranking from #98 in 2006 to #8 by 2014, output per capita

increased by 66% and business density tripled. Ease of doing business remains an area in which Puerto Rico has much room for improvement.

In the 2018 Ease of Doing Business Report, Puerto Rico was ranked 64<sup>th</sup>. This represents a 9-point decline from 2017 and is 58 spots lower than the U.S., which ranks 6<sup>th</sup> overall. There are some areas of strength: Puerto Rico placed 6<sup>th</sup> for Getting Credit and 9<sup>th</sup> for Resolving Insolvencies. It has also made recent efforts to digitize government services to improve speed and accessibility, having digitized more than 50% of licenses transferred to the Unified Information System (SUI, a central and digital location for applications for licenses, incentives, autonomous municipalities, etc.) as of July 2018. However, when compared to the mainland, the Government recognizes that Puerto Rico has several areas for improvement, in particular:

**Getting Electricity (rank 69, U.S. 49):** Energy costs remain a major inhibitor to operating large-scale business efficiently on the Island. Electric bills for similar amounts of electricity can cost twice as much in Puerto Rico as it would in the U.S. mainland.<sup>39</sup> Puerto Rico's low ranking is also driven largely by low reliability of supply and transparency of tariff index -- rated a 4 (on a 0 to 8 scale) by the World Bank, compared to 8 in the U.S.<sup>40</sup>

**Dealing with Construction Permits (rank 138, U.S. 36):** It takes 22 procedures and 165 days to get a construction permit in Puerto Rico, compared to 5 procedures and 89 days in the U.S. Obtaining a permit in Puerto Rico costs 6.2% of total future value of the permit (0.3% in U.S.). Despite these challenges, Puerto Rico is already strong in its building quality control index (12 on a 0-15 scale, compared to 8 for the U.S.).

**Registering Property (rank 153, U.S. 37):** It takes 191 days to register property in Puerto Rico, compared to 12 days in the U.S.

**Paying Taxes (rank 161, U.S. 36):** Puerto Rico requires 16 payments per year (11 in U.S.), and it takes 218 hours per year to prepare, file, and pay the corporate income tax (175 in U.S.). Puerto Rico also has a comparatively high total tax and contribution rate at 63.4%,<sup>41</sup> compared to 45.8% in the U.S.

**Trading Across Borders (rank 64<sup>th</sup>, U.S. 36):** Despite the advantage enjoyed by Puerto Rico through its link to the U.S., its trading across borders ranking is more in line with regional peers (e.g., Dominican Republic and Costa Rica are 59<sup>th</sup> and 73<sup>rd</sup>, respectively). This is largely due to lengthy border handling times, which total 48 hours on average compared to 1.5 in the U.S.

In addition to needing to improve its overall business regulatory climate, Puerto Rico is lagging in its ability to attract investment and tourism. For example, in 2015-2016 Puerto Rico saw its number of jobs and establishments declining (before the effects of Maria),<sup>42</sup> and it ranks 55<sup>th</sup> overall in the World Economic Forum's worldwide Travel & Tourism Competitiveness Index (while the U.S. rank is 6).<sup>43</sup> Countries that have focused on improving investment and tourism

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<sup>39</sup> The Guardian, "Puerto Rico's Soaring Cost of Living," 2015. <https://www.theguardian.com/world/2015/jul/12/puerto-rico-cost-of-living>

<sup>40</sup> All specific U.S. comparison based on New York City, as averages vary across the country

<sup>41</sup> The total tax rate measures the amount of taxes and mandatory contributions payable by the business in the second year of operation, expressed as a share of commercial profits

<sup>42</sup> Puerto Rico Department of Labor and Human Resources, Bureau of Labor Statistics. "Puerto Rico Economic Analysis Report 2015-2016." [https://www.doleta.gov/performance/results/AnnualReports/docs/2017\\_State\\_Plans/Economic\\_Reports/Puerto%20Rico/PR%20Economic%20Analysis.pdf](https://www.doleta.gov/performance/results/AnnualReports/docs/2017_State_Plans/Economic_Reports/Puerto%20Rico/PR%20Economic%20Analysis.pdf)

<sup>43</sup> As of 2015, latest available information for Puerto Rico. Puerto Rico was not included in World Economic Forum's 2017 report due to insufficient data



have seen great success. When Ireland created its Industrial Development Authority (IDA), it transformed Ireland into a popular location for new investments.<sup>44</sup> Ireland is now home to 9/10 of the world's top pharmaceutical and software companies. Meanwhile, when Barbados created its Tourism Product Authority in 2014, it began generating returns as soon as 1-2 years later: travel and tourism direct contribution to GDP increased by 5.4% in 2015 and 10.3% in 2016; and direct contribution of tourism to employment increased by 4.3% in 2015 and 9.8% in 2016.

Recently, the Government has made important efforts to generate investment in the Island by creating the Destination Marketing Organization (DMO) and Invest Puerto Rico (iPR) in 2017, aiming to incentivize foreign direct investment (FDI), private sector investment and tourism. DMO and iPR are already operational and have started to develop their strategic plans in order to execute their respective missions.

## 8.2 Future vision for Ease of Doing Business

**Puerto Rico will achieve a best-in-class business environment by taking targeted steps to improve rankings in key identified Doing Business Index indicators by FY2023, with the goal of closing the gap with the mainland U.S. by at least 50% from its 2018 rankings:**

- Overall: Move from 64 to at least 57<sup>45</sup>
- Getting Electricity: Move from 69 to at least 59
- Construction Permits: Move from 138 to at least 87
- Registering Property: Move from 153 to at least 95
- Paying Taxes: Move from 161 to at least 99
- Trading Across Borders: Move from 64 to at least 50

In addition, in line with best-in-class investment offices,<sup>46</sup> by FY2023 **iPR shall:**

- Create 54,000 new jobs (or average 9,000 new jobs per year)<sup>47</sup>
- Lead 750 new capital investments (or average 150 per year)<sup>48</sup>
- Achieve a \$20 return in 10 years per dollar invested<sup>49</sup>

In line with best-in-class Caribbean tourism offices,<sup>50</sup> by FY2023 the **DMO will close Puerto Rico's distance with the highest ranked Latin American country and therefore:**

- Improve World Bank Travel & Tourism Competitiveness Index ranking to at least 43, closing the distance to the highest ranked Latin American country in 2018

<sup>44</sup> In 2016, the IDA supported 60,000 jobs in 2016 at a cost of ~€9,000 per job sustained, and U.S. companies had invested ~€240 billion in FDI in the country

<sup>45</sup> In line with the top ranked Latin American country in 2018

<sup>46</sup> Offices reviewed include: Ireland's Investment Development Agency (IDA), Enterprise Florida, JobsOhio, and Virginia's Economic Development Partnership (VEDP)

<sup>47</sup> Average of number of jobs created by IDA annually from 2005-2009 equaled 9,700/year. In five years, the U.S. was able to recreate all the jobs lost in the Great Recession, but this was in an environment of economic recovery and population growth. 15% is a more reasonable target for Puerto Rico

<sup>48</sup> Best practice examples: VEDP had 375 new investments in 2015; IDA had 244 total approved investments in 2016; VEDP tracked 320 companies counseled or participating in trade events

<sup>49</sup> VEDP estimates \$23 return on each dollar invested in 10 years (\$48 in 20 years). VEDP benchmark adjusted for PPP

<sup>50</sup> Such as the Barbados Tourism Product Authority and the Bahamas Ministry of Tourism

- Drive 5% annual growth in direct contribution of tourism to GDP and 5% annual growth in direct contribution to employment<sup>51</sup>
- Improve tourist service infrastructure score Of 5.4 (2015) by 10% by improving number and quality of lodging services<sup>52</sup>
- Establish exit surveys to measure visitor satisfaction, length of stay and spend for tourists to highlight key areas of improvement and focus for DMO<sup>53</sup>

### 8.3 Core initiatives to improve the ease of doing business

To improve its Ease of Doing Business Rankings and overall tourism and investment outcomes, the Government will 1) pursue core initiatives such as digitizing government services, reducing border handling times, and driving deregulation and 2) establish clear metrics and regular tracking and reporting mechanisms for iPR and DMO.

#### 8.3.1 Initiatives to improve ease of doing business rankings

To date, the Government has made major strides on digitization with the creation of the SUI, now SBP and its also is working on other reforms close the gap to the mainland on key metrics that measure the time and energy expended to register, run, or expand a business.

**Digitize Unified Information System (SUI), now upgraded to the Single Business Platform (SBP).** In addition to migrating government processes toward a streamlined and/or “one-stop shop” processes on SBP, the Government will move forms online to whatever extent is possible. This involves decoupling all non-related procedures from permitting, centralizing and digitizing permits, licenses, and incentives. The Government is targeting 100% integration into SUI by end of 2018 for the following metrics: Licenses integrated into SBP; cases filed in SUI; cases issued in SBP; concerned entities integrated into SBP; and autonomous Municipalities integrated into SBP. SBP will be the technological backbone of the DDEC’s promotional efforts in conjunction with the reorganization of the Department and the proposed Incentive Code.

**Reduce occupational licensing.** Reducing occupational licensing requirements can encourage activity in the formal labor market. Therefore, the Government will take inventory of all occupational licensing requirements and undertake reforms to reduce unnecessary regulations, thus creating a more open labor market. It will also consider joining stateside agreements to recognize licenses obtained in other states, such as the Compact for the Temporary Licensure of Professionals. Such an agreement enables professionals with licenses from other states to enter the Puerto Rican labor market without undue barriers.

**Dale Tijera.** Currently Puerto Rico has around 4,416 active regulations, of which 61% were approved during the last two decades. Some of these regulations are obsolete, inactive or impractical. The goal of the initiative is to eliminate regulations that have been identified as unnecessary or duplicative, simplify those considered too complex, and judge each regulation for

<sup>51</sup> Current state: 2.7% direct contribution to GDP and 2.1% of total employment as of 2016. Puerto Rico has historically seen an annual 4% growth rate in travel & tourism’s direct contribution to GDP and 4.6% growth rate in travel & tourism’s direct contribution to employment (2017). World Travel & Tourism Council, “Travel & Tourism Economic Impact 2017 – Puerto Rico.” Barbados set up its Tourism Product Authority in 2014; in 2015, the country saw a 5.4% increase in travel & tourism direct contribution to GDP and 4.3% increase in direct contribution to employment; in 2016, 10.3% increase in tourism GDP and 9.8% increase in tourism employment

<sup>52</sup> 10% improvement bring tourist service infrastructure in line with Barbados at 5.9 quality score, top ranked Caribbean nation

<sup>53</sup> For example, The Bahamas Ministry of Tourism uses high quality exit surveys to track and respond to visitor satisfaction and tourist habits

intent and effectiveness. Cut-the-Red-Tape initiatives have already commenced, by creating a full regulation inventory with the ultimate goal to create a unified regulations code. The Government expects to have a full inventory and recommendations of regulations to eliminate by end of FY 2019.

**Digital Reform.** The Government will implement a broad digital reform that maximizes the use of technology to streamline citizen and business services, while providing greater transparency and tracking of data in order to help sustain a modern structure for the economy of Puerto Rico. The Puerto Rico Innovation and Technology Services Office (PRITS) will provide oversight and support to Government agencies in the implementation of structural reforms that incorporate technology. Other initiatives like the recently launched Digital Dashboard (“TIM”) assist the government, and eventually the public, in keeping track of KPI’s and data. Projects like improving the PR.Gov website will facilitate online government services and make it easier to do business in Puerto Rico.

**Deregulate condominium law.** Currently, condominium laws discourage investment in real property by requiring unanimous approval by all title owners in the condominium to execute certain projects. Deregulation can promote the development of investments by rental residents, increase population density and accelerate decision-making. The Government is expecting to have an approved revamped condominium law by the end of 2018.

**Improve construction permitting.** Expedite the process for business permitting and registrations by creating a streamlined, digitized one-stop-shop system for business processes, expanding on work initiated under Act 19. Construction permits specifically required a drastic reduction in the time required (particularly the 120 days, or 73% of total time, due to Municipal evaluation), and processes/procedures (reducing 22 procedures to at most 10).

**Improve ease of registering property.** Streamline the property registry system to reduce delays from the Puerto Rico Property Registry. Also, improve geographic coverage and transparency of information on the registry system.

**Improve ease of paying taxes.** As part of the Government’s proposed Tax Reform, it will develop e-payment system for taxation wherever possible to reduce time taken to file corporate and sales tax to Hacienda.

**Improve access to reliable and affordable electricity.** In addition to the above streamlining and digitization initiatives for receiving permits, see Chapter 9 (Energy and Power Regulatory Reform) for further structural reforms to improve reliability.

**Partnering with the Federal Government.** In lieu of Puerto Rico’s lack of representation in Congress, the Puerto Rico Federal Affairs Administration (PRFAA) and the Office of the Resident Commissioner are critical to achieving equal treatment for Puerto Rico in federal funding and programs. With the collaboration of these offices and the Government, implementation of structural and welfare reforms that involve federal considerations can be undertaken more effectively. An effort to implement the recommendations of the PROMESA Congressional Bi-Partisan Task Force Report, and the execution of other Congressional or Executive measures that benefit Puerto Rico, through a stronger partnership with the Federal Government, are already underway.

**Improve trading across borders.** Efficient movement of goods across borders is a critical element of economic competitiveness. Goods that arrive in Puerto Rico are subject to a mix of federal customs procedures if coming from another country (administered by U.S. Customs and Border Patrol, CBP), and local procedures (e.g., certain tax payments). In either case,

downstream infrastructure challenges (e.g., in port ingress/egress capacity, internal transportation inefficiencies and lack of capacity, and power infrastructure), can have upstream impacts on the ability to quickly move goods in and out of the Commonwealth. According to the World Bank Doing Business Rankings, the typical time at import related to port or border handling in San Juan is 48 hours, relative to 1.5 hours in New York or Los Angeles. Improving the overall movement of goods requires an integrated effort that looks across transport infrastructure and programs at the border administered by the Government of Puerto Rico, along with close collaboration with the federal government (primarily CBP).

Domestic transport is also a major concern in Puerto Rico. Ports are spread across the Island with poor connectivity (e.g., between Ponce and San Juan), and the flow of goods across the Island's major highways and big cities is slowed by infrastructure productivity inefficiencies. Reducing this barrier to the efficient transport of goods across the Island could have a significant effect on Puerto Rico's economy, with various studies concluding that transportation improvements can lead to an uptick in growth<sup>54</sup>.

In addition to improving infrastructure productivity, the Government will focus on improving accessibility for foreign and mainland companies and easing the process of moving goods into and out of the Island. While the scope of what some other countries have done to improve border conditions is beyond the scope of what Puerto Rico is responsible for, many of the same principles apply. For instance, from 2012 to 2018, El Salvador streamlined its processes, invested in increased automation technologies, and pinpointed areas of inefficiency at its borders where additional staff were added. During those same years, El Salvador's trading across borders ranking rose 26 spots<sup>55</sup>.

Puerto Rico will use some of these strategies (e.g., automation, staff augmentation where needed, and research into specific areas of inefficiency) in tax collection and other areas where Government officials take full responsibility. By combining these principles with a robust collaborative effort in engaging the U.S. Port Authority and CBP, Puerto Rico will achieve its goal of halving the gap between its current trading across borders ranking and that of the mainland United States.

### *8.3.2 Invest Puerto Rico (iPR) and the Destination Marketing Organization (DMO)*

iPR and DMO have begun their operations, with full operationalized entities expected by the end of 2018.

**iPR** will begin tracking data (both inputs and outcomes) to inform decision-making – for example, predict and assess project ROI before providing funds or discontinue projects that are not meeting expected results based on formalized project tracking. Further, iPR will publish quarterly or annual reports, addressing key metrics and any underperformance; hold regular (e.g., quarterly) Board meetings; and track/course-correct projects on an ongoing basis, including incorporating feedback from investors and data trends. Recently, the iPR signed the contractual agreement with the DDEC for the transfer of responsibilities.

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<sup>54</sup> In California, the Mercatus Center out of George Mason University found that a 10% reduction in congestion in one of the state's urban centers corresponded to a 0.25% GDP increase and 0.18% wage growth. In New Zealand, the country's Institute of Economic Research estimated that measures to bring the roads in Auckland (New Zealand's largest urban center) to their intended capacity during the work week could boost the city's GDP by 1-1.4%. They also estimated that the benefit to the labor market could be an increase in employment of between 0.17-0.27%, and an increase in real wages of 0.31-0.48%

<sup>55</sup> <http://www.doingbusiness.org/Reforms/Overview/Topic/Trading-across-Borders>, and "Doing Business 2018: Reforming to Create Jobs" by the World Bank Group

The **DMO** will publish at least annual reports addressing key metrics. The DMO has already completed its strategic marketing plan with the new Discover Puerto Rico campaign and branding and expects to commence its national road show before the end of 2018. Also, it has completed its first hiring wave to staff up the team in order to implement the strategy.

## Chapter 9. ENERGY AND POWER REGULATORY REFORM

Over the next five years, the power sector in Puerto Rico will be transformed and modernized to support the delivery of reliable and affordable power. The Commonwealth must implement regulatory reform to enable a successful transformation and the resulting growth that the Fiscal Plan projects. As detailed in the Fiscal Plan for PREPA, the goal of the transformation of the power sector is to provide the residents of Puerto Rico with low-cost, reliable, and resilient power delivered by an efficient and financially sustainable utility in every market. The pillars of this transformation include restructuring the power generation mix to leverage low-cost sources of power, rebuilding and modernizing the power grid, implementing an operational cost transformation, executing a large-scale capital investment program with Federal funds and private sector investments, restructuring the power industry by bringing in private operators, and establishing a new rate structure to allocate costs fairly and equitably across customers.

A strong and independent regulator of the power sector is required and will additionally support the success of the power sector transformation. Clear oversight authority should provide certainty throughout the process and should provide potential investors with confidence in the appropriateness of rate structures and the overall stability of the power sector in Puerto Rico. Furthermore, the long-term sustainability of Puerto Rico's energy sector depends on having a strong, independent, and professional regulator.

### *9.1.1 Current and future state of energy regulation*

The current regulator of the power sector in Puerto Rico is the Puerto Rico Energy Bureau (PREB), formerly known as the Puerto Rico Energy Commission or PREC. The PREB is a bureau of the Puerto Rico Public Services Regulatory Board created pursuant to Reorganization Plan No. 8 of 2018 and the Puerto Rico Public Services Regulatory Board Reorganization Plan Implementation Act of August 13, 2018. As a bureau of the of PRPSRB the PREB has total decision-making autonomy regarding determinations about matters under its jurisdiction. The PREB has the responsibility to “regulate, monitor and enforce the energy public policy of the Commonwealth of Puerto Rico” as provided by a single public monopoly provider.

Under a future transformed power sector in Puerto Rico, PREB will continue to have these responsibilities as it applies to regulating, monitoring, and enforcing the energy policy of the Government of Puerto Rico, acting as the regulator for all participants in the energy sector and providing oversight over P3 Agreements executed pursuant to the Puerto Rico Electrical System Transformation Law, Act No. 120-2018

The ideal regulator for Puerto Rico can be modelled off the traditional Public Utilities Commission model used to oversee mainland U.S. utilities. The regulator is independent of the Government and operates under public service ethics and conduct rules. The regulator has autonomy in decision-making and the authority to approve the Integrated Resource Plan (IRP),

regular rate cases at two- or three-year intervals or through a formulaic rate mechanism and/or flexible rate case intervals consistent with the Fiscal Plan.

### *9.1.2 Structure of and funding for the Puerto Rico Energy Bureau*

In line with best practices for regulatory commissions (e.g. California Public Utilities Commission, Hawaii Public Utilities Commission, New York Public Services Commission), the PREB will be headed by 5 commissioners who serve staggered 6-year terms. The commissioners should be appointed based on their technical credentials, with the appointments selected from a professionally prepared candidate list. All commissioners should deliberate and vote on all cases, though some commissioners may decide to take on “lead” roles in some cases. The commissioners should be supported in their oversight role by a professional civil servant staff that has utility expertise. The roles of advisory and advocacy staff should be strictly separated to better support both fairness and due process. All commission decisions in adjudicatory proceedings should comply with the traditional requirements of administrative procedure. Separate from the regulator, there should also be an independent ratepayer advocate. This role is carried out by the *Oficina Independiente de Protección al Consumidor (OIPC)*.

The regulator is funded by the same mechanism as mainland regulators, with financing provided through rates, as independent funding for a strong regulator should be the best ROI for customers to protect their interests, increase transparency, and reduce system costs. Dedicated funding for power sector regulation should be prescribed in the charter legislation. The regulator will need an annual budget of \$20-\$30 million dollars<sup>56</sup>.

### *9.1.3 Mandate and authorities for the strengthened regulator*

To be effective, the regulator must have a clear mandate to deliver reliable, safe power at an affordable cost. The tools and authorities that the energy regulator should have to enforce this mandate are as follows:

- Approval of the rate case developed by the utility operator, including ability to mandate target rates and the use of rate structure and design tools that create predictability, minimize risk and “rate shock”, and create incentives to support equitability, economic development, and economically efficient rate designs
- Evaluation of utility operator performance incentive and total compensation structure, including a reasonable, market-based return on equity
- Approval of an updated IRP, which will guide generation and capacity needs, including approval of purchased power agreement and other contract terms and Certificate of Public Convenience and Necessity (CPCN) regulation for individual generators
- Support for and integration of renewables, distributed generation and new energy technologies as appropriate and consistent with the PREPA Fiscal Plan (e.g., through IRP process and enforcement of applicable renewable portfolio standards)
- Mechanisms providing for efficient enforcement of final orders and determinations
- Solicitation of input from public related to rates, IRP, and transformation process

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<sup>56</sup> Estimate in line with other jurisdictions; the Hawaii Public Utilities Commission had revenues of \$19M in FY2017 to serve a population of 1.4 million. \$7.6 million annual funding is assumed for the state energy regulator in the Commonwealth budget for FY19.

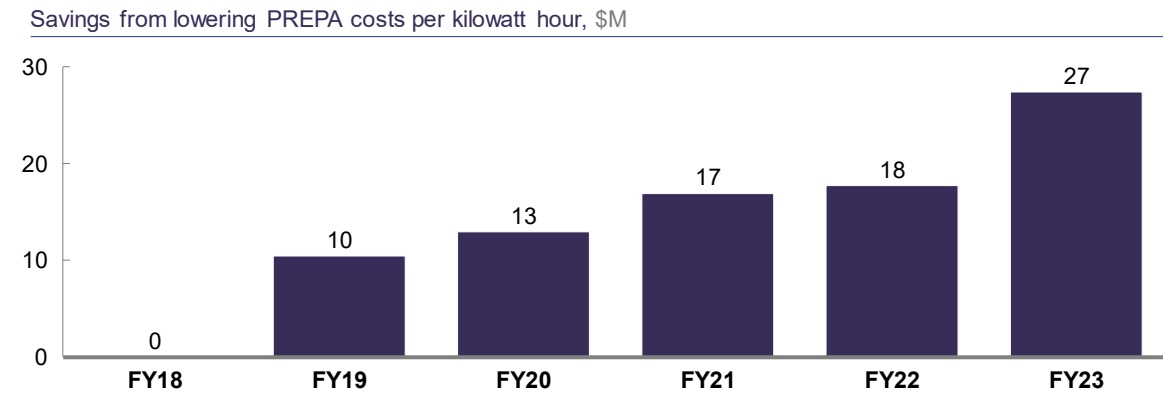
### 9.1.4 Regulatory reform implementation and transition

To enable the power sector transformation, the transition to a stronger regulatory structure must occur immediately.

The details of the future-state regulatory framework will be designed by a working group comprised of experienced professionals and stakeholders pursuant to the process outlined in Act No. 120-2018.

Regulatory reform is necessary for the successful transformation of the power sector and PREPA, which should generate significant savings to the Commonwealth through the lowering of PREPA costs per kilowatt hour to an aspirational rate of under 20 cents per kWh by FY2023.

#### EXHIBIT 29: COMMONWEALTH SAVINGS FROM LOWER PREPA COSTS



## Chapter 10. INFRASTRUCTURE REFORM

Relative to the mainland U.S., Puerto Rico's infrastructure outcomes rank near the bottom in quality and operating performance. In particular, poor transport infrastructure has contributed to congestion and thus impacted the ease of doing business on the Island. The capital investments enabled by post-Maria Federal recovery funding offers a unique opportunity to make transformational investments that support economic development. This moment is unique as FEMA has expanded overall flexibility and willingness to support more transformational investments under Section 428 (under Title IV of the Stafford Act).

### 10.1 Current state of infrastructure and capital investment

Infrastructure investment as a percentage of GDP has decreased from 3.3% in 2000 to 1.4% in 2014<sup>57</sup>, indicating a lack of recent experience in large-scale building.

In addition to the challenges with infrastructure delivery and maintenance, the poor state of transport related infrastructure is a key constraint on mobility. Puerto Rico is ranked 51st out of 52 (states + DC + PR) for quality of roads and is ranked 45th out of 52 (states + DC + PR) for

<sup>57</sup> Puerto Rico Planning Board

congestion of roads<sup>58</sup>. Urban congestion is a particular problem in San Juan and on major highways. San Juan is in the top 15% of most congested cities worldwide, according to the 2017 INRIX Traffic Scorecard. It incurs daily delays of ~54,000 hours on average, costing ~\$165 million annually in commuter cost, without including the impact of congestion on the transport of goods, or the costs of unreliability or lack of safety.

Improving traffic on major highways along which goods travel, such as PR-52 and PR-18, is critical to enhancing growth. A 25% reduction in congestion can reduce travel cost by over 6% (NCHRP Report 463). Investments to reduce congestion should prioritize the most economically important trips, or in provide alternative travel capacity to enable access despite congestion (Sweet, 2013). Targeted investments, such as “smart intersections”, dynamic tolls and reversible lanes using movable barriers will reduce delays on key routes and journeys and facilitate economic growth<sup>59</sup>.

Meanwhile, there are several critical elements that Puerto Rico will include to capitalize on the transformational opportunity afforded by historic Federal capital funding.

- a) **Build organizational structures and capabilities** in government to prioritize and deliver projects faster and at lower cost;
- b) **Prioritize projects with the highest long-term benefit-cost ratios** taking account a variety of monetizable and non-monetizable benefits; and
- c) **Systematically leverage private sector capabilities** to improve overall public outcomes

## 10.2 Organizational structures and capabilities

When creating a reconstruction plan, it is imperative to build a central capability with the skills and mandate to design an overall recovery portfolio and oversee efficient project delivery. As such, the Government created the Central Office of Recovery, Reconstruction and Resiliency as a Division of the P3 Authority to lead the coordination, development, and execution of long term recovery and reconstruction efforts. COR3 has been created based on leading practices used in many jurisdictions, including New Jersey, Louisiana, New York and New Zealand, to ensure higher accountability, transparency and coordination of disaster recovery efforts.

The COR3 should commit itself to a decision-making framework that incorporates not only the degree of damage, but also the future level of service required from the asset and future risks to that asset, when deciding how that asset should be rebuilt. New York and New Jersey received ~\$10 billion in 428 funding post Hurricane Sandy, which decreased their vulnerability and helped ensure that dollars spent then did not simply have to be re-spent cleaning up after the next storm. The COR3 will aggressively pursue next level resiliency activities with Federal funding, to ensure that Puerto Rico’s critical assets are sufficiently protected from future hazards.

Specific COR3 activities will include:

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<sup>58</sup> U.S. Bureau of Transportation Statistics

<sup>59</sup> See, Jamal Haidar, “The impact of business regulatory reforms on economic growth,” *Journal of the Japanese and International Economies*, Vol 26, 2012, pp. 285-307. In addition, there are several studies that review the impact of decongestion of roads on growth. Two examples are: New Zealand Institute of Economic Research, *Benefits from Auckland road decongestion*, July 2017, and Clifford Winston and Quentin Karpilow, *A New Route to Increasing Economic Growth Reducing Highway Congestion with Autonomous Vehicles*, Mercatus Working Paper, January 2017



- Developing, presenting and administering recovery action plans
- Financing, executing and effecting infrastructure projects related to recovery efforts
- Monitoring contracting for compliance and effectiveness purposes
- Implementing and enforce checks and balances for procurement and approval of contracts and payments
- Deploying a proven grant-management software and provide external visibility via frequent status updates to its public website
- Coordinating and channeling all efforts and activities of the Government related to recovery efforts

### **10.3 Prioritization and delivery**

The Government will employ infrastructure delivery best practices (e.g. prioritization of projects for economic impact, fast-track permitting, procurement reform). These best practices improve efficiency and transparency and should be applied to all areas of infrastructure expenditure including: reconstruction, construction and maintenance of government owned assets, and procurement of infrastructure through public corporations and Public-Private Partnerships (P3s).

The Government should pursue five sub-strategies:

#### **Set Commonwealth infrastructure priorities to guide investment**

- Set target outcomes to guide prioritization of projects
- Develop clear, systematic cost-benefit analysis and quantitative scoring to prioritize projects based on return on public investment and the ability to implement

#### **Accelerate the pre-construction process**

- Identify opportunities for local review and permitting, for as many projects as possible, to avoid delays
- For projects requiring local review, revisit existing process to reduce hurdles, and ease of meeting them, wherever possible
- Where Federal approval is needed, focus on: clarifying decision rights and confirm process with all major stakeholders; harmonizing local processes to match Federal processes and seeking waivers where applicable; ensuring transparency and clarity from Federal Government on where projects are in the pipeline; and utilizing Title V of PROMESA

#### **Build sustainable funding models and financing strategies**

- Leverage external capital, by expanding P3s and access to Federal credit (e.g., TIFIA) and grant (e.g., INFRA) programs
- Increase bankability, and eligibility for participation in a P3s by deploying monetary and non-monetary incentives (e.g., recyclability of proceeds from asset monetization, including monetization of Government-owned real estate to support the revenue models for P3s)
- Provide support to de-risk greenfield investment (e.g., reduction of early stage demand risk)

#### **Promote procurement and delivery best practices**

For projects that receive Commonwealth funding, ensure such projects:

- Develop an aligned owner organization with streamlined processes (e.g., early procurement involvement, accountable owner team oversight)
- Build an effective contracting strategy (e.g., tailored bidding process and pricing models, change order management tools)
- Utilize advanced procurement tools and approaches (e.g., rigorous clean sheet models, quantified view of Total Cost of Ownership drivers)
- Implement lean construction and digital techniques

**Build the infrastructure of tomorrow**

- Identify innovative technologies (e.g., automotive transformations, drones, new tunnel creation methods, the Internet of Things) and develop a strategy to actively promote them (e.g., AV pilot test zones), or at least find a way to not stifle their development (e.g., job trainings for displaced workers)
- Critically evaluate major new investments against future trends, to avoid disruption by innovation (e.g., avoid the buildout of excessive parking given increase in shared mobility and growth of autonomous vehicles in airports)

## PART IV: Transforming government to better serve the Island

In addition to structural reforms, the Government must also implement fiscal measures to create a sustainable fiscal future for Puerto Rico. Fiscal reforms should reduce costs while maintaining or improving the quality of important services. The wide range of government efficiency initiatives shall target an increase in revenues through new and more efficient collections activities, while decreasing government expenditures by ensuring reasonable usage of resources. The measures include the following:

**Office of the CFO** (*Chapter 11*). The Office of the CFO, (OCFO), will also be responsible for – and crucial to achieving – a variety of reforms to ensure the responsible financial stewardship of the Island’s resources. For example, through fiscal controls and accountability, the OCFO shall provide oversight to reduce historical Special Revenue Fund (SRF) deficits and drive \$71 million in run-rate savings by FY2023.

**Agency Efficiencies** (*Chapter 12*). A new model for government operations will strategically “right-size” the Government through agency consolidation and reduction and/or elimination of government services. It includes comprehensive reform initiatives in the Departments of Education, Health, Public Safety, Corrections, Hacienda/OCFO, and Economic Development, as well as consolidations and reductions within the long tail of other agencies. Agency efficiency measures must result in \$1,517 million in run-rate savings by FY2023.

**Healthcare Reform** (*Chapter 13*). Healthcare measures seek to reduce healthcare costs through a comprehensive new healthcare model that prioritizes quality relative to cost and must result in \$839 million in run-rate savings by FY2023, projected to grow with healthcare inflation.

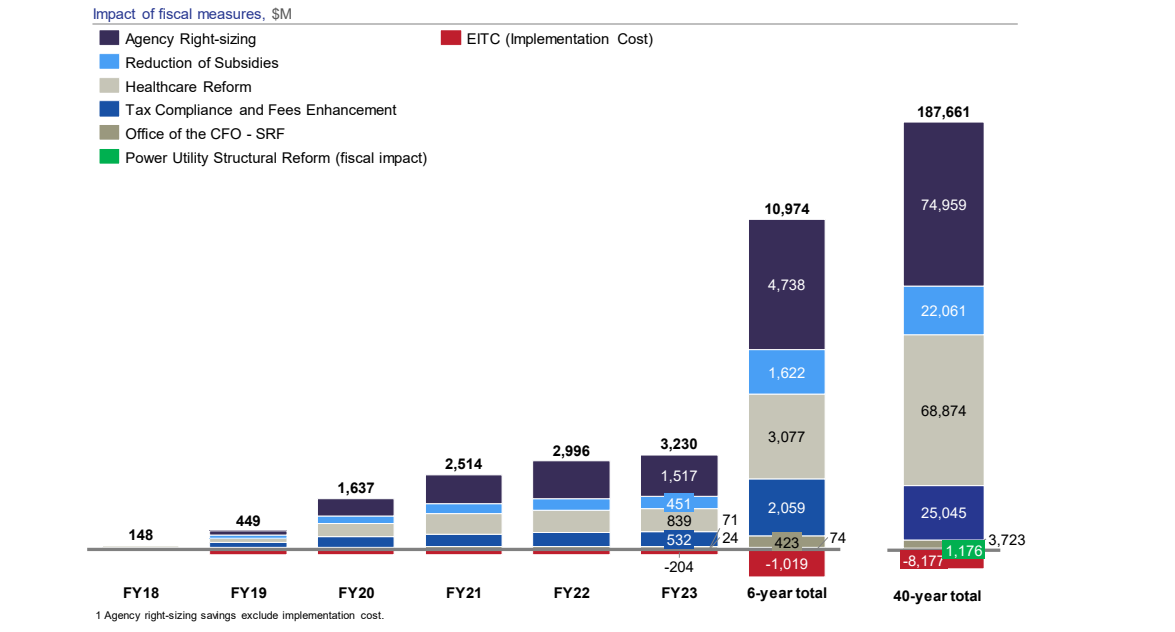
**Tax Reform** (*Chapter 14*). Puerto Rico will broaden the tax base while maintaining revenue neutrality to ensure that revenues are not unintentionally foregone

**Tax Compliance and Fees Enhancement** (*Chapter 15*). Tax compliance initiatives involve employing technology and other innovative practices, to capture revenue from under-leveraged sources. These initiatives must increase run-rate revenues by \$532 million by FY2023.

**Reduction of Appropriations** (*Chapter 16*). The central Government will decrease appropriations granted to municipalities and UPR, which must result in \$451 million in run-rate savings by FY2023.

Together, these measures are crucial to the structural balance of Puerto Rico’s economy, and are projected to result in over \$187 billion over the next 40 years (**Exhibit 30**).

**EXHIBIT 30: SAVINGS AND INCREASES IN REVENUES DUE TO IMPACTS FROM FISCAL MEASURES**



## Chapter 11. OFFICE OF THE CFO

One of the highest priorities of the Government transformation will be the implementation of the transformed Office of the CFO. The Government’s financial management functions are decentralized, fragmented and in need of improvement. This will be solved by the establishment of a strong, centralized Office of the Chief Financial Officer for Puerto Rico. Executive Orders No. OE-2017-033 and OE-2018-034 amend the original executive order creating the post of the chief financial officer in February 2013.<sup>60</sup> Among other things, the new executive order gives the CFO oversight authority over all fiscal agencies. It also separates the post from that of the Treasury secretary as originally established.

By centralizing all financial management functions, the OCFO will improve fiscal governance and forecasting, increase transparency, substantiate accountability, heighten internal controls, and improve stakeholder confidence in Puerto Rico’s financial management. Most importantly, it will enable the Government to achieve fiscal responsibility and restore access to the capital markets, two cornerstones of PROMESA.

Core objectives of the OCFO must be as follows:

- A) Centralize treasury and liquidity management
- B) Enhance budget development process and improve monitoring / performance tracking
- C) Drive standardization and integration of financial IT systems

<sup>60</sup> OE-2013-007

- D) Ensure compliance with procurement, contracts, pensions, and human resources management policies
- E) Reduce special revenue funds deficits through enhanced control mechanisms and oversight
- F) Improve timeliness of CAFR (Comprehensive Annual Financial Report) and financial reporting
- G) Centralize and validate management of funds, debt, and other financial transactions

## **11.1 Responsibilities and actions of the OCFO**

### *11.1.1 Responsibilities*

To carry out the above objectives, the OCFO will be endowed with the following responsibilities:

- The OCFO will act as the central authority over finance, budget, HR, audit, procurement, cash management, and debt issuance for all entities that receive support from the General Fund or otherwise depend on the Government's taxing authority
- The OCFO has the ability to remove any fiscal officer for violations of, or non-compliance with, the law, including failure to provide timely and accurate fiscal and financial information
- The OCFO shall oversee the transition to modified accrual accounting standards

To enable this level of centralized control, these functions must be consolidated under a single individual. The Governor has proposed that this person be the Chief Financial Officer, who will oversee the OCFO. Other offices could be merged completely or partially into Hacienda and subsequently eliminated or modified to transfer certain functions to the OCFO. These agencies include, but are not limited to: Treasury, OMB, AAFAF, OATRH, and GSA. All other fiscal functions of any departments, agencies, and instrumentalities that receive support from the General Fund or otherwise rely on the Central Government's taxing authority will fall under the OCFO's authority.

#### **A) Centralize treasury and liquidity management**

- Enforce and manage a consolidated treasury single account for the Government; this involves consolidating visibility and control of all Government bank accounts, including CU accounts at private banks and creating a true Treasury Single Account.
- Serve as the sole authority for new bank account creation and closure, as well as ongoing and ad-hoc liquidity reporting, monitoring and analysis. It must rationalize this bank account portfolio, optimize cash pooling/daily cash sweeps and treasury operations, and implement uniform accounts payable and disbursement prioritization policies, processes and reports

#### **B) Enhance budget development process and improve monitoring and performance tracking**

- Develop budgets
- Forecast and managing receipts seasonality
- Oversee all tax decrees and tax agreements issues

- Operationalize the budget in the financial system to ensure consistency between accounts and facilitate monitoring of those accounts
- Estimate, protect, and enhance collections and revenue streams, and establish budgetary priorities and oversight, including effective expense controls and procurement reform

**C) Drive standardization and integration of financial IT systems**

- Drive the comprehensive upgrade and standardization of accounting and IT systems across all agencies

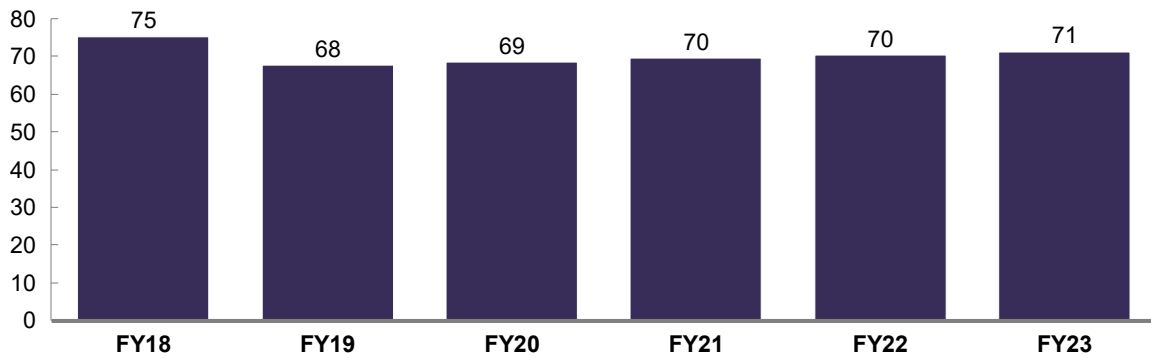
**D) Ensure compliance with procurement, contracts, pensions, and human resources management policies**

- Certify all contracts, bills, invoices, payrolls, and other evidences of claims, demands or charges related to the central Government and all entities reliant on the Government’s taxing authority, including prescribing forms of receipts, vouchers, bills and claims to be used by all agencies
- Manage centralized insurance procurement and policy management
- Oversee human resources as well as all governmental payroll operations and all government-related financial transactions.
- Implement uniform time and attendance processes, and payroll controls and reporting

**E) Reduce special revenue fund deficits through enhanced control mechanisms and oversight.** Implement an additional measure to ensure responsible stewardship of Puerto Rico’s SRF. to ensure a balance between current SRF revenues and expenses to align with the legislative mandate that SRFs cannot outspend their resources (**Exhibit 31**).

EXHIBIT 31: SAVINGS GENERATED FROM ELIMINATION OF SPECIAL REVENUE FUND DEFICIT

Summary of special revenue funds deficit reduction measure impact, \$M



**F) Improve timeliness of CAFR and financial reporting**

- Establish a clear timeline to publish the FY2016, and FY2017 CAFRs and manage it to completion as soon as possible
- Implement a new process for the publishing of the FY2018 and subsequent CAFRs within the established regulatory timeframes, and drive improvements in the process and quality of the data provided. All releases should implement the modified-accrual basis of accounting as

required in PROMESA and leverage the new forecasting, e-settlement, and analytics capabilities to support all OCFO functions

- Enact measures implementation impact forecasting and reporting

**G) Centralize and validate management of funds, transactions, and other financial transactions**

- Maintain custody of all public funds, investments, and cash. It must administer cash management programs to invest surplus cash
- Facilitate long-term and short-term borrowing programs
- Maintain control and accountability over all funds, property, and other assets controlled or managed by the Government, and oversee all tax decrees and tax agreements issued

## Chapter 12. AGENCY EFFICIENCIES

### 12.1 *Changes to agency operational expenditures*

The Government has approximately 116,500 employees<sup>61</sup> across 116 Executive Branch government agencies<sup>62</sup>, as well as agencies within the Legislative and Judicial branches (excluding large instrumentalities, e.g., PREPA, PRASA, HTA UPR, COSSEC, GDB). Compared with states serving similar populations, Puerto Rico remains an outlier in terms of number of agencies: for example, Iowa has only 36 state agencies and Connecticut has 78.

Therefore, the right-sized Government of the future will wherever possible reflect mainland U.S. benchmarks in terms of both number of agencies and size of agencies themselves to **deliver services in as efficient a manner as possible**. As part of the new Government model, the Government will **consolidate the 114 agencies into groupings and a number of independent agencies**, approximately one-third the current number. In some cases, the groupings are designed to better focus the competing efforts of multiple agencies, such as the Economic Development grouping which will consolidate ten agencies into one. In other cases, the consolidations should serve to move services closer to citizens, such as the Healthcare which will consolidate access points to important services like Medicaid. Furthermore, in cases where agencies will be left independent, measures will be applied to improve the quality of the underlying services, especially in the case of PRDE.

The plan contemplates \$172.5m in agency efficiency savings, prior to re-investment, in the first year and \$1.5b in run rate savings by year 5, all while providing the same, if not higher, level of services to the residents of Puerto Rico. In order to ensure savings targets are met, the Government has built in a 6-month planning phase and assumes savings start accruing in the beginning of CY2019. The Government is committed to making progress in implementing measures but believes it is important to have a comprehensive plan with the right amount of resources allocated to achieve the targeted cumulative savings.

Right-sizing savings as outlined in this section were generally developed using a top down approach. While the government intends to meet the aggregate savings target, operationalizing

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<sup>61</sup> Excludes transitory employees

<sup>62</sup> Excludes agencies which currently have \$0 operating budget and no employees

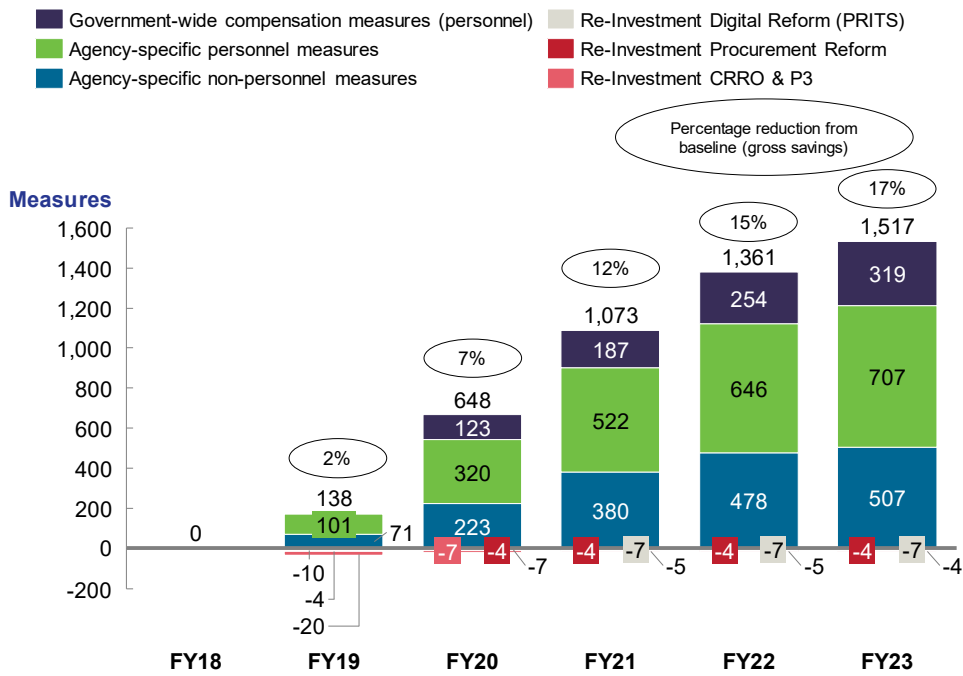
a reorganization of this magnitude comes with its challenges. **As a result, the Government intends to re-apportion monies between agency budgets to ensure that both the service level provided to the citizens of Puerto Rico are not diminished and savings targets are achieved.**

The implementation of a massive re-organization as proposed in this plan requires implementation costs including professional services support, Voluntary Transition Plan (“VTP”) costs, and the payout of statutory liabilities. This revision incorporates \$36M in professional fees, \$564M of VTP implementation costs and \$125 million of statutory liabilities<sup>63</sup> through FY23.

Total savings from agency-specific personnel and non-personnel measures are shown in **Exhibit 32**, as well as Government-wide compensation-related measures which will ensure properly-resourced compensation through continuing a payroll freeze and standardizing healthcare benefits.

**EXHIBIT 32: SUMMARY OF AGENCY EFFICIENCIES IMPACT**

Savings from agency efficiencies measures, \$M



<sup>63</sup> VTP participants continue being paid for a finite period of time depending on the agency and program they participated in. VTP implementation costs account for the continued payment of salary/benefits for that time. The payout of statutory liabilities includes the payout of accrued PTO (capped at 2 months per Act 26), reimbursement of pension contributions (for employees with < 5 years’ service) and the incremental Paygo on account of employees retiring earlier than what the actuarial curve would suggest.



12.2 Approach to agency efficiency measures

There are 2 principal actions that have been applied to each agency to achieve these targets:

- **Agencies will be merged** when benchmarking and best practices determine that activities across agencies could be better served through a single mission and management to eliminate redundancies, and/or where economies of scale make shared services more economical without reducing quality of service.
- **A subset of agencies will be left independent but made more efficient** through a series of streamlining efforts related to both personnel and operations, allowing the agency to provide existing services at a lower cost to taxpayers. Additionally, some agencies within certain agency groupings will remain independent and will be able to use scale efficiencies through the consolidation of support functions via a shared services model. These independent agencies will enter into a Memorandum of Understanding with other agency grouping counterparts to implement the shared service model.

To the extent legislative approval is required to carry out agency changes, the Government will present reorganization plans to the legislature. Since the commencement of Fy19, the Government has successfully presented and received Legislative approval on a number of reorganization plans in support of the agency efficiency savings presented herein.

The target savings methodologies are organized below (**Exhibit 33**).

EXHIBIT 33: SAVINGS TARGETS FOR AGENCY EFFICIENCIES

Savings targets, % off of baseline			
	Closing	Merging	Efficiency
Back-office	100%	40-50%	15-20%
Front-line	100%	Variable	Variable
Non-personnel operations	100%	30%	20%

12.3 Compensation-related initiatives

**Instituting a payroll freeze**

The Government implemented a measure to freeze all payroll expenses which became law in FY2017 (Act-3-2017). This measure is expected to yield \$262 million in annual savings by FY2023 if continued.

**Standardizing healthcare provided to government employees**

Medical insurance is a core benefit provided to all government employees. However, the degree of coverage varies widely across government agencies, with some employees receiving superior coverage compared to their peers.

To ensure fairness and reduce expenses, the Government will **standardize the health insurance received by each employee so that everyone<sup>64</sup> receives \$125 worth of benefits per month, or \$1,500 per year.** This initiative will be fully implemented by the start of FY2020 and is expected to yield \$56.5 million in run-rate savings.

**Reducing additional outsized non-salary compensation paid to employees**

There are several policies that the Government will continue to enforce through the duration of the Fiscal Plan that will impact personnel spend. These include:

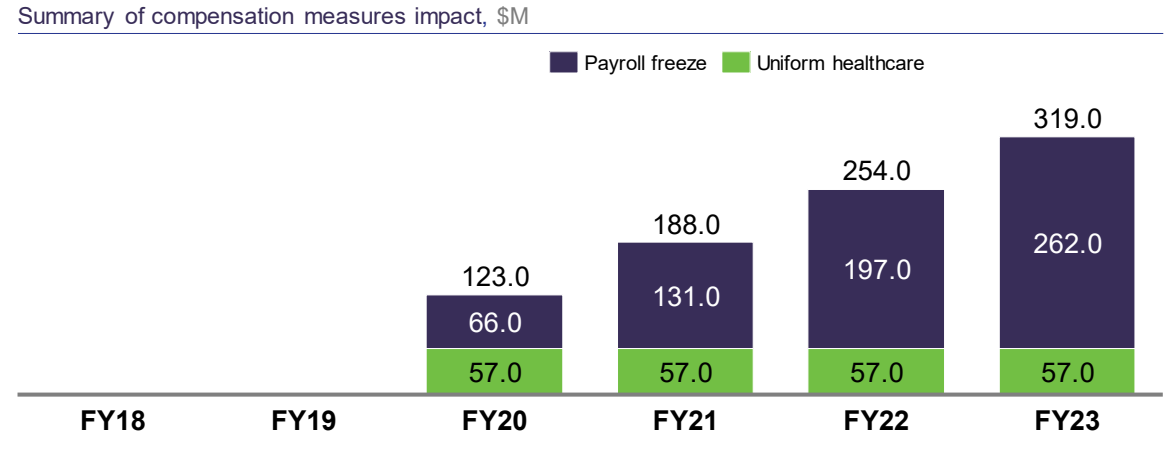
- Asserting a hiring freeze for Commonwealth Agency employees with stringent requirements for backfilling positions left open by attrition or workforce reduction. This hiring freeze was implemented through Executive Order 2017-1.
- Limiting paid holidays to 15 days annually across all public employees – Act-26-2017.
- Prohibiting carryover of sick and vacation days between fiscal years – Act-26-2017.
- Prohibiting any future liquidation of sick days and capping liquidation of vacation days at 60 days – Act-26-2017.

The fiscal impacts of these policies are captured in the baseline expenditures of the Fiscal Plan. These policies will remain in place so as to not increase personnel expenditures.

Total savings from compensation-related measures will reach a run-rate of \$319.0 million per year beginning in FY2023.

Annual savings targets are summarized below (**Exhibit 34**).

**EXHIBIT 34: COMPENSATION-RELATED MEASURES SUMMARY OF IMPACT**



<sup>64</sup> Excludes employees of State Insurance Fund Corporation and Automobile Accident Compensation Administration. These public corporations generate their own funds like PREPA. Therefore, a more tailored approach is necessary.

## 12.4 Department of Education (PRDE)

### 12.4.1 Current state and future vision for the Department of Education

Throughout the last decade, PRDE has encountered longstanding challenges which have contributed to low academic performance, including bureaucratic hurdles associated with operating as a single local education agency, inability to execute professional evaluations tied to quality outcomes in the classroom, and lack of a cohesive lasting strategy for academic improvement.

In addition, PRDE, the largest agency in the central Government by spend, is outsized relative to need. While student enrollment has declined considerably over the past few decades (over 50% decline since its peak in 1980, and by about 33% in the past decade alone),<sup>65</sup> the number of schools and teachers has not decreased proportionally (with only about a 30% reduction in public schools since 1990).<sup>66</sup> With an expected additional student decline of 14-16% over the next 6 years, PRDE has significant room to right-size its education system relative to number of students. Tightening its system will give PRDE the flexibility and funding to focus on improving the quality of education provided.

To improve the capabilities and capacity of the Puerto Rican population, the Government will need to set high aspirations. PRDE aims to improve student academic achievement by **reducing the achievement gap by 12% annually on Puerto Rico proficiency tests**, achieving 80% proficiency in Spanish, 73% in Mathematics, and 77% in English; and further, improving the graduation rate to 90% by FY2023. This mandate is not easy but is attainable through a series of education efficacy and efficiency measures as well as targeted reinvestment in student and teacher outcomes.

This year, the Department of Education has benefitted from an influx of federal funding that has been targeted at getting schools back up and running, while helping children recover from and adjust to a post-hurricane world, and for that we are very grateful. The way we have been able to prepare for this school year has been unprecedented in tending to the academic, social-emotional, and overall well-being of our children, and has highlighted the basic needs that have been underserved in our system for years. As we think about what the future looks like for the children of Puerto Rico's educational system, we recognize we will again be underfunded and fall behind in some of the most critical areas if unable to identify external funding to support these needs.

Some of the most pressing needs that the Department of Education anticipates will be underfunded include:

- Student information system, e.g., system support, upgrades, teacher and principal training
- Student services, e.g., safety/security, social-emotional health, nurses, wrap-around services for students and families
- Technology maintenance and security and devices including curriculum integration, teacher and principal training

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<sup>65</sup> Helen F. Ladd and Francisco L. Rivera-Batiz, "Education and Economic Development in Puerto Rico" The Puerto Rican Economy: Restoring Growth, Brookings Institution Press, Washington, D.C., 2006, 189-238

<sup>66</sup> There were 1,619 public schools in 1990 and 1,131 at the time of reporting. Oversight Board Listening Session, Secretary Julia Keleher, "On the Road to Transformation," November 30, 2017

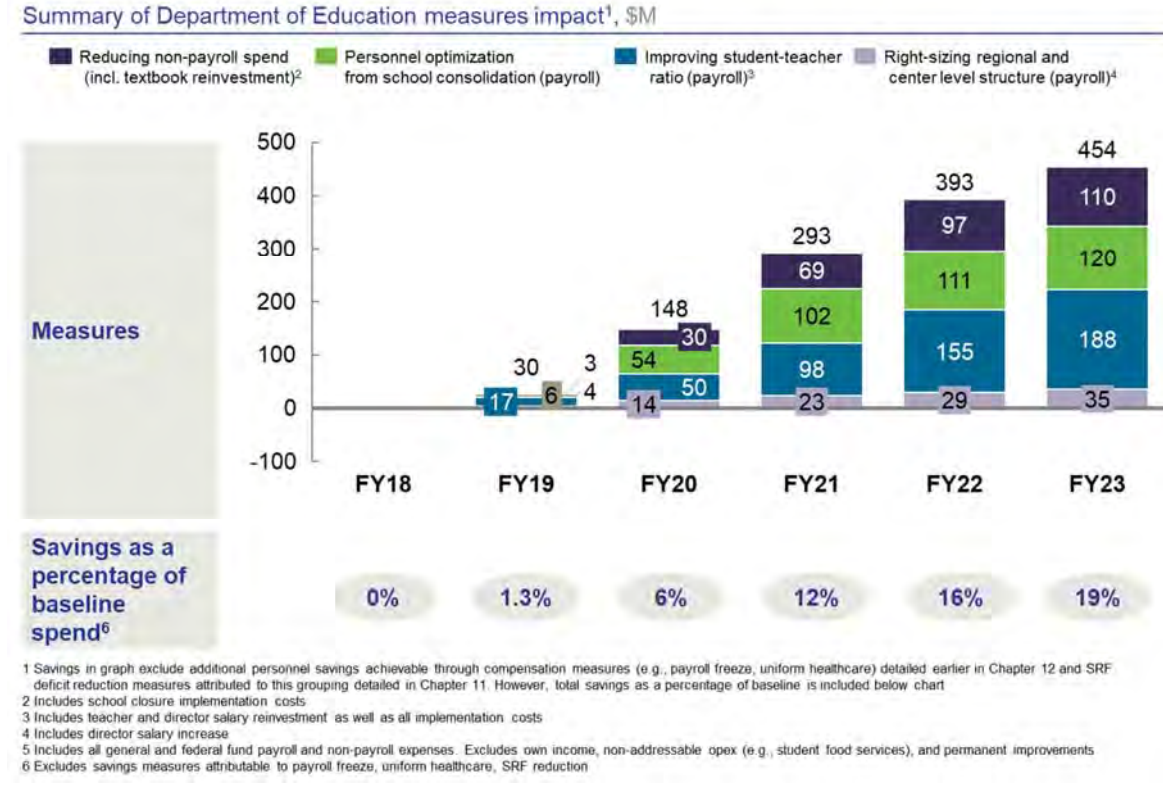
- Transportation management and routing system, e.g., allowing for periodic route optimization and vendor performance management
- Teacher and administrator professional development
- Bilingual education support, including curricular support; products and services; teacher recruitment, training, and retention
- Classroom materials, e.g., manipulatives / licenses / basic materials for teachers / classroom furniture kit by grade by subject matter
- Extracurricular programming to attend to the needs of the whole child, e.g., after school sports, arts programs
- Automated staffing system
- Facilities maintenance and upkeep, strategic portfolio management

Strategic external support in any of these areas will take us farther down the path of the transformation we are working so hard to achieve.

#### *12.4.2 PRDE Efficiency measures*

PRDE will achieve \$27 million in net personnel savings and \$3 million in non-personnel savings in FY2019, excluding any savings accrued from the elimination of the Special Revenue Fund deficit and implementation of the uniform healthcare measure. Refer to **Exhibit 35** for annual personnel and non-personnel savings that will be achieved through FY2023. To accomplish this, PRDE could consolidate its footprint (including schools, classes, teachers, and administration), modernize facilities, revise the curriculum, and equip teachers with what they need to succeed. Measures will generate \$454 million in run-rate savings inclusive of funds needed for requisite reinvestments to increase quality.

EXHIBIT 35: EDUCATION RIGHT-SIZING SUMMARY OF IMPACT



*Reducing non-payroll spend through consolidating the K-12 school footprint and procurement*

Consolidation of schools will also enable higher quality outcomes at lower cost by enabling systems to invest in a smaller number of higher-performing schools. Each school closure should save an estimated \$47,000 annually by reduction of facility costs.

Independent of, but accelerated through, consolidations, PRDE procured spend should be reduced by approximately 10-15% through centralized procurement policies including strategic purchasing and demand controls.

*Personnel optimization from school consolidation*

The number of school staff is expected to decline proportionally to the projected decrease in number of schools due to attrition and VTP programs. This should result in \$120.3 million in savings by FY2023.

*Improving student-teacher ratio*

Puerto Rico’s student-teacher ratio is currently 11:1, compared to approximately 16:1 in many comparable districts on the mainland such as Miami-Dade County Public Schools in Florida. Puerto Rico’s student-teacher ratio will only continue to decrease with the projected student enrollment declines in the coming years. To address this, teacher staffing levels will be reduced to reach a target student-teacher ratio of 14:1. This ratio is slightly smaller than the mainland benchmark due to several constraints specific to Puerto Rico, such as its currently poor student

outcomes and its extremely high proportion of special education students. These teacher-focused measures should achieve \$188.3 million in run-rate savings by FY2023, inclusive of transition costs under workforce reduction policies (e.g., liquidation of vacation pay). The savings figure is also reduced to reflect additional investment in increased salary for remaining teachers (detailed below).

*Right-sizing regional and center level structure*

Rather than function as a single Local Education Agency (LEA), PRDE shall create regional LEAs (**Exhibit 36**).

EXHIBIT 36: LOCAL EDUCATIONAL AGENCIES FUTURE STATE REGIONS



This new regional LEA model will be leaner while also decentralizing the administration of individual schools, putting decisions closer to students and families and improving outcomes. Developing and relying on local leadership must also allow PRDE’s central administrative structure to right-size to staffing levels comparable to state educational agencies (SEAs) in comparable mainland U.S. states. Currently, the central administration has one staff per 133 students projected in FY2022; the 50<sup>th</sup> percentile of U.S. states is a ratio of 1:166. A decentralized model also decreases dependency on the secretary’s office for day-to-day decision making, building capabilities of second-line management at the regional level.<sup>67</sup>

Implementing the regional LEA model must allocate administrators more effectively for decision-making. The model shall decrease headcount requirements at the regional level and central level; further, allocation of administrators in less costly regional centers (as opposed to centrally)

<sup>67</sup> Oversight Board Listening Session, Secretary Julia Keleher, “On the Road to Transformation” November 30, 2017

should enable cost savings on retained positions. Each regional office is expected to have capable leadership and staff to execute core functions, including operations, student services, accountability, and academic standards. This model results in a total of \$35.3 million in run-rate savings each year from less costly regional positions and reduced central staff, while seeking to improve PRDE operations and student outcomes.

#### *12.4.3 Reinvestment in education outcomes*

The education of the children of Puerto Rico, and their successful entrance into the workforce, is a core goal of PRDE. Investment in education has also been shown to drive long-term economic growth – and in the case of Puerto Rico is projected to add 0.16% increase in GNP growth by FY2048 and keep growing thereafter (*see Section 4.2 for further discussion of GNP impact*). As a result, it is important that some of the savings from education measures are reinvested to drive student and teacher outcomes. PRDE will drive two such initiatives, both funded through reinvesting right-sizing savings:

1. Teacher development and retention
2. New educational materials such as textbooks

#### *Teacher development and retention*

Teachers are considered one of the most determinative factors in student success in the classroom and standard of living beyond the classroom. For example, one U.S. study found that classes with an average-quality teacher had a lifetime income of \$266,000 higher than classes with a poor-quality teacher in each year.<sup>68</sup> Improved education through enhanced teacher quality is critical to the long-term success of the children of Puerto Rico and will help to lift a new generation of U.S. citizens of Puerto Rico out of poverty. Recognizing this, PRDE has committed to transforming system practices related to attracting, retaining, and developing teachers and administrators:

1. **Providing increased opportunities for and higher quality of training** (e.g., in-class; through leadership academies; STEM development through collaboration with universities)
2. **Creating opportunities for targeted skill development** (e.g., instituting mentorship programs to enable coaching by experienced and high-performing teachers as a cost-neutral, and often high impact, initiative)
3. **Investing in teacher salaries that approach mainland comparators.** Teachers in Puerto Rico have not received a pay raise in nearly a decade, while salaries on the mainland consistently increase in keep up with cost of living. Salaries are significantly lower than mainland comparators, causing Puerto Rico to lose out on opportunities to attract and retain talent in its teacher and administrator positions. The Government will implement a \$1,500 annual salary increase for teachers<sup>69</sup> and \$23,000 annual salary increase for directors<sup>70</sup> to begin closing this gap, although the gap remains large, and incentivize retention of highest quality teachers.

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<sup>68</sup> Raj Chetty, John N. Friedman, and Jonah E. Rockoff, “The Long-Term Impact of Teachers: Teacher Value-Added and Student Outcomes in Adulthood,” National Bureau of Economic Research, 2011

<sup>69</sup> In 2016, mainland U.S. teachers earned an average salary of over \$58,000 (U.S. Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts, table 6.6D, August 2016). The average salary for a teacher in Puerto Rico (less benefits) is approximately \$32,000 per year. An increase of \$1,500 per year would bring average teacher salary to \$33,500, still approximately 42% lower than the mainland U.S.

<sup>70</sup> Directors in Puerto Rico currently receive a salary of \$42,000. The mainland benchmark for Elementary, Middle, and High School Principals is approximately \$92,500 per year (Bureau of Labor Statistics 2018). An increase of \$23,000 per year would bring average director salary to \$65,000 in Puerto Rico, still approximately 30% lower than the mainland U.S.

These teacher-focused reforms will be funded through reinvestment of right-sizing measures and are factored in to the measures overall savings as described above. Such reforms will have dramatic impact on student outcomes not only in school but beyond, as they enter the workforce and lead a new generation in Puerto Rico.<sup>71</sup>

*New educational materials including new textbooks*

Teachers are currently limited in their ability to provide the best educational opportunities because of the limited resources available, including up-to-date textbooks. Therefore, \$75 per student (FY2019-FY2021) will be invested in procuring new textbooks, or \$21-24 million each year as one-time costs. This will be funded through reinvestment of non-payroll savings created by measures and is factored into the measure savings as described above.

**12.5 Department of Health (DOH)**

*12.5.1 Current state and future vision for the Department of Health*

Currently, the Government has several health-related agencies that are highly fragmented: three public corporations, three public hospitals, seven sub-secretaries, six regional offices, and eight program offices administering 64 Federally funded programs — all with their own support functions. Such fragmentation drives up cost, as each agency provides their own human capital management, procurement, and financial support. Citizen experience and care delivery also suffer.

In the future state, the Governor has proposed that the Department of Health consolidate 5 agencies with centralized support functions: The Department of Health (DOH); Medical Services Administration (ASEM); Health Insurance Administration (ASES); Mental Health and Addiction Services Administration; and Puerto Rico and the Caribbean Cardiovascular Center Corporation (**Exhibit 38**). This new DOH should enable efficiencies while maintaining high quality public health. Consolidating these five agencies should provide opportunity for right-sizing support functions, as well as centralizing procurement to provide savings on costly medical materials and equipment.

EXHIBIT 38: AGENCIES INCLUDED IN FUTURE STATE DOH

1 Department of Health	4 Mental Health and Addiction Services Administration
2 Health Insurance Administration (ASES)	5 Puerto Rico and the Caribbean Cardiovascular Center Corporation
3 Medical Services Administration (ASEM)	

*12.5.2 Efficiency measures for the Department of Health*

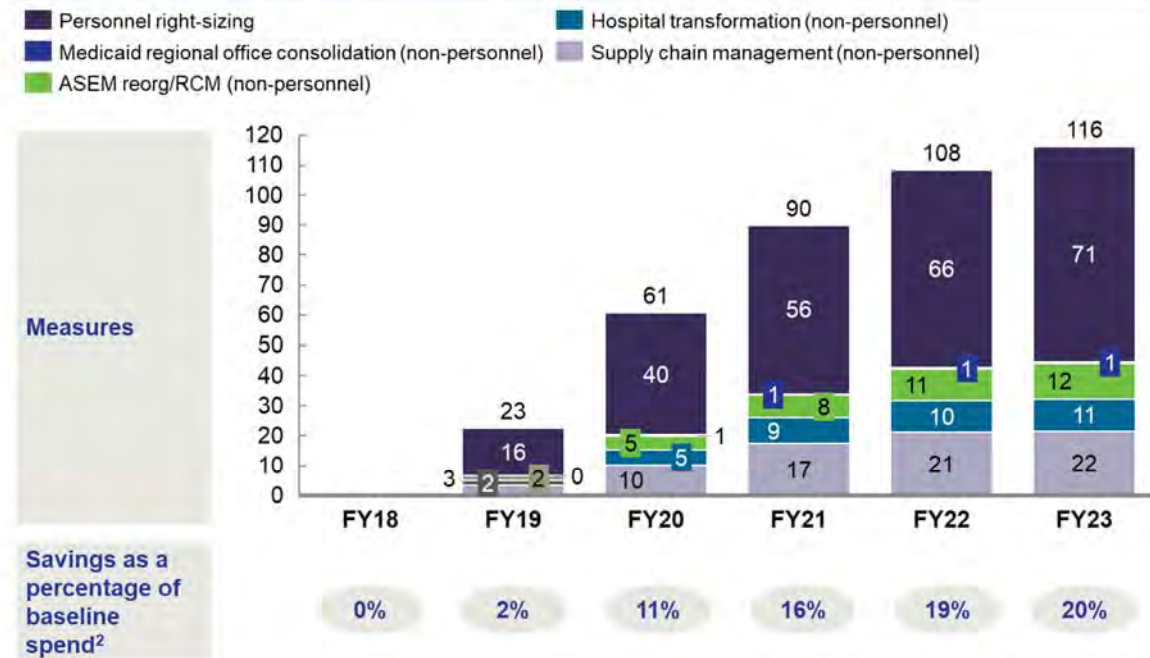
By bringing together five major agencies to create the Department of Health (DOH), the Government will take advantage of personnel and non-personnel savings that can be achieved through consolidation. DOH will achieve \$16.5 million in personnel savings and \$6.7 million in non-personnel savings in FY2019, excluding any savings accrued from the elimination of the Special Revenue Fund deficit. Refer to **Exhibit 39** for annual personnel and non-personnel savings that will be achieved through FY2023.

<sup>71</sup> For example, reducing teacher absenteeism, which was found to reduce 4th-graders' math test scores by 3.2% of a standard deviation for every additional 10 days of teacher absence, could create a step change in student proficiency



EXHIBIT 39: DEPARTMENT OF HEALTH RIGHT-SIZING SUMMARY OF IMPACT

Summary of Department of Health measures impact<sup>1</sup>, \$M



<sup>1</sup> Savings in graph exclude additional personnel savings achievable through compensation measures (e.g., payroll freeze, uniform healthcare) detailed earlier in Chapter 12 and SRF deficit reduction measures attributed to this grouping detailed in Chapter 11.  
<sup>2</sup> Excludes savings measures attributable to Christmas bonus, payroll freeze, uniform healthcare, SRF reduction

*Personnel optimization and centralization*

The Government should centralize and consolidate support functions, including finance, HR, legal, revenue cycle management, procurement, grants management, and epidemiology. Improved management and oversight of these functions, and reductions associated with consolidation, will result in \$71.4 million in run-rate personnel savings by FY2023.

*ASES and Medicaid consolidation and optimization*

Medicaid currently has 85 offices across 78 municipalities that can be consolidated into fewer, more strategic locations. Reducing the Medicaid office and regional hospital office structure will eliminate duplication of effort and redundancies –and allow the Department to provide more robust services at convenient locations. In addition, The Medicaid Office will redesign the eligibility and enrollment process (web based, MCO dependent, hospital responsibility, etc.) and encourage online services to improve data management. Best practices from the mainland include engagement of third-parties within hospitals to identify and enroll eligible patients into the Medicaid program.

Consolidation of regional centers and Medicaid optimization should result in \$500,000 in run-rate savings by FY2023.

*Supply chain management*

Due to the large volume of spending on procuring medical supplies and equipment, and the high cost of such materials, there is a significant opportunity to improve procurement efficiency through best practice supply and demand management, and better employing economies of scale. In FY2018, there was over \$188 million in addressable non-payroll spending (excluding any hospital expenses) across all agencies. This measure to reduce non-payroll spend through procurement efficiency could amount to \$22 million run-rate savings by FY2023.

*Hospital management transformation*

In addition to other agencies’ non-payroll savings, hospital transformation will likewise seek to improve procurement savings specifically for hospitals and health systems, which will focus on commodity standardization and sourcing, indirect spending (analyzing insourcing vs. outsourcing opportunities), and physician preference item optimization.

Holistic hospital transformation efforts should also reduce payroll spend through clinical labor optimization, which is captured in the “personnel optimization” measure. For example, wages should be optimized to fair market value to reduce turnover and therefore temporary/overtime spend; and role/responsibilities should be optimized to skill level and wage rate. This measure would result in \$11 million in run-rate savings by FY2023.

*Restructuring ASEM and Revenue Cycle Management*

ASEM is a public corporation originally created to serve as a central procurement office for government hospitals to create economies of scale for medical supplies, devices, and services. Throughout the years, rates, salaries, and services have increased at a higher rate than within the broader industry, and procurement processes have decentralized across the hospitals ASEM was created to serve.

The focus areas of this measure include: 1) Establishing a centralized Medical Center including ASEM, University, Pediatric and Cardiovascular hospitals; 2) Identifying and establishing key hospitals across the Island; 3) Designing and implementing a referral system among key hospitals and clinics; and 4) Establishing a physician network. Improvements will be made to personnel, process, and technology. This measure would result in \$12 million of run-rate savings by FY2023.

**12.6 Department of Public Safety (DPS)**

*12.6.1 Current state and future vision for DPS*

The Department of Public Safety (DPS) is an agency grouping which was approved by Puerto Rico’s Legislature in 2017 (Act 20) and includes six agencies responsible for **ensuring the safety and security for all residents of the Island**. The grouping includes the following agencies:

EXHIBIT 39: LIST OF AGENCIES IN DPS GROUPING

1 Puerto Rico Police Department (PRPD)	4 Emergency Management and Disaster Administration Agency
2 Firefighters Corps	5 9-1-1 Services Governing Board
3 Emergency Medical Services Corps	6 Institute of Forensic Sciences

The largest agency by spend and personnel is the Police Department (~85% of total DPS spend). As a result, most of measures identified within the grouping apply to the Puerto Rico Police Department (PRPD).

**The process of calculating right-sizing savings for DPS entailed an analysis of starting headcount versus targeted headcount based on industry benchmarks. The starting headcount was overstated resulting in overstated savings. As a result, monies will be re-apportioned from other agencies with excess budget to DPS. This will ensure the safety and well-being of the residents of Puerto Rico. The total amount of monies that will be re-apportioned from other agency budgets to the DPS will be \$32.8m in FY19.**

One of the PRPD's main responsibilities is to manage violent crime, defined by the FBI as "murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault."<sup>72</sup> **Puerto Rico currently spends more on police per violent crime than most U.S. states**, even after adjusting for differences in PPP; while the PRPD spends \$97,939 per violent crime, the U.S. 50-state median level of spend is only \$88,905.

This elevated spend is partially because **the rate of violent crime in Puerto Rico has been decreasing for the past 10 years without a simultaneous decrease in police officers**. While there was an average of 258 incidences of violent crime per 100,000 citizens between 2007 and 2011, the rate of crime decreased to 242 per 100,000 between 2012 and 2016. This decline continues into 2018<sup>73</sup>.

It is thus the time to take a closer look at the PRPD, not only due to the elevated spend and diminished violent crime rate, but also in conjunction with a 2013 consent decree agreement with the U.S. Department of Justice on reform measures, which compelled the PRPD to conduct a staffing allocation and resources study to assess the proper size of the police force. **The Department is currently undergoing a transformative process to address the requirements under the agreement**, and the measures within the Fiscal Plan will complement these efforts.

#### *12.6.2 Efficiency measures for DPS*

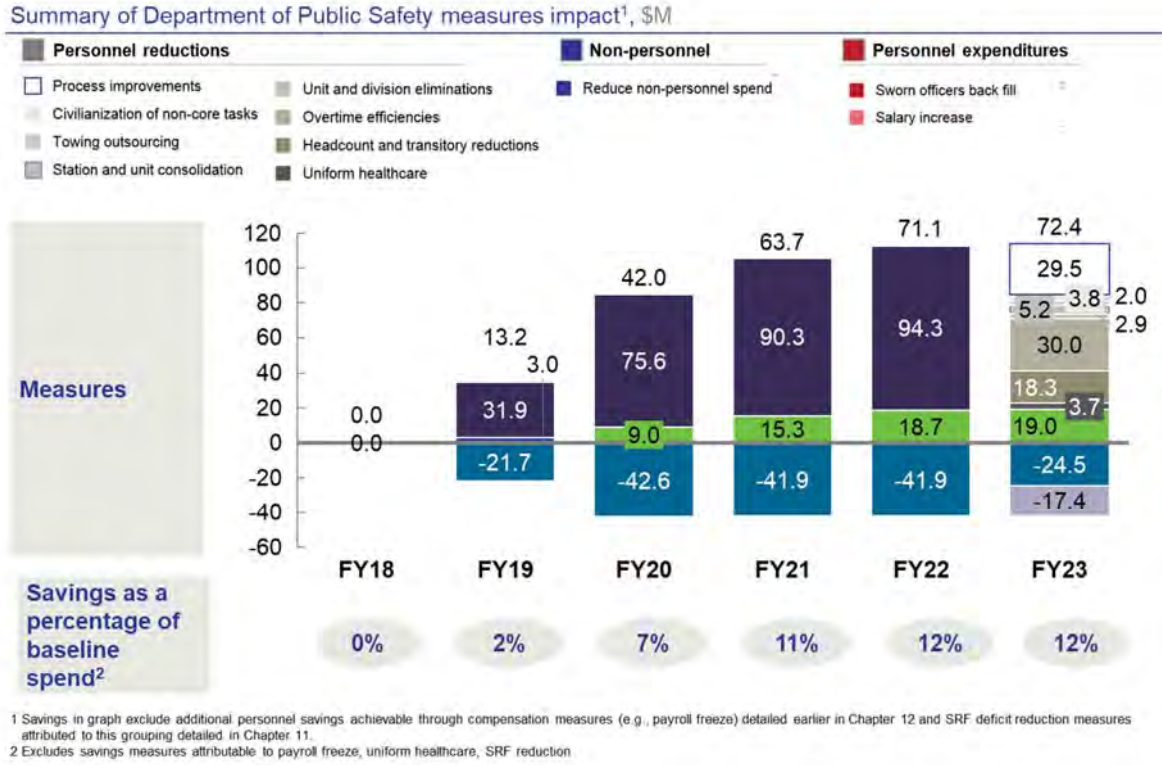
DPS must achieve \$10.3 million in net personnel savings and \$3.0 million in non-personnel savings in FY2019, excluding any savings accrued from the elimination of the Special Revenue Fund deficit. Refer to **Exhibit 39** for annual personnel and non-personnel savings that must be achieved through FY2023.

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<sup>72</sup> <https://ucr.fbi.gov/crime-in-the-u.s/2010/crime-in-the-u.s.-2010/violent-crime>

<sup>73</sup> "Natural Disasters and Social Order", International Journal of Mass Emergencies and Disasters

EXHIBIT 39: DPS SUMMARY OF MEASURES IMPACT



*Process improvements*

DPS should **reduce administrative tasks and activities** by leveraging modernization, including digitization of incidence reporting, automation of time and attendance, and consolidation of statistical reporting. Furthermore, DPS will streamline vehicle maintenance processes through superior scheduling and procurement protocols, which can reduce the need for vehicle maintenance staff. Process improvements would lead to \$29.5 million in run-rate savings by FY2023.

*Civilianization of non-core tasks, including outsourcing towing*

DPS should replace sworn officers currently performing civilian duties—such as mechanics, radio operators, records and report keepers, area command statistics compilers, and maintenance workers—with **less expensive civilian personnel**. Additionally, DPS can outsource towing services to a third-party vendor to cover approximately ~93% of towing needs. These initiatives would lead to \$5.8 million in run-rate savings by FY2023.

*Station, unit, and division consolidation and eliminations*

DPS should **consolidate police stations, transit units, and specialized units** to reduce the amount of administrative personnel required (e.g., station desk officers, station commanders and directors, stations auxiliary commanders and directors, and vehicle managers). Simultaneously, DPS should **eliminate units and divisions** which perform duplicative services already provided by other agencies within the Government (e.g., the Divers Unit, the

Rescue Squad Division, and Mounted Divisions). These initiatives should jointly lead to \$8.0 million run-rate savings by FY2023.

#### *Overtime efficiencies*

The Government spent approximately ~\$50 million on overtime last year (excluding the outsized overtime needs resulting from Hurricane Maria). This level of overtime is considerably higher than the PPP-adjusted overtime for comparable police forces in U.S. mainland states. For instance, Connecticut, which has a similar population to Puerto Rico and a slightly-higher number of violent crimes (273 per 100,000 inhabitants vs. 224 per 100,000 inhabitants in Puerto Rico), had PPP-adjusted overtime spend of only ~\$28 million in 2017. This gap comes even though Connecticut's total police spend per capita is ~\$140 less than in Puerto Rico<sup>74</sup>.

Through the levers identified in the above measures, in addition to general efficiencies in scheduling and overtime management, DPS can **reduce paid overtime by 60%**. Overtime efficiency efforts should lead to \$30.0 million run-rate savings by FY2023.

#### *Sworn officers back fill and headcount/transitory reductions*

According to a Government analysis conducted in response to the PRPD's ongoing consent decree adjudication under the U.S. Department of Justice, there is a need to **redeploy sworn officers to fill capacity deficiencies in operational functions**<sup>75</sup>. This redeployment will lead to a need for 644 additional officers to be deployed to the field. This measure will lead to \$24.5 million run-rate additional costs by FY2023. Simultaneously, attrition and headcount reductions among non-sworn, regular DPS employees (~162 employees), as well as facilitating the departure of 50% of DPS transitory employees, can create \$18.3 million in annual savings by FY2023.

#### *Salary increase*

To ensure that DPS continues to **retain police officers**, despite the presence of significantly higher-paying positions within police departments on the U.S. mainland<sup>76</sup>, DPS should institute a \$1,500 annual raise for all sworn personnel by FY2019. This measure is expected to lead to \$17.4 million run-rate additional costs by FY2023.

#### *Uniform healthcare and non-personnel spend*

As detailed earlier in this Chapter, these measures to **standardize employee healthcare and decrease non-personnel spend** through procurement optimization (e.g., police fleet vehicles) should lead to \$3.7 million and \$19.0 million in annual savings by FY2023 for uniform healthcare and non-personnel spend, respectively.

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<sup>74</sup> Connecticut Office of the State Comptroller; census data 2014; FBI Crime Justice Information Services

<sup>75</sup> The report is expected to be completed mid-2018

<sup>76</sup> Current average salary for a sworn officer in Puerto Rico is \$34,600, which is ~45% of U.S. median according to the Bureau of Labor Statistics (Police and Detectives)

## 12.7 Department of Corrections and Rehabilitation (DCR)

### 12.7.1 Current state and future vision for DCR

DCR manages the functions and policies of the Puerto Rican correctional system, including penal institutions and rehabilitation facilities, for men, women, and juveniles. Population served consists of 10,504 inmates at prison and detention facilities, and approximately 7,831 adults under the jurisdiction of DCR in a community program. The Correctional Health agency provides healthcare to the adult imprisoned population. The combined FY2018 budgets were \$438 million, and it includes a total of 7,081 employees of the DCR and 564 of the Correctional Health agency.

#### EXHIBIT 40: LIST OF AGENCIES IN DCR GROUPING

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1 Department of Corrections and Rehabilitation

2 Correctional Health Department

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**DCR's daily cost ("per diem") per imprisoned, community and juvenile individual served is substantially higher than the peer prison systems within mainland U.S.** The adult imprisoned program is dependent on an outdated, maintenance deferred network of 35 low capacity prisons and detention centers. Per diem of adult imprisoned population varies substantially among facilities ranging from \$66.26 to \$205.10. This per diem is significantly affected by a \$20.62 per diem for correctional health services for this population. Occupancy of facilities utilized to serve the adult imprisoned population is approximately 87%.

The community population is served by 12 regional offices throughout the Island. Per diem of the community population is \$7.01.

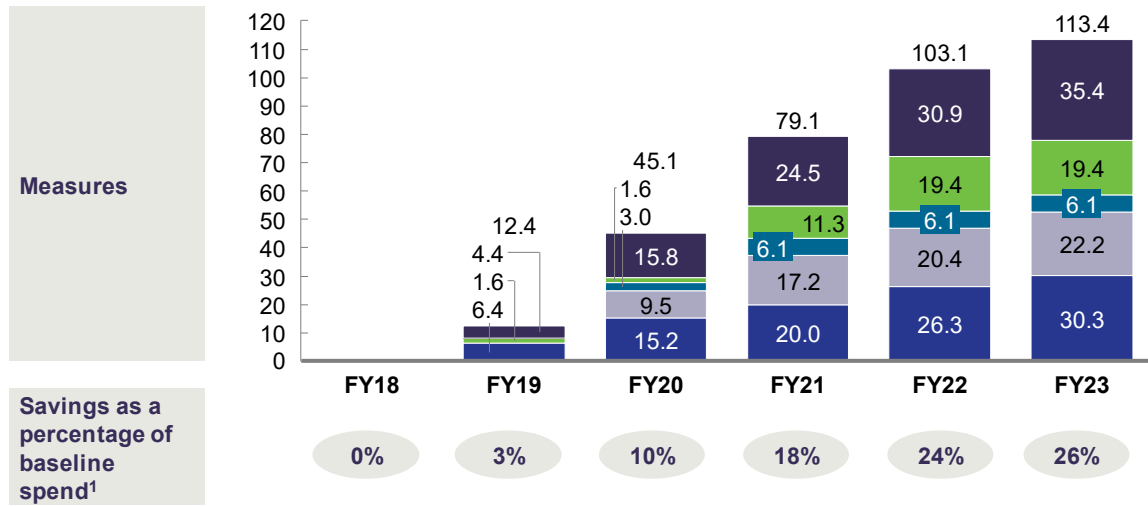
Juvenile population is housed at three facilities with an average per diem of \$691.40, as compared to mainland facilities of \$280.

By **rightsizing Puerto Rico's correctional facilities and footprint** to reflect changes in the prison population and improving procurement effectiveness on all corrections categories, the Government will achieve five-year cost savings of \$353 million.

**EXHIBIT 41: DCR SUMMARY OF MEASURES IMPACT**

Summary of Department of Corrections measures impact, \$M

- Adult Imprisoned Program
- Community Program
- Government Wide Attrition
- Juvenile Program
- Central Office Optimization



<sup>1</sup> Baseline of \$438 MM includes overtime expense

*Outsourcing of Prison Services for Adult Population*

The externalization of prison services to approximately 30% of the adult male population will enable DCR to consolidate eleven facilities with a range of per diem from \$66.26 to \$199.92, DCR estimates that the externalization process will be executed in four stages within the next four fiscal years with a target population of 3,200 inmates. A proposal was already received from one private prison operator offering savings of \$35.4 million by FY23.

DCR will realize further efficiencies through the improved procurement process for the acquisition of correctional health, food and other services required to serve the imprisoned population remaining in Puerto Rico. Presently, DCR spends annually approximately \$77 million in correctional health services for the adult population and \$21 million in food services, including commissary and laundry services. The consolidation of facilities and the improved procurement of goods and services will reduce the per diem of the imprisoned adult population to \$82.40 at the end of the five-year plan resulting in run-rate savings of \$22.2 million by FY23.

*Consolidation of community programs*

DCR will consolidate 7 regional offices dedicated primarily to the population serving its sentence in one or various community programs. Through this consolidation, DCR anticipates run-rate savings of \$6.1 million will be achieved by FY23. Notwithstanding, DCR is also presently

considering the partial or full externalization of the direct services offered to this population. Under this alternative, savings may potentially be accelerated to prior fiscal years. The potential savings from this initiative are not yet fully analyzed.

#### *Externalization of Services to Juvenile Population*

DCR spends \$42 million in services offered to the juvenile population in three facilities currently in use. DCR will gain efficiencies through the consolidation of facilities in FY2020. Feasibility studies will be conducted for the construction or rehabilitation and operation of a consolidated facility through the modality of a private-public partnership. Annual savings of \$19.4 million will be achieved starting on FY2022. Nonetheless, DCR is presently considering the externalization of the services rendered to the juvenile population through an operational agreement. Under this externalization mode, savings may be accelerated to FY2020. A request for proposal document is in process of revision and intended for distribution in mid FY2019.

To further enable savings from consolidations and reduced FTEs, DCR may contemplate initiatives to actively reduce prison population as appropriate, such as early release with electronic

#### *Non-personnel optimization – Additional Opportunities*

DCR currently spends \$64 million on **procurement**, costs that can be reduced through a variety of means, including leveraging the Federal General Services Administration, utilizing e-auctions, launching competitive Requests for Proposal (RFPs), centralizing purchasing to the greatest extent possible, and outsourcing/contracting responsibilities. Using benchmark savings percentages for major spend areas would result in ~\$8 million potential savings opportunity, excluding correctional healthcare.

For **correctional healthcare**, the Government currently spends ~\$6,000 per inmate based on the terms of the Correctional Health Services Corporation contract. By comparison, the 50<sup>th</sup> percentile of U.S. states spend \$3,800 per inmate.<sup>77</sup> Bringing this per-inmate spend in line with the 50<sup>th</sup> percentile of U.S. states would generate annual savings of ~\$23 million by FY2023.<sup>78</sup> DCR can unlock these savings by renegotiating existing contracts, launching competitive RFPs for other correctional healthcare providers that will provide terms more in-line with mainland spending practices, reconsidering level of service due to the currently declining prison population, and strategically evaluating insourcing options.

## **12.8 Office of the CFO (OCFO)**

### *12.8.1 Current state and future vision for Office of the CFO*

Currently, the financial management functions—as well as basic administrative functions—of the Government are spread across several entities; for instance, the Office of Management and Budget is responsible for administering the Annual Budget of Puerto Rico, the General Services Administration is responsible for procurement processes, and ownership of other fiscal and payroll responsibilities are distributed across another four agencies. This distribution has led to historical problems for the Government, as the number of bank accounts, special revenue funds,

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<sup>77</sup> Source: Pew data 2011, normalized for GDP PPP and inflated to 2017 dollars based on CPI data (2011-2017 compounded inflation rate of 10%)

<sup>78</sup> Pew data, 2011



and other untracked funding and expenditure streams have proliferated. Indeed, the lack of one office that has authority over all revenues and expenditures—and is also accountable for balancing the budget—has been a **major barrier for the Commonwealth’s ability to regain its fiscal sustainability and publish accurate and timely financial reporting.**

As discussed above, the Government is **consolidating all financial management, HR and procurement activities under the OCFO.** The OCFO will have authority and accountability over the following agencies, which could be consolidated, reorganized or eliminated:

**EXHIBIT 42: LIST OF AGENCIES IN HACIENDA / OCFO GROUPING**

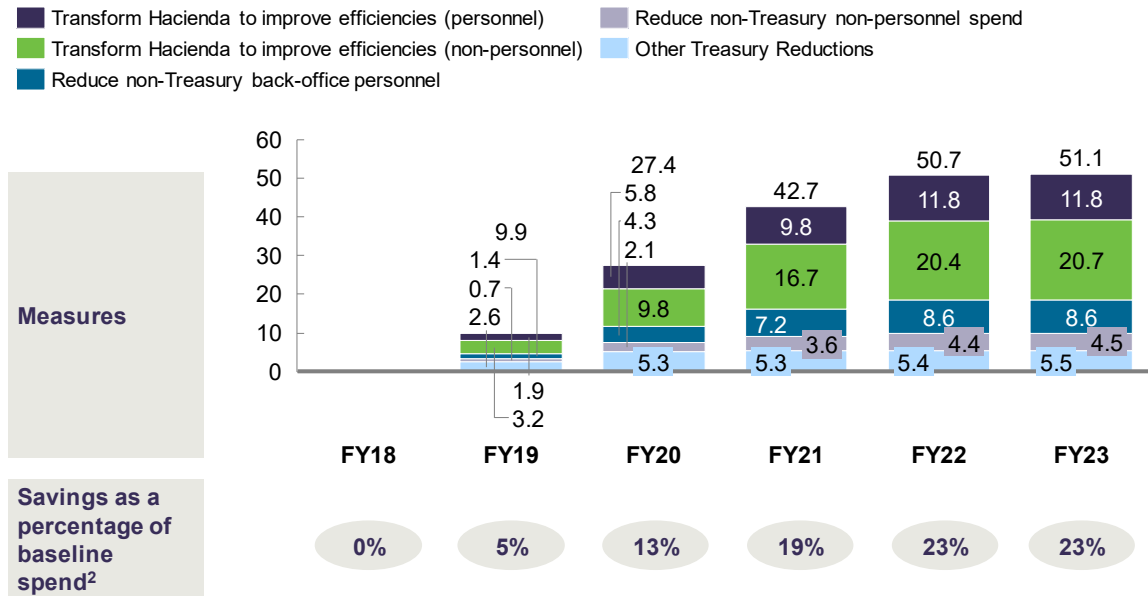
1 Department of Treasury (Hacienda)	4 General Services Administration
2 Office of Management and Budget	5 Financial Advisory Authority and Tax Agency of Puerto Rico (AAFAF)
3 Office of Administration and Transformation of HR	

**12.8.2 Efficiency measures for Hacienda / Office of the CFO**

Hacienda / OCFO will achieve \$3.7 million in personnel savings and \$6.3 million in non-personnel savings in FY2019, excluding any savings accrued from the elimination of the Special Revenue Fund deficit and implementation of the uniform healthcare measure. Refer to **Exhibit 43** for annual personnel and non-personnel savings that must be achieved through FY2023.

**EXHIBIT 43: OFFICE OF THE CFO SUMMARY OF MEASURES IMPACT**

Summary of OCFO measures impact<sup>1</sup>, \$M



<sup>1</sup> Savings in graph exclude additional personnel savings achievable through compensation measures (e.g., payroll freeze, uniform healthcare) detailed earlier in Chapter 12 and SRF deficit reduction measures attributed to this grouping detailed in Chapter 11.  
<sup>2</sup> Excludes savings measures attributable to payroll freeze, uniform healthcare, SRF reduction

### *Transform Hacienda to improve efficiencies*

Hacienda itself will attain an overall **15% net reduction in costs (approximately \$33 million), which is 25% gross (approximately \$54 million)** which is in line with the level of cuts seen in other Treasury Department transformations. For instance, a transformation within Her Majesty's Revenue and Customs agency in the UK successfully cut costs by 25% over a five-year period through a series of management initiatives, including reducing IT costs, increasing operational efficiency, reducing the real estate footprint, and overall process improvement.<sup>79</sup> Many of initiatives can be leveraged by Hacienda, in addition to reforms unique to Puerto Rico, including but not limited to:

- Partnerships with private banks to reduce real estate and personnel footprint (estimated to save approximately ~\$20 million per year)
- Non-personnel spend (e.g., support service consolidation) and procurement optimization (estimated to save approximately ~\$12 million per year)
- Initiatives related to digitization and general process and efficiency improvements

While Hacienda must target gross reductions of 25%, 40% of these reductions (~\$16 million) should be **reinvested in compliance activities**, providing the budget for hiring additional Hacienda employees needed to implement new compliance activities, as well as for technology investment. After subtracting the ~\$22 million to be reinvested in compliance activities, this measure amounts to \$32.6 million in annual net savings by FY2023.

**Right-sizing savings for Hacienda were based on high-level consolidation assumptions. In order to properly carry out the goals of the OFCO, monies will be re-apportioned from other agencies with excess budget to the OCFO budget. The total amount of monies that will be re-apportioned from other agency budgets to the budget of OCFO will be \$14m in FY19.**

### *Reduce non-Treasury back-office and non-personnel*

Overall **back office and non-personnel savings** targets are detailed in *Section 12.2*, and include levers such as procurement optimization, consolidation of support functions, and similar initiatives. Back office savings must lead to \$9 million run-rate savings by FY2023, and non-personnel savings must lead to \$5 million in annual savings by FY2023.

## **12.9 Department of Economic Development (DDEC)**

### *12.9.1 Current state and future vision for the Department of Economic Development*

DDEC includes a consortium of agencies critical to **incentivizing and managing the economic recovery of Puerto Rico's private sector** following recent seismic changes to the marketplace, including the removal of Federal corporate tax incentives and the debilitating impact of Hurricanes Irma and Maria. To promote growth, DDEC is driven by a strategic economic plan to promote high-impact projects, reenergize existing industries, and promote new strategic initiatives. In addition, DDEC manages a variety of programs on the Island intended to promote Puerto Rican entrepreneurship, youth employment, and other critical economic development functions. In the aftermath of Hurricane Irma and Maria, these programs will be

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<sup>79</sup> National Audit Office, "Reducing Costs in HM Revenue & Customs," 2011

crucial for the vitality of the Puerto Rican economy through increasing participation in the job market and attracting new business to the Island.

The agencies consolidated are as shown below (**Exhibit 44**).

EXHIBIT 44: LIST OF AGENCIES IN DDEC GROUPING

1 Department of Economic Development and Commerce (DDEC)	6 Commonwealth of Puerto Rico Regional Center Corporation
2 Puerto Rico Industrial Development Company	7 Local Redevelopment Authority for Roosevelt Roads
3 Puerto Rico Trade and Export Company	8 Permits Management Office
4 Office of Industrial Tax Exemption	9 Puerto Rico Tourism Company
5 State Office of Energy Policy	10 Planning Board

The agencies within the grouping are responsible for a variety of efforts to maintain a robust economic marketplace within Puerto Rico, including supervising public policy, creating and retaining jobs, attracting capital investment, and promoting tourism. However, the diffusion of these weighty responsibilities across so many agencies has led to an **inconsistent approach to overall economic development**.

Under the new grouping construct, DDEC will be better able to coordinate its efforts to spur economic development by providing clear goals and metrics for success. In addition, it will drive savings by reducing the back-office operations of the newly-consolidated agencies, pursuing digitization, procurement centralization and other efforts to reduce non-personnel spend, and reducing the number of front-line personnel to better reflect mainland standards for a right-sized economic development operation.

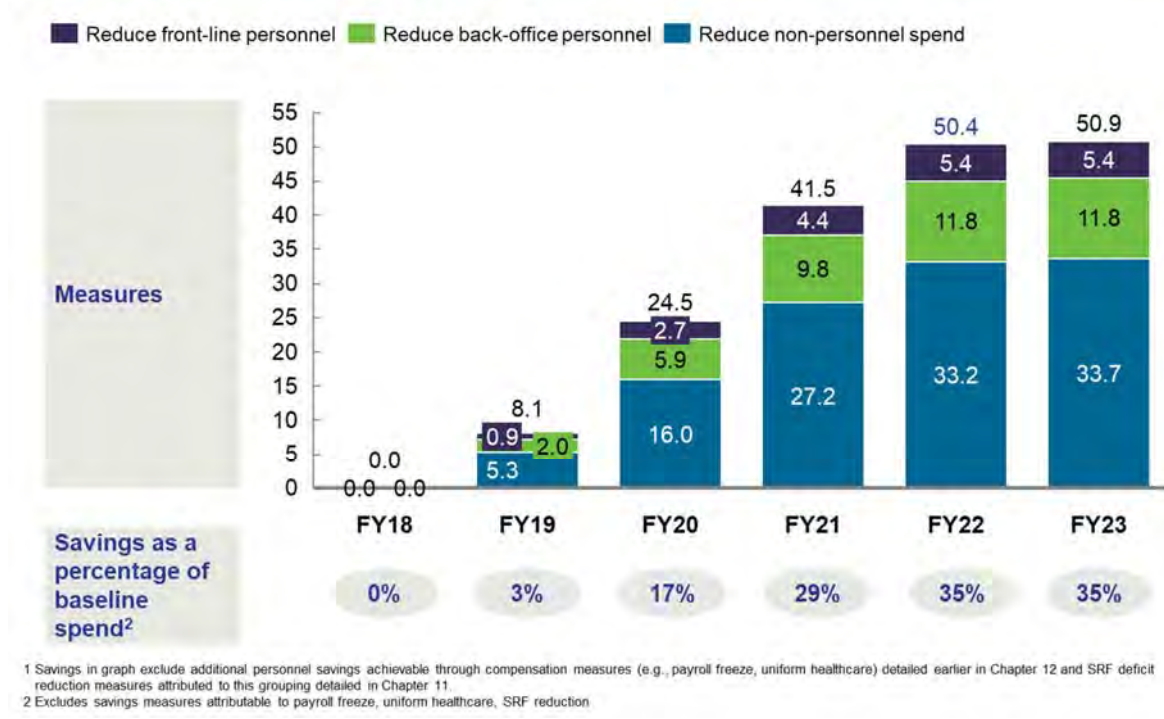
*12.9.2 Efficiency measures for DDEC*

- The DDEC budget will include **carve outs for the Destination Marketing Organization and Invest Puerto Rico**, as these institutions will perform complementary functions to DDEC.
- Each entity within DDEC grouping should have **clearly defined responsibilities and governance structures** that limit costs moving forward and prevent overlapping duties among agencies in the grouping (e.g., specific marketing / promotion agency mission should be separate from the corporate development / retention agency)

DDEC will achieve \$2.8 million in personnel savings and \$5.3 million in non-personnel savings in FY2019, excluding any savings accrued from the elimination of the Special Revenue Fund deficit and implementation of the uniform healthcare measure. Refer to **Exhibit 45** for annual personnel and non-personnel savings that must be achieved through FY2023.

EXHIBIT 45: DDEC SUMMARY OF MEASURES IMPACT

Summary of Department of Economic Development measures impact<sup>1</sup>, \$M



*Right-size the number of front-line employees*

DDEC will **reduce front-line personnel** by 20% to ensure a streamlined, efficient organization, leading to \$5.4 million in annual savings by FY2023.

*Right-size the number of back-office employees*

A government analysis identified a redundancy in service of back-office personnel across DDEC.<sup>80</sup> DDEC will **consolidate back-office operations** of the newly-merged agencies as detailed in *Section 12.2*, leading to \$11.8 million run-rate savings by FY2023.

*Optimize non-personnel spend*

DDEC must pursue a variety of initiatives to **reduce non-personnel spend**, primarily centered on procurement optimization and digitization of operations (e.g., digitizing the permit application process), as detailed earlier in Chapter 12. These initiatives will lead to \$33.7 million run-rate savings by FY2023.

**12.10 All other agencies**

Additional agency groupings were evaluated using a top-down approach which primarily relied on the levers and initiatives highlighted earlier in Chapter 12.

<sup>80</sup> DDEC analysis, 2018

The summary of the savings for this group of agencies is as follows:

- **FY18:** \$0.0
- **FY19:** \$75.9 million
- **FY20:** \$195.1 million
- **FY21:** \$292.2 million
- **FY22:** \$346.5 million
- **FY23:** \$356.1 million

#### *12.10.1 Importance of enabling agencies that promote public integrity and transparency*

There is wide agreement that to drive a successful fiscal transformation within the Government of Puerto Rico, it will be important to promote public integrity and transparency at every turn. Within the Government, several agencies are dedicated to maintaining oversight and fiscal responsibility. The functioning of these agencies is critical to achieving the goals and ensuring the long-term sustainability of the fiscal plan. Accordingly, the budgets for the Office of the Comptroller and the Office of Government Ethics will not be affected by agency-specific right-sizing measures.

## Chapter 13. HEALTHCARE REFORM

### 13.1 Current State of Puerto Rico’s Medicaid program

Prior to Maria, 46% of Puerto Ricans received their health coverage through the Commonwealth’s state-run insurance program, Mi Salud; this was the highest share of publicly-funded health insurance coverage in America, with the next highest state, West Virginia, covering only 29% of its population under public plans.<sup>81</sup> In addition to its large coverage population, Puerto Rico lags mainland states in both health outcomes and access. Puerto Ricans face higher rates of chronic conditions like hypertension (11.3%-points higher than the U.S. mainland), diabetes (4.4%-points higher), and asthma (1.6%-points higher).<sup>82</sup> Only 28% of the 62,000 Mi Salud members with diabetes and 17% of the 132,000 Mi Salud members with hypertension are in the respective disease management programs. Puerto Rico also has higher premature birth and infant mortality rates,<sup>83</sup> and higher rates of adults reporting fair or poor health.<sup>84</sup> At the same time, 72 of Puerto Rico’s 78 municipalities are deemed “medically underserved areas,”<sup>85</sup> with 500 doctors leaving

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<sup>81</sup> Kaiser Family Foundation, “Medicaid State Fact Sheets: Percent of People Covered by Medicaid/CHIP, 2015”

<sup>82</sup> CDC (Centers for Disease Control and Prevention), “BRFSS Prevalence and Trends Data,” 2015-2016. Behavioral Risk Factor Surveillance System

<sup>83</sup> Puerto Rico infant mortality rate is 6.4 per 1000 (2016) vs. U.S. 5.8 per 1000; premature birth rate is 11.8% vs. 9.6% in U.S. “Puerto Rico,” World Factbook (Washington, DC: CIA)

<sup>84</sup> 35.4% of Puerto Ricans report fair or poor health, versus 17.9% U.S. average, and 19.3% in Florida and 22.0% in Mississippi (two most comparable states). Table 3, Krista Perreira et al. Urban Institute. Jan 2017. “Environmental Scan of Puerto Rico’s Health Care Infrastructure”

<sup>85</sup> Areas with a shortage of personal health services, e.g., areas or populations that have too few primary care providers, high infant mortality, high poverty, and/or high older adult population

per year (pre-Maria). Puerto Rico has half the rate of specialists as compared to the mainland in critical fields (e.g., emergency physicians, neurosurgeons).<sup>86</sup>

Mi Salud covers individuals through three primary funding sources: Federally-matched Medicaid, the Children’s Health Insurance Program (CHIP), and the Commonwealth’s self-funded insurance program for low-income adults who do not qualify for Federally-matched Medicaid. An additional 8% of the Puerto Rican population receives some benefits from Mi Salud as part of the Platino program, which supports Medicare recipients who also qualify for Medicaid (also known as “dual-eligible”). Annually, these programs collectively cost \$2.89 billion (as of FY2018), with the Commonwealth responsible for the clear majority of costs due to caps on Federal matching (see Section 5.1.3 for more information on Medicaid Federal funds). Puerto Rico faces real and growing challenges with rising healthcare costs, with premiums growing significantly faster than inflation. Even with some cost containment measures in place, per-member per-month (PMPM) disbursements rose 6.3% from FY2017 to FY2018. And based on national healthcare cost inflation trends plus increased post-hurricane need, Mi Salud PMPMs are projected to rise by nearly 40% over the next 6 years in the absence of additional measures.

The Bipartisan Budget Act of 2018 (BBA 2018) provides the Commonwealth temporary relief from raising healthcare costs by expanding the amount of Federal reimbursement over the next 13 months. Starting in September 2019, however, the Commonwealth will hit a “Medicaid cliff” whereby it will be responsible for multi-billion-dollar annual healthcare expenditures unseen since before the passage of the Affordable Care Act provided additional Federal funding in 2011. It is crucial, therefore, that ASES take advantage of the additional runway provided by the BBA funding to put in place reforms that reduce long-term health expenditure growth rates.

## 13.2 Future vision for healthcare reform

The future vision for the Puerto Rican healthcare system is to promote an overall healthier population through provision of high-quality services to all citizens in need. To do so, the Government has proposed targeting the following:

1. **Decrease the annual per-member cost growth rate to the median level of Medicaid growth rate** by implementing value-based healthcare reforms, such as new payment models to incentivize care integration among providers
2. **Shift care from higher-cost to lower-cost channels**; for example, reducing the number of emergency room visits and encouraging and enabling the role of primary care physicians in providing preventative care
3. **Drive better health outcomes for the population**, indicated especially by reduced rates of chronic conditions among adults
4. **Coordinate healthcare initiatives in the community** to promote efficiency of services and a community-wide focus on health

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<sup>86</sup> U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, “ASPE Issue Brief: Evidence Indicates a Range of Challenges for Puerto Rico Health Care System” (Jan 12, 2017)

### 13.3 Key initiatives for healthcare reform

Addressing Puerto Rico’s healthcare challenges while also reducing costs will require a portfolio of targeted actions in the short term (e.g., reducing waste and abuse) and long term (e.g., structural reforms to healthcare model to improve quality relative to cost).

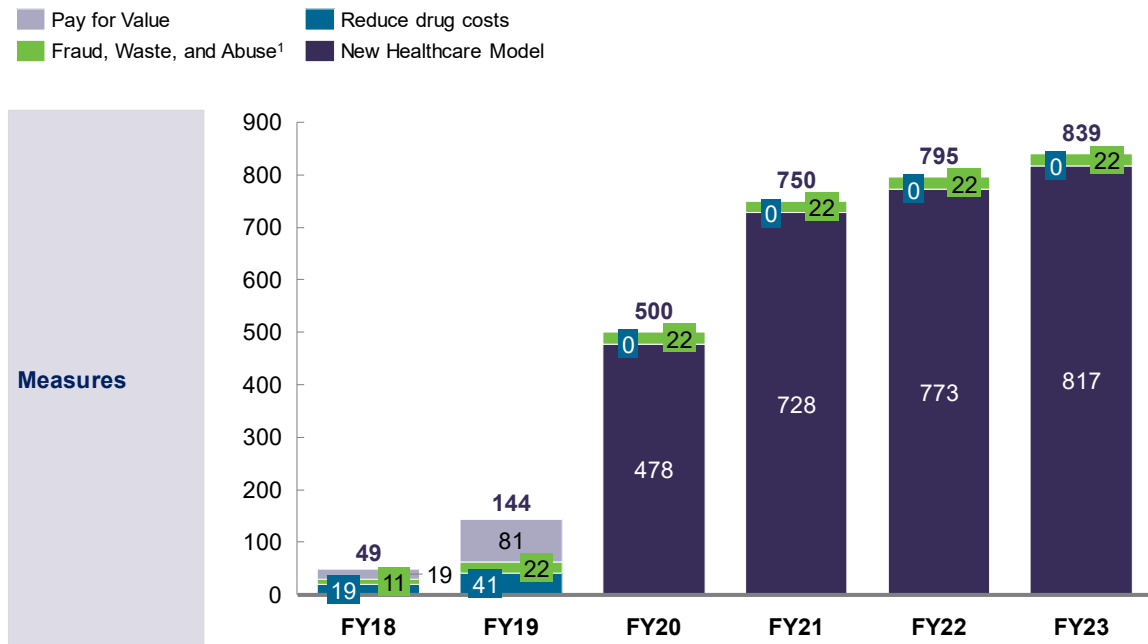
In early FY2018, ASES began efforts to reduce healthcare costs, including implementation of preliminary enrollment verification efforts with DCR and private insurers; standardization of fee schedules for providers; and prescription drug cost controls such as increased pharmacy discounts on branded drugs, mandatory dispensing of generic drugs, and changes to prescription coverage guidelines.

Beginning in FY2020, the Government must implement a new healthcare model, currently in development, through changes to how the Island’s managed care organizations (MCOs), are contracted and incentivized as the third-party administrators of Mi Salud. The new model’s savings must reach a run-rate annual savings of ~\$839 million by FY2023 (off the FY2022 baseline of approximately \$3.4 billion), a measure run-rate which is then projected to increase as the baseline expenditures increase at long-term healthcare inflation rate of 4-6%.

**Exhibit 46** provides an overview of the core savings measures.

EXHIBIT 46: MI SALUD BASELINE SPEND AND MEASURES

Summary of Healthcare (Medicaid) reform measures impact, \$M



<sup>1</sup> Includes MFCU and MMIS

<sup>2</sup> Includes only premium-related expenditures for Mi Salud and Platino costs

### *13.3.1 Pursue value-based reforms to improve quality relative to cost of care*

Pursuing value-based improvement initiatives with demonstrated success can help reduce Mi Salud's per-member per-month (PMPM) rates. Similar value-based programs have been piloted in other states, and typically save between 2-10% of costs. In Puerto Rico, value-based reforms may result in somewhat lower than average savings due to the breadth of other savings measures being implemented simultaneously in Mi Salud, and unique post-Hurricane challenges such as a potential increase in behavioral health needs. Value-based reforms will be combined with a portfolio of other initiatives in the "new healthcare model" to achieve savings targets. This measure includes:

**Improved coordination of care.** New approaches that emphasize care coordination and align incentives between patients, providers, and payors can produce improvements in health outcomes while lowering costs. Given the preponderance of chronic conditions and potential rising behavioral and mental health needs in the wake of Hurricane Maria,<sup>87</sup> better access and coordination of mental health services will become increasingly important. Care coordination models like patient centered medical homes – which empower patients to work closely with a primary care provider to manage treatment plans across multiple care providers – have been quite effective at improving outcomes for members with chronic conditions.<sup>88</sup> ASES can serve as a coordination point for care organizations throughout the community, ranging from managed care organizations to education and faith-based community organizations. The new RFP issued by ASES is focused on developing such managed care programs for high cost, high need populations.

**Reduced Emergency Room (ER) visits.** Puerto Rican's utilize the ER 3 times as often as peers on the U.S. mainland,<sup>89</sup> with estimates as high as 90% of ER visits occurring for non-emergency care that could be treated in lower cost settings. Successfully shifting unnecessary ER visits to lower-cost settings, such as primary care offices or urgent care, could save roughly \$70-75 million annually, or 3% of total Mi Salud costs. Mi Salud could reduce ER utilization through several means, including patient education, increased ER co-pays, or changes to reimbursement policies.<sup>90</sup>

**Reduce inpatient length of stay.** Puerto Rico's inpatient length of stay is 1.5 times the U.S. average.<sup>91</sup> MCOs can incentivize reduced hospital readmissions and length of stay through improved discharge planning and increased staffing to manage weekend discharges. Some MCOs have already implemented such reforms in Puerto Rico.

**Adjusting MCO payment models.** ASES is already considering many changes to MCO – provider payment models to promote greater accountability and better align care delivery to outcomes amongst providers. Best practice value-based payment models from other managed care settings include direct pay-for-performance quality bonuses, providing fixed payments for a

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<sup>87</sup> Thomas Huelskoetter, Center for American Progress, "Hurricane Katrina's Health Care Legacy" (August 15, 2015)

<sup>88</sup> Patient-Centered Primary Care Collaborative, "Benefits of Implementing the Primary Care Medical Home: A Review of Cost & Quality Results, 2012" (Sept 2012)

<sup>89</sup> JEL Consulting analysis (Dec 30, 2106) of ASES data and Puerto Rico Community Survey, Public Use Microdata, 2014. Estimates exclude Platino beneficiaries

<sup>90</sup> See, e.g., Schwartz et al. Copayment levels and their influence on patient behavior in the emergency room utilization in an HMO population. *Journal of Managed Care Medicine*. 2012; Wallace et al. How effective are copayments in reducing expenditures for low-income adult Medicaid beneficiaries? experience from the Oregon health plan. *Health Services Research* 2008; Lesley et al. Reducing frequent visits to the emergency department: a systematic review of interventions. *PLOS*. 2015

<sup>91</sup> As of 2014. JEL Consulting analysis (Dec 30, 2106) of ASES data and Puerto Rico Community Survey, Public Use Microdata, 2014. Estimates exclude Platino beneficiaries



'bundle' of services required to treat a specific condition, and providing special incentives to care for members with high-cost needs, such as behavioral health.

### *13.3.2 Reduce pharmacy spend*

Prescription drug coverage is the largest category of spend in Mi Salud, contributing 26% of the total cost in treating the average patient. Nearly half of this spend comes from specialty drugs. Even after ASES-negotiated some prescription drug cost reduction measures,<sup>92</sup> pharmacy costs grew 14% annually from FY2016 to FY2018 in Puerto Rico,<sup>93</sup> compared to 6% per year in U.S. Medicaid programs.<sup>94</sup>

Puerto Rico faces structurally higher prices than the mainland because, unlike U.S. states, it cannot participate in the Federal Medicaid Drug Rebate Program (MDRP) and may only seek voluntary or supplemental rebates. That said, ASES can lower the cost of prescription drug coverage by replacing higher cost drugs with cheaper, equally effective alternatives, driving increased use of generics and imposing utilization controls. These initiatives resulted in negotiated savings of \$4.31 PMPM in Mi Salud's FY2018 contracts. However, to sustain these savings, MCOs must engage in ongoing monitoring and enforcement of policy changes to further refine drug coverage lists and utilization management policies due to changing prescription patterns.

### *13.3.3 Reduce fraud, waste, and abuse (FWA)*

The U.S. Government Accountability Office found evidence that MCOs have not consistently reported improper payments to providers billing to the system. Further, it found that many MCOs face conflicts of interest in finding and eliminating fraud.<sup>95</sup> Typical waste, fraud, and abuse reduction programs in other state Medicaid programs and health insurers have been able to achieve 1-3% cost savings. These savings have been reached through: pre-payment review (e.g., reviewing claims before payment to identify outliers / issues); auditing and enforcement units to investigate suspicious behavior; advanced analytics capabilities to review many actions to identify inefficient or fraudulent activities in post-payment review, such as identification of "impossibility" coding (e.g., billing for over 24 hours of service in one day), or frequently repeated or high value procedures; and long term policy or organizational transformation.

To combat FWA, ASES shall:

- Fully operationalize a Medicaid Fraud Control Unit (MFCU)—which it has already launched—outside of the MCOs to identify and prosecute fraudulent charges
- Establish a functional Medicaid Management Information System (MMIS) to track utilization, claims, and provide the data inputs for advanced analytics assessments to identify inappropriate spending; and
- Use data to obtain reimbursement for improper payments and to identify and eliminate the systematic causes that enabled the problematic activities in the first place.

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<sup>92</sup> FY2018 Milliman Actuarial Certification

<sup>93</sup> Ibid

<sup>94</sup> Express Scripts 2016 Drug Trend Report

<sup>95</sup> GAO "Medicaid and CHIP Increased Funding in U.S. Territories Merits Improved Program Integrity Efforts," April 2016

Puerto Rico does not currently have an operational MMIS or MFCU but is in the process of developing and shall develop both programs. Successful operationalization of the MMIS will enable ASES to receive \$1.2 billion of the BBA 2018 allocated funding, contingent upon establishment of methods to lower FWA and collect/report reliable information to the Transformed Medicaid Statistical Information System (T-MSIS).<sup>96</sup>

#### *13.3.4 Enrollment verification*

In addition to overpayment for eligible beneficiaries, ASES faces a challenge in ensuring it is serving the proper beneficiaries—and preventing those who are ineligible from receiving benefits. Over-enrollment typically occurs when residents have private insurance, are in the corrections system, have moved to other states, or are deceased. Data system limitations (e.g., limited data sharing with other systems; manual dis-enrollment after eligibility expiration) mean that it often takes years to dis-enroll ineligible members, and many are never removed. Over enrollment could be identified through coordination of benefits, interagency data sharing, state-specific MOUs, and the national Public Assistance Reporting Information System (PARIS) and T-MSIS Medicaid interstate match.

Pre-Maria, Mi Salud had an estimated 5% over-enrollment rate, translating to Mi Salud improperly paying for roughly 62,000 beneficiaries.<sup>97</sup> Maria is likely to augment these challenges. Due to the hurricane, 12% of Puerto Rico's population is expected to emigrate by FY2023, and it is estimated that a roughly proportionate number of Mi Salud members will also leave the Island. Given the limited data capabilities at present, without active efforts to dis-enroll those who leave and do not return, it is expected that ASES will continue to pay for these departing beneficiaries for a full year after they leave, resulting in Mi Salud reaching 10% over-enrollment in FY2018.

#### *13.3.5 Implement a uniform fee schedule for providers*

One-way ASES has been able to put controls on spend growth is working with MCOs to implement a new fee schedule for providers. The updated schedule, which went into effect on July 1, 2017, provides 70% of Medicare reimbursement rates for each category of services, a sharp reduction for some specialty services on the Island (laboratory and radiology in particular), reducing PMPM by an estimated \$3.52 in FY2018.<sup>98</sup>

#### *13.3.6 Reduce administrative MCO costs through a single region model*

ASES can reduce MCO administrative costs by switching from the current system of nine regions, each with a single MCO provider, to a geographically unconstrained competitive system with multiple MCOs serving the entire Island. This new single region MCO model should produce increased economies of scale for administrative operations and will lower costs through greater competition and incentives to enforce efforts to lower the cost of care.

ASES has already been moving the MCOs towards improved Medical Loss Ratios (MLRs), constraining the share of their PMPM costs not used for medical services. In the FY2016 contract, 10% of the PMPM went to administrative costs and profits; in the FY2018 negotiated rates,

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<sup>96</sup> MACPAC, "Medicaid and CHIP in Puerto Rico," report, February 2018

<sup>97</sup> Ballori Group estimate

<sup>98</sup> FY2018 Milliman Actuarial Certification

administrative costs and profits fell to 8.6%.<sup>99</sup> In FY2019, ASES plans to improve this MLR to 92% (8% leftover for administration and profits).<sup>100</sup>

### *13.3.7 Stop-gap levers to ensure achievement of savings targets*

As an extreme measure in cases where target run-rate savings are unachievable with the above measures, the following additional measures could be implemented to hit expenditure reduction targets.

#### *Require cost-sharing for the Medicaid and Commonwealth populations*

ASES could reduce healthcare spending by imposing cost sharing on specific services to disincentivize high-cost, low-impact behavior, such as visiting an ER for non-emergency services or using certain non-preferred drugs. Co-pays have been shown to reduce used of affected services, and therefore should not apply to preventive care or other areas that reduce net health system costs, such as family planning services. Any required co-pay shall be determined on a service-by-service basis to selectively disincentivize high-cost, low-impact activities; further, co-pays will be implemented progressively, scaled to member income while exempting those without income and CHIP members.

#### *Reduce coverage for select optional benefits*

Medicaid requires all states to cover certain services, such as hospital stays, physician visits, preventive health services, family planning, and pregnancy-related care. Other benefits are considered optional, including: prescription drugs; physical, occupational, and speech therapy; dental; podiatry; optometry and glasses; prosthetics; chiropractor services; private duty nursing; hospice; and respiratory care services. Some of these optional benefits are provided by every state (such as prescription drug coverage), while others are covered by fewer than half of states. 4.3% of total Mi Salud payments<sup>101</sup> are related to the following categories of benefits coverage that at least one other state or territory does not cover:<sup>102</sup>

As a result, another second stop-gap measure could be to reduce Mi Salud coverage for select optional benefits, either by eliminating some optional benefits, imposing various levels of cost-sharing for remaining benefits, or restricting access. Optional benefit coverage reductions would affect Medicaid and Commonwealth MiSalud members, but not CHIP members.

## Chapter 14. TAX REFORM

### *14.1.1 Future vision for tax environment*

Prior to the hurricane, the Government was evaluating options for a reformed tax regime and had taken steps to improve tax compliance and increase certain taxes and fees. In the wake of the hurricane, Puerto

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<sup>99</sup> FY2016 rate analysis; FY2018 Milliman Actuarial Certification

<sup>100</sup> Communication with ASES, Nov 21, 2017

<sup>101</sup> When adding back in the \$0.59 PMPM attributable to CHIP coverage that would not be subject to reductions or cost sharing

<sup>102</sup> Kaiser Family Foundation Medicaid Benefits Data Collection, Oct 1, 2012 data (latest available as of Nov 2017). 2 states do not cover prosthetics, while every state covers durable medical equipment and supplies. 33 states do not cover private duty nursing, while every state covers home health services. 20 states do not cover occupational therapy; data was not available on outpatient PT/OT/ST specifically. Puerto Rico data from FY2018 Milliman Actuarial Certification

Rico will need to drive more formality and increased compliance within the tax base without losing revenues. Therefore, Puerto Rico should broaden the tax base while maintaining revenue neutrality to ensure that revenues are not unintentionally foregone.

#### *14.1.2 Proposed Tax Reform*

The Fiscal Plan includes a revenue-neutral tax reform that is focused on reducing income tax rates while broadening the tax base via the expansion of alternative minimum taxes (AMTs) and reduction of incentives to raise taxes on others as described below:

- Reduces the corporate base tax from 20% to 19%, and the top rate from 39% to 31%
- Lowers individual income tax rates, including the top marginal rate to 31%, while reducing a series of exemptions and deductions such as the mortgage interest deduction
- Eliminates the B2B SUT by FY2020
- Reduces the tax rate on prepared foods transactions (e.g., at restaurants) paid for via electronic means from 11.5% to 7%

These initiatives will be financed by a variety of offsets, including:

- The creation of a minimum flat tax withholding at source regime for self-employed individuals and service-based companies
- Expanded usage of corporate and individual alternative minimum taxes to broaden the tax base and combat excessive usage of deductions to lower tax liability
- Reduction in a series of deductions, credits, and cash grants

These tax reform initiatives do not address incentive corporations or the need to shift away from the Act 154-2010 tax to a broader, more progressive tax regime. The incentives also do not address the Government's need to reform its broader tax structure in response to the Federal Tax Reform legislation that was recently enacted. Both topics will be addressed in the future.

The projected value of tax reductions and offsets are shown below (**Exhibit 47**).

EXHIBIT 47: DETAILED TAX REFORM INITIATIVES AND OFFSETS

Revenue Impact, \$M						
	FY19	FY20	FY21	FY22	FY23	Total
<b>Tax Cuts/Revenue Reductions</b>						
Individual Income Tax Reductions and Pension Exclusions	(257)	(575)	(582)	(585)	(585)	<b>(2,584)</b>
Corporate Income Tax Reductions	(65)	(152)	(157)	(159)	(159)	<b>(692)</b>
Reduction of SUT on Prepared Foods	(79)	(87)	(87)	(87)	(87)	<b>(427)</b>
Phase Out of B2B Tax	(19)	(101)	(169)	(172)	(172)	<b>(633)</b>
Other Measures Behavioral Adjustment Discount	<b>(420)</b>	<b>(915)</b>	<b>(995)</b>	<b>(1,003)</b>	<b>(1,003)</b>	<b>(4,336)</b>
<b>Subtotal</b>						
<b>Tax Initiative Offsets</b>						
Individual Income Tax Deduction and Exemption Adjustments	160	347	348	351	353	1,559
Tax Credits	109	128	128	128	128	621
Cash Grants	-	23	23	23	23	92
Corporate AMT & Withholding at Source Revenue	126	286	312	316	314	1,354
Individual AMT & Withholding at Source Revenue	69	156	158	158	158	699
Other Measures	16	22	26	27	28	119
<b>Subtotal</b>						
<b>Total</b>	<b>60</b>	<b>47</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>108</b>

## Chapter 15. TAX COMPLIANCE AND FEES ENHANCEMENT

### 15.1 Current state and future vision for tax revenue collection

Puerto Rico has suffered from low tax compliance due to an unevenness in who pays taxes and lack of fear among violators, leading to limited downside for non-compliance and high upside for tax avoidance. **Due to its compliance and collections issues, the Commonwealth has not been able to drive as many revenues from taxes as it should each year.**

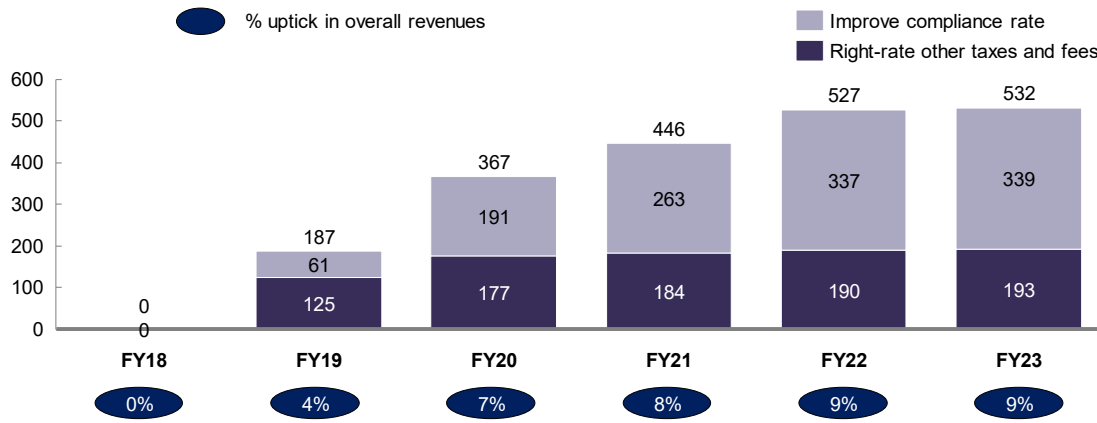
In response to these challenges, the Government has already started implementing compliance-related changes. It is driving improvements in its culture and organization to boost enforcement capabilities, streamlining the process of filing taxes and reducing complexity in the system to lighten the burden of compliance on taxpayers. These efforts have already resulted in some success: in 2012, SUT compliance stood at 56%, and by 2016 had improved by 12 percentage points, to 68% compliance.<sup>103</sup> Administrative tax initiatives to increase revenue collections

By driving administrative reform, the Commonwealth must increase revenues by \$2,236 million over six years, as shown below (**Exhibit 48**).

<sup>103</sup> Departamento de Hacienda, November 2016

EXHIBIT 48: REVENUE MEASURES SUMMARY OF IMPACT

Summary of tax compliance and fees enhancement measures impact, \$M



15.1.1 Improve compliance rate

Given the progress to date in improving compliance rates and the ongoing gap to reach mainland performance, **the Government is targeting a 5% net uplift in revenues due to enhanced compliance by FY2022** – inclusive of implementation costs from reinvestment described in the “Office of the CFO” (see Chapter 11) – across the major tax lines (personal income tax, corporate income tax, and SUT). Such an improvement would also be in line with improvements seen in other tax transformations.<sup>104</sup>

Recent compliance efforts have largely focused on collections outreach activities, obtaining one-time back taxes owed through a collections call center, flexible payment plans, and a large corporate taxpayer-focused team (with a longer-term goal of establishing a permanent separate unit). In the future, emphasis should shift towards **initiatives that promote a culture of compliance** to boost voluntary payment. The goal should be to reduce the cost of compliance while simultaneously raising the cost of non-compliance, through a combination of an increased likelihood of being caught while not paying taxes owed and more effective and enforceable penalties.<sup>105</sup>

- **Use new systems and processes to identify and remediate non-payment.** Hacienda will create a “premium return system” for individual and corporate taxpayers that enables taxpayers to claim certain deductions and exemptions only if their return is prepared by a certified public accountant following agreed upon procedures; the CPA’s review and certification of the return and supporting documentation as compliant with Puerto Rico’s tax laws would functionally serve as a “pre-audit,” reducing the likelihood of tax evasion and the need for a fuller review by Hacienda.
- **Create a new culture internally and externally** that shifts from the agency existing to serve the public (“*Hacienda para servirle*”) towards emphasis on Hacienda making sure everyone pays their taxes, but with as little friction as possible for the taxpayer and the agency.

<sup>104</sup> Analogous case studies include Panama, Jamaica, and Spain, which saw 1.0 to 2.5 percentage point increases in tax ratio relative to GDP through their comprehensive tax overhauls. Puerto Rico achieving a 5% uplift from compliance, along with the other measures on corporate tax reform and increased fees, would produce a 2.25 percentage point increase in tax ratio relative to GDP, in line with these case studies

<sup>105</sup> Xenia Velez presentation to the Oversight Board (Nov. 30, 2017), 3

- **Reduce the complexity of the tax system and process of filing taxes** to make it easier for individuals and businesses to pay their taxes correctly. Hacienda reports it plans to introduce pre-filled tax returns and fully digitize the tax filing system onto the Internal Revenue Unified System (SURI) platform that will enable easier filing, communication, and levying of penalties for late payment or non-payment. It must also ease the process of paying for licenses, stamps, and fees by shifting from a system of 64 agency payment centers to instead partner with retail banks, enabling taxpayers to pay their fees at any of 200 private sector locations in various communities (and within four years, 1,000 locations).
- **Institute advanced analytics and broad-reach, low-touch correspondence audits.** Small and medium taxpayers account for a significant share of the unpaid and underpaid taxes, but only a tiny fraction of these taxpayers receive full-scale audits due to the significant time and cost investment needed. While a traditional IRS audit costs an average of \$2,278 per case, automated notices or letters can be executed for \$52 to \$274 per case.<sup>106</sup> Hacienda had begun a correspondence audit program prior to Hurricanes Irma and Maria, receiving such a strong response to the first batch of 1,000 letters that it overwhelmed the call center. This program helped contribute to \$7.1 million of collections outreach revenues in the first 2 months of FY2018 (against a \$1.4 million target),<sup>107</sup> with half of those responding to the letters agreeing to pay the proposed penalty amount.<sup>108</sup> Fully implementing data-driven tiered audits will enable Puerto Rico to reach a significantly larger share of nonpayers.
- **Collecting SUT on Internet sales.** Nationally, the percent of taxpayers voluntarily reporting and paying use tax on their income tax forms ranges from 0.2% to 10.2%,<sup>109</sup> while nearly 80% of Americans shop online.<sup>110</sup> Through legislation combining click-through nexus, affiliate nexus, and economic nexus, as well as voluntary agreements with major online retailers, the Government should be able to capture SUT on a much larger share of Internet sales.<sup>111</sup> In fact, Hacienda has already announced an agreement with a large online retailer to charge Puerto Rico sales tax on sales of goods<sup>112</sup>. With Internet sales growing at ~15% annually, Internet sales tax presents an even more important opportunity going forward.

Considering the post-hurricane limitations, additional compliance activities should be implemented beginning in FY2019, and would expect to see revenue impacts growing throughout FY2020 and beyond. The impact would phase in over the course of 4 years given the need for training and movement of workers into Hacienda through the Single Employer Act (Law 8, 2017), establishment of new offices and processes, and gradual shift in public perception and voluntary compliance as a result of enforcement activities.

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<sup>106</sup> IRS Enforcement Results, TIGTA Filing Season Audit, IRS Taxpayer Advocate, Team Analysis, GAO

<sup>107</sup> Hacienda, Fiscal Reforms August 2017 reporting

<sup>108</sup> Conversation with Hacienda, Dec 13, 2017

<sup>109</sup> <http://www.house.leg.state.mn.us/hrd/pubs/usetax.pdf> at 7

<sup>110</sup> Tech Crunch, 2016

<sup>111</sup> Click Through refers to a nexus between an out of state seller and the state, which enables them jurisdiction to collect taxes, created via an affiliate in the state that links to another "out-of-state" business via an affiliate program (i.e., they send sales your way, you give them a small cut of the profits). Economic nexus refers to the dollar amount spent by a consumer at a business, which provides sufficient local economic activity for the state to be able to collect taxes from that out-of-state seller. Affiliate nexus refers to out-of-state sellers with ties to local sellers, such as through parent or subsidiary arrangements, or local order fulfillment, which creates sufficient local ties to subject the out of state seller to local taxes. Voluntary agreements occur when corporations agree through individual negotiations with states to collect and remit sales tax directly to the state

<sup>112</sup> Caribbean Business, "Amazon to charge Puerto Rico sales tax"

### *15.1.2 Right-rate other taxes and fees*

Prior to Hurricane Maria, the Government reports it had already developed a plan to right-rate the following taxes and fees. These original plans, as well as any adjustments mutually agreed upon between the Government and the Oversight Board during implementation of the March 2017 Fiscal Plan, have been largely included in this Fiscal Plan, except where explicitly noted below.

**Gaming tax.** Legislation passed in 2017 that increased licenses and fees on mechanical and electronic gaming machines to \$3,000 from \$100. This was originally estimated to generate \$~71 million in incremental revenues.<sup>113</sup> Part of this calculation involved assumptions of improved enforcement improvements, as the Government has previously estimated it is losing approximately \$170 million per year due to illegal machines that are not paying licensing fees. However, when factoring in the potential that a 2,900% increase in taxes on the machines could decrease total revenues from gaming – a change from 2017 forecasting – run-rate, incremental revenue from the gaming tax has now been reduced to approximately ~\$50 million per year by FY2023.

**Licenses and other fees.** 2017 legislation enabled fee increases in miscellaneous categories. Hacienda will determine which exact fees are to be increased to meet these minimum thresholds, achieving an overall revenue increase of ~\$62 million by FY2023.<sup>114</sup> Categories are as follows: Charges for services; Fines; Insurance; Licenses; Permits; Rent; Royalties; Stamps; Other.

**Tobacco taxes.** Legislation was passed in 2017 to increase specific tobacco taxes, including taxes on cigarettes, cigars, rolling tobacco, cigarette paper and tubes, chewing tobacco, snuff, electronic cigarettes, nicotine cartridges, and vaporizers. Accounting for one-time declines in use due to price-related elasticities after the new fees went into place,<sup>115</sup> a ~\$55 million per year increase in revenues due to the new taxes is projected.

**Medical marijuana tax.** The Government has passed legislation to tax medical marijuana. Based on an estimated 29,000 patients, the Government can be expected to collect approximately ~\$14 million per year in additional revenue through this initiative.<sup>116</sup>

**Airbnb Tax.** The Government has passed a law to apply a 7% hotel room tax to Airbnb rentals, resulting in a projected ~\$4 million of annual revenue increases, based on annualization of the actual Airbnb tax receipts from before the hurricane.<sup>117</sup>

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<sup>113</sup> Based on an assumption of 23,000 gaming machines on which Hacienda is able to collect fees (<http://www.oslpr.org/2017-2020/leyes/pdf/ley-108-23-Ago-2017.pdf>)

<sup>114</sup> Assumes an 80% capture rate on the \$73M potential to account for potential elasticities in demand based on fee increases

<sup>115</sup> Based on an 18% decline, per Hacienda (April 5, 2017 calculations)

<sup>116</sup> \$15M projected receipts, minus \$1.5M of dedicated revenues for the medical marijuana council established in 2017-Act 42 and controlled substances monitoring in 2017-Act 70

<sup>117</sup> Hacienda August 2017 Revenue Scorecard, submitted Sept 15, 2017



# Chapter 16. REDUCTION IN APPROPRIATIONS TO UPR AND MUNICIPALITIES

## 16.1 Current state and vision for Commonwealth appropriations

The central Government provides a range of appropriations to three main groups of recipients: The University of Puerto Rico, Puerto Rico's 78 municipalities, and "other" recipients (typically private industry or non-profit institutions).

Currently, UPR is 70% subsidized (~\$708 million in annual appropriations) by state and local funds, compared to 25% average level of state/local subsidization of U.S. public universities<sup>118</sup>. UPR's tuition is less than one-third of the U.S. public average even after adjusting for per-capita income, and UPR spends ~10% more per student on operational spend than the average public university.

A reduction of the appropriation for UPR was determined in 2017 through a shared process with the Oversight Board to identify reasonable, sustainable reductions to the UPR appropriation that brought UPR closer to U.S. public university tuition and cost benchmarks. This reduction was included in the original March 2017 Fiscal Plan.

Municipalities receive \$220 million in annual appropriations from the Commonwealth, but despite this aid many municipalities are operating significant deficits.<sup>119</sup> With more reductions on the horizon, municipalities must undergo substantial operating model changes, or else risk increasing their annual operating deficits. In addition to reducing the appropriations to municipalities to drive fiscal discipline, the Commonwealth can support consolidations of municipal services to encourage efficiencies, such as through service provision collectives or streamlining the legal framework to remove barriers to collaboration.

## 16.2 Key initiatives to reduce appropriations

Reducing Commonwealth subsidies to municipalities and UPR will lead to annual savings of \$1,622 million by FY2023.

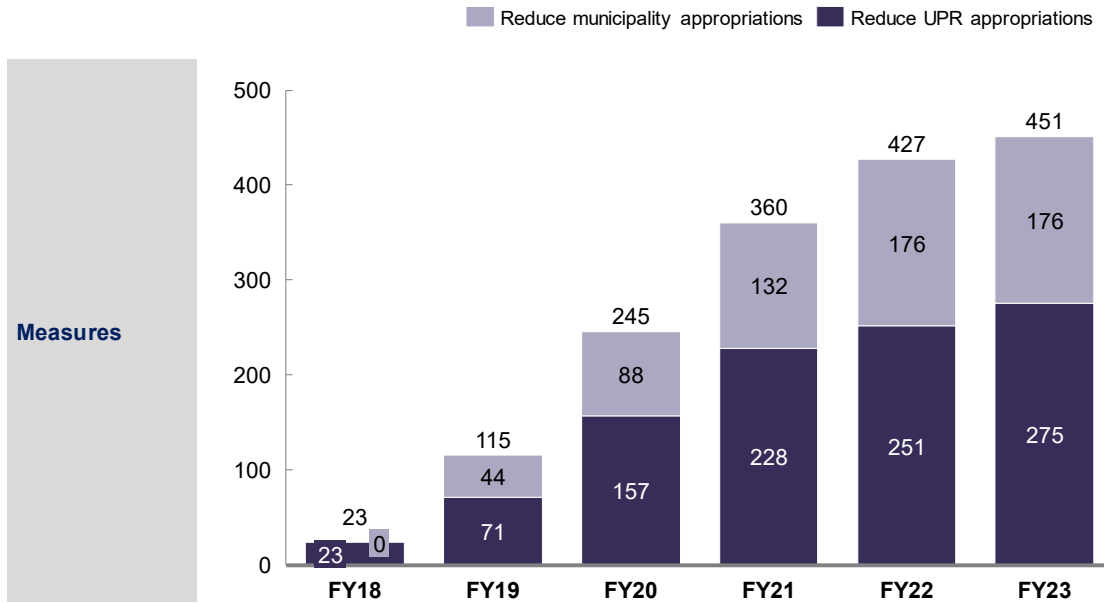
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<sup>118</sup> UPR, IPEDs, College Board

<sup>119</sup> Draft Report prepared by V2A November 2016

EXHIBIT 49: REDUCTION IN APPROPRIATIONS SUMMARY OF MEASURES IMPACT

Summary of appropriations measures impact, \$M



<sup>1</sup> Inclusive of all savings measures over baseline, i.e. savings measures attributable Christmas bonus, payroll freeze, uniform healthcare, SRF reduction

**16.2.1 Reduce UPR appropriations to levels in line with funding of other U.S. public universities**

The Fiscal Plan has maintained the March 2017 Fiscal Plan measures, less reductions to the appropriation that have already been factored into the FY2018 baseline, as well as reductions in addressable spend.

Targeted measures to increase revenues and reduce expenditures will allow UPR to operate sustainably under a reduced subsidy. On the revenue side, these include modestly raising tuition using a means-based approach (e.g., creating a means-based scholarship fund in parallel), applying more aggressively for Federal grants (seeking to achieve funding equal to the level of 25<sup>th</sup> percentile of U.S. public universities), charging more dues and fees to students, applying for patents and other intellectual property, and continuing to provide trainings to the PRDE and the Government more broadly.

On the expense reduction side, measures from the latest plan include consolidating campuses, optimizing HR through reducing temporary and trust positions, improving procurement, reducing the cost of medical insurance, and reducing tuition exemptions and special scholarships. These include identifying campuses and programs for consolidations based on performance metrics, tying personnel savings to roles specifically consolidated with campus consolidations and service reductions, reducing UPR employee pensions in a manner similar to the Commonwealth (e.g., highest marginal cut is 25%), and multiplying this amount by the

unfunded portion,<sup>120</sup> and increasing tuition in future years to be roughly equivalent to Federal Pell grant less cost of living.

These efforts to improve the operations of UPR will in turn allow the University to renew its operating model to provide the best outcomes for its students. These outcomes will include reduced time to degree, improved job placement, and higher standardized test scores, among others. A re-envisioned University, which focuses on areas of strengths and on improving outcomes for students, will ultimately prove to be a critical source of renewal for the Island, as it is a cornerstone of human capital development to propel growth in the economy.

### *16.2.2 Reduce municipal appropriations & support through service consolidation and property registry / tax reform*

Already in FY2018, the total municipal appropriation was reduced, bringing the new baseline appropriations to ~\$220 million per year. Going forward from this current baseline, there would be a reduction in each successive year, holding appropriations constant at roughly 55-60% of current levels starting in FY2022 before ultimately phasing out all subsidies in FY2024.

The slow ramp in reductions will allow the remaining funds to be used to fund shared service consolidations. Two levers in particular will enable municipalities to deal with this reduction: municipal service consolidations and institution of property tax reform.

#### *Municipal service consolidations*

Consolidating services across multiple municipalities can help reduce cost by leveraging scale, especially in areas of services provided directly to citizens, including public works and infrastructure, public safety, family services, education, and housing., Estudios Técnicos estimated that operating expense reduction measures, in part from municipal service sharing, could result in a potential combined fiscal impact of ~\$150-\$450M.<sup>121</sup>

The Government will pursue several initiatives to incentivize and streamline consolidation:

- Offer financial incentives (e.g., remaining municipal subsidy) for municipalities who hit targets
- Provide transparency into service performance by creating performance metrics and publishing the results, benchmarked against peer municipalities
- Develop and operate service provision collectives across counties
- Streamline legal frameworks to remove any barriers to collaboration between municipalities (e.g., liability issues); for example, the Government will evaluate passing legislation like New Jersey's 2007 Uniform Shared Services and Consolidation Act to formalize accountability for pursuing shared services by placing the onus on local leadership<sup>122</sup>

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<sup>120</sup> Additionally, the UPR Fiscal Plan includes a 50% employer match (by UPR) on up to 2% of employee contribution

<sup>121</sup> "Estudio para evaluar la estructura municipal de Puerto Rico", Estudios Técnicos (2016)

<sup>122</sup> New Jersey Department of Community Affairs, *Shared Services – Working Together*. April 2011  
[http://www.nj.gov/dca/divisions/dlgs/programs/shared\\_docs/sharedsvcsrefguide.pdf](http://www.nj.gov/dca/divisions/dlgs/programs/shared_docs/sharedsvcsrefguide.pdf)

### *Property tax reform*

In partnership with the Municipal Revenues Collection Center (CRIM), the municipalities should identify and register tens of thousands of non-registered properties to begin collecting tax on them,<sup>123</sup> and re-categorize misclassified properties (e.g., residential properties marked as commercial). Additionally, CRIM can streamline collection activities and use proven compliance practices, such as advanced analytics to identify non- or under-payment, to raise payment rates. Based on implementation planning discussions in August 2017, CRIM estimated these initiatives could produce:<sup>124</sup>

- \$150 million of increased revenue from raising property tax compliance from 68% to 85%
- \$150-200 million from registering properties not on the rolls
- \$500 million of capturable back property taxes owed (from \$1.3 billion total owed)
- Lastly there is an additional, not yet sized, opportunity from reclassifying commercial properties incorrectly listed as residential and updating property valuations

## Chapter 17. IMPLEMENTATION

Historically, the Government has suffered from inconsistent execution. It has historically operated in silos, suffered staffing and coordination challenges, and has been limited by weak technology to report and keep track of expenses. To mitigate implementation risk, the Governor has established a centralized PMO structure.

### **17.1 Governor’s Fiscal and Economic Working Group (GFEWG)**

Developing a centrally-run PMO is an important step toward ensuring the implementation and tracking of the core operational transformation and right-sizing measures that will achieve savings targets under the Fiscal Plan. The GFEWG is the central PMO with defined reporting to the Governor of all economic and transformation measures. It is comprised of senior leadership, oversees Agency PMOs, and reports directly to the Governor. At the time of writing, the GFEWG has already been established and was formalized by an AAFAF Administrative Order as the Fiscal and Economic Policy Advisory Council.

### **17.2 Agency Program Management Offices (PMOs)**

Individual Agency PMOs should be established with direct reporting to the Governor, and supplemental reporting to the GFEWG. Each agency head shall be responsible for developing and implementing a PMO structure that best fits their respective agency while still meeting their agency grouping savings targets. Through this PMO structure, the Government is positioned to effectively manage and implement the Fiscal Plan.

- The Agency PMOs are generally led by designated Agency Heads and report directly to the Governor, and supplemental reporting to the GFEWG

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<sup>123</sup> Many homes in Puerto Rico have not been registered with the Government, which has led to difficulties for thousands in receiving assistance from FEMA’s Individual Housing Program. For example, as of mid-January 2018, 62% of the 1.1 million applications for disaster assistance has been either rejected or were still “in-process”, often due to lacking registration and title deeds (“Majority of Claimants in Puerto Rico Still Await Assistance from FEMA, Many Found ‘Ineligible’”, Caribbean Business)

<sup>124</sup> Meetings with CRIM leadership on July 19, 2017

- Agency PMOs undertake the required work to implement initiatives
- The daily activities of PMOs are managed and undertaken by staff knowledgeable in the relevant subject matter areas, and assigned members meet regularly with PMO leadership to report on progress and facilitate necessary decision-making
- Agency PMOs shall be responsible for assembling a taskforce to: complete validation and definition of full scope of projects and priorities; finalize reporting tools and tracking responsibilities; and, perform ongoing weekly tracking and reporting.

The PMOs should ensure continued implementation progress through robust tracking and reporting tools that foster growth in transparency and ownership, including:

- **Project charters** that establish the goals / structures of measures, identifies risks and obstacles, and establishes metrics and KPIs
- **Implementation plans** with detailed layouts of each activity required for accomplishing sub-measures, risks / mitigants for each activity, clear leaders and owners for each activity, and metric and KPIs. These should include a “live” calendar of updates and status of each measure. If an activity goes behind schedule, the workplan will reflect that the activity is still in progress.
- **Implementation dashboard / tracker** that provides a single snapshot of the entire transformation plan; allows management to know the status of each initiative in a distinct status: Complete; In Progress; Delays; Major Issues. Tracker will allow to monitor progress and ensure enforcement of measures/ reforms in the Fiscal Plan.
- **Sub-measure dashboards** that provide “zoomed in” views of a specific sub-measure, display progress with details / commentary on project status, include agreed upon milestones / dates to track progress, and provides mitigation plans

## PART V. Conclusion

**The Fiscal Plan is the result of many months of work-sessions, dialogue, stakeholder engagement, research, and in-depth analysis.** Across these activities, the Government and the Oversight Board collaborated to create a deep and rich fact base to underpinning this plan and remained focused on creating an integrated approach to restoring fiscal sustainability and economic opportunity for future generations of Puerto Ricans. The starting point for this plan involved numerous structural inhibitors to growth, over \$120 billion in outstanding debt and unfunded pension obligations, and the devastating impact from a historically destructive natural disaster.

**Yet in the aftermath of Hurricane Maria, Puerto Rico now has a unique economic growth opportunity.** Federal disaster reconstruction activity will provide economic buoyancy in the short term. PROMESA and Title III provide a temporary stay on Puerto Rico's unsustainable debt service. The Fiscal Plan lays out a series of practical, proven growth-inducing structural reforms and investments, with a responsible set of fiscal measures to right-size Government to the appropriate level.

**But the next step – implementation of the reforms and measures – will always be the most critical one.** Implementation of the Fiscal Plan can turn around Puerto Rico's economy and drive sustained growth coupled with a restructuring of Puerto Rico's debt under PROMESA. In the end, growth and expansion of opportunity are the keys to restoring fiscal sustainability, access to capital markets, and a brighter future for Puerto Rico.

21. CERTIFICATION 10: 2018-2019. UPR BOARD OF GOVERNORS



Yo, Luis Berríos Amadeo, secretario de la Junta de Gobierno de la Universidad de Puerto Rico, CERTIFICO QUE:

La Junta de Gobierno, en su reunión ordinaria del 27 de agosto de 2018, previa recomendación de sus Comités de Asuntos Financieros y Apelaciones, Ley y Reglamento, aprobó la creación de la Oficina de Transformación Institucional, adscrita a la Junta de Gobierno, y el siguiente *Reglamento Sobre el Funcionamiento y Operación de la Oficina de Transformación Institucional de la Universidad de Puerto Rico*, para que lea como sigue:

**REGLAMENTO SOBRE EL FUNCIONAMIENTO Y OPERACIÓN  
DE LA OFICINA DE TRANSFORMACIÓN INSTITUCIONAL**

**Artículo 1: Base Legal**

Este reglamento interno se establece en virtud de lo dispuesto en la Certificación Núm. 89 2017-2018 mediante la cual la Junta de Gobierno aprobó el Plan Fiscal de la UPR y el Art. 3(h)(16) de la Ley de la Universidad de Puerto Rico, que faculta a la Junta de Gobierno, entre otras, a organizar su oficina.

**Artículo 2: Propósito**

Este Reglamento tiene el propósito de establecer la política sobre la función de la Oficina de Transformación Institucional de la Universidad de Puerto Rico (OTI), así como las guías generales para que la OTI realice sus funciones con independencia, objetividad y autoridad en beneficio de la Universidad. La OTI proveerá seguimiento individualizado a todos los proyectos e iniciativas del Plan Fiscal y asegurará el progreso continuo de la implementación de las medidas del Plan Fiscal. La OTI deberá procurar la ejecución efectiva de las medidas del Plan Fiscal y será la encargada de supervisar y monitorear la implementación de éstas. La existencia de la OTI estará sujeta a la vigencia del Plan Fiscal.

**Artículo 3: Misión**

La misión de la OTI será desarrollar prácticas eficientes de gestión de proyectos con el fin de desarrollar e implementar de manera centralizada y eficiente los proyectos de transformación y reformas universitarias conforme al Plan Fiscal. La OTI deberá procurar el cumplimiento con las metas establecidas para la optimización administrativa y académica de la Universidad y asegurar la implementación de las medidas del Plan Fiscal.



#### **Artículo 4: Definiciones**

Para efectos de este Reglamento, todo término utilizado para referirse a una persona o puesto se refiere a ambos géneros. Las palabras y frases usadas en este Reglamento serán interpretadas según el contexto en que sean utilizadas y tendrán el significado sancionado por el uso común y corriente, salvo cuando se dispone otra cosa.

- A. **AAFAF:** Autoridad de Asesoría Financiera y Agencia Fiscal de Puerto Rico
- B. **Gerencia:** Funcionario a cargo de una Unidad Institucional. Ejerce la máxima autoridad administrativa dentro ésta (por ejemplo, Presidente, Rectores, Directores Ejecutivos o su equivalente en las unidades de la institución o corporaciones subsidiarias que no estén dirigidas por Rectores).
- C. **Plan Fiscal:** Documento aprobado por la Junta de Supervisión Fiscal que establece las medidas de ahorro y generación de ingresos con el fin de lograr la sostenibilidad fiscal de la UPR.
- D. **PMO:** Siglas en inglés para *Project Management Office*.
- E. **Iniciativas:** Proyectos de transformación incluidos en el Plan Fiscal.
- F. **KPI:** Siglas en inglés para *Key Performance Indicator*. Se utilizarán como métricas de desempeño para medir el progreso de la implementación de las medidas del Plan Fiscal.
- G. **Unidad:** Se refiere a cada uno de los Recintos de la UPR, así como a sus demás componentes o subsidiarias.

#### **Artículo 5: Alcance**

Todas las áreas de operaciones, incluyendo todos los sistemas (manuales y electrónicos, en uso y en desarrollo), las unidades, organizaciones afiliadas y subsidiarias de la Institución están sujetas a la intervención de la OTI, conforme al plan de trabajo y al Plan Fiscal. La OTI determinará el alcance y la naturaleza de los proyectos de transformación, conforme a las directrices del Comité de Reestructuración de la Junta de Gobierno.

El alcance del trabajo de la OTI incluye, pero no se limita a:

- A. Desarrollar, monitorear, asesorar e implementar proyectos de transformación en las siguientes áreas:
  - a. Optimización de Programas Académicos
  - b. Optimización de las Facilidades Universitarias
  - c. Fondos Federales
  - d. Reestructuración Administrativa

- e. Sistema de Retiro de la UPR
- f. Adiestramientos
- g. Compras
- h. Reportes Financieros y Presupuestarios
- i. Ajustes en Matrícula y otros cargos
- j. Iniciativas de Personal
- k. Reestructuración de la Deuda
- l. Otros Proyectos Estratégicos

#### **Artículo 6: Autoridad**

La OTI estará adscrita a la Junta de Gobierno de la Universidad de Puerto Rico. La dirección y supervisión de la OTI y de su personal estará a cargo del Director de la OTI quien será nombrado por la Junta de Gobierno. El Director de la OTI tendrá acceso directo al Presidente de la Junta de Gobierno, así como al Presidente del Comité de Reestructuración de la Junta de Gobierno. Además, tendrá acceso directo al Presidente de la UPR y brindará apoyo al personal de Administración Central. En términos de su función, responderá a la Junta de Gobierno, mientras que, en asuntos administrativos, responderá a dicho Cuerpo a través de su Secretario(a).

La OTI estará autorizada a:

- A. Tener acceso completo, libre e irrestricto a toda función, documento, información (independientemente del medio en que se mantiene), propiedad y personal de la UPR a fin de poder cumplir con los objetivos, alcance y misión establecidos en este Reglamento y en el Plan Fiscal.
- B. Asignar recursos disponibles, determinar alcances de trabajo y aplicar las técnicas requeridas en el manejo de los proyectos e iniciativas incluidas en el Plan Fiscal.
- C. Obtener la ayuda y cooperación necesaria del personal de la institución donde se estén desarrollando e implementando los proyectos. También, previa consulta y autorización de la Junta de Gobierno, la OTI podrá solicitar al presidente de la Junta la contratación de servicios especializados y de consultoría externa, según sea necesario para fines del cumplimiento con el Plan Fiscal.

#### **Artículo 7: Confidencialidad**

La OTI respetará la confidencialidad de la información personal recibida. Además, ejercerá profesionalismo y prudencia en el uso y la protección de la información recibida en todo momento.

## **Artículo 8: Responsabilidades**

La OTI, en el descargo de sus funciones, tendrá la responsabilidad de:

- A. Someter un plan de trabajo para la aprobación del Comité de Reestructuración de la Junta de Gobierno. Los trabajos a incluirse en el plan se determinarán a base de la identificación de prioridades conforme al Plan Fiscal. El Director de la OTI realizará los cambios y ajustes al plan que sean necesarios durante el año.
- B. Mantener al día e informar al Comité de Reestructuración y a la Junta de Gobierno el progreso de la implementación del Plan Fiscal.
- C. Proveer servicios de asesoría, en respuesta a solicitudes de la Gerencia o el Comité de Reestructuración, que contribuyan a mejorar los procesos para alcanzar las iniciativas del Plan Fiscal. Incluyendo, pero sin limitarse, a las fases de planificación, diseño, desarrollo y post-implementación de estas iniciativas.
- D. Proveer información al Comité de Reestructuración, a la Junta de Gobierno y al Presidente de la UPR en la frecuencia que éste determine sobre el estatus, progreso y resultados de los planes de trabajo e iniciativas conforme al Plan Fiscal.
- E. Rendir a la Junta de Gobierno, a través del Comité de Reestructuración, un informe anual de las labores realizadas.
- F. Seleccionar, adiestrar, desarrollar y retener personal competente que cuente colectivamente con las habilidades, conocimiento, destrezas, experiencia y certificaciones profesionales necesarias para cumplir con la misión, objetivos y alcance de la OTI. Esto, mediante un programa de adiestramiento y desarrollo profesional continuo, de acuerdo al plan de trabajo y presupuesto aprobados por el Comité de Reestructuración de la Junta de Gobierno.
- G. Definir los métodos de gestión e implementación de las iniciativas del Plan Fiscal. Además, deberá establecer los riesgos, recursos y tiempo para la implementación de cada una de las medidas.
- H. Establecer la metodología y los estándares para medir la efectividad de la implementación de las medidas.
- I. Establecer procesos uniformes de *reporting* a las partes interesadas, tales como: la Junta de Gobierno de la UPR, Administración Central de la UPR y la Junta de Supervisión Fiscal.
- J. Asistir a la Administración Central de la UPR en el desarrollo e implementación de medidas y reformas de transformación y en la consecución de las metas estratégicas conforme al Plan Fiscal. Fomentar la colaboración y coordinar esfuerzos con las partes

interesadas, incluyendo a consultores, asesores externos, unidades, AAFAF y otras entidades gubernamentales en relación a asuntos contemplados en el Plan Fiscal.

### Artículo 9: Presupuesto de la Oficina

El Presupuesto de la OTI formará parte del presupuesto de la Junta de Gobierno de la UPR. El Director de la OTI será responsable de la formulación y administración del mismo, en coordinación con el Secretario Ejecutivo de la Junta de Gobierno de la UPR.

### Artículo 10: Estructura de la Oficina

La OTI estará compuesta por un Director, un Asistente Administrativo, tres Gerentes de Proyecto, tres Analistas y tres Internos. Estos últimos, deberán ser estudiantes de la UPR, ya sea a nivel subgraduado o graduado. Para propósitos ilustrativos, se incluye el organigrama de la OTI.



### Artículo 11: Derogación, Enmiendas y Vigencia

Este reglamento podrá ser enmendado o derogado por la Junta de Gobierno y entrará en vigor inmediatamente después de su aprobación.

Y PARA QUE ASÍ CONSTE, expido la presente Certificación, en San Juan, Puerto Rico, hoy, 28 de agosto de 2018.

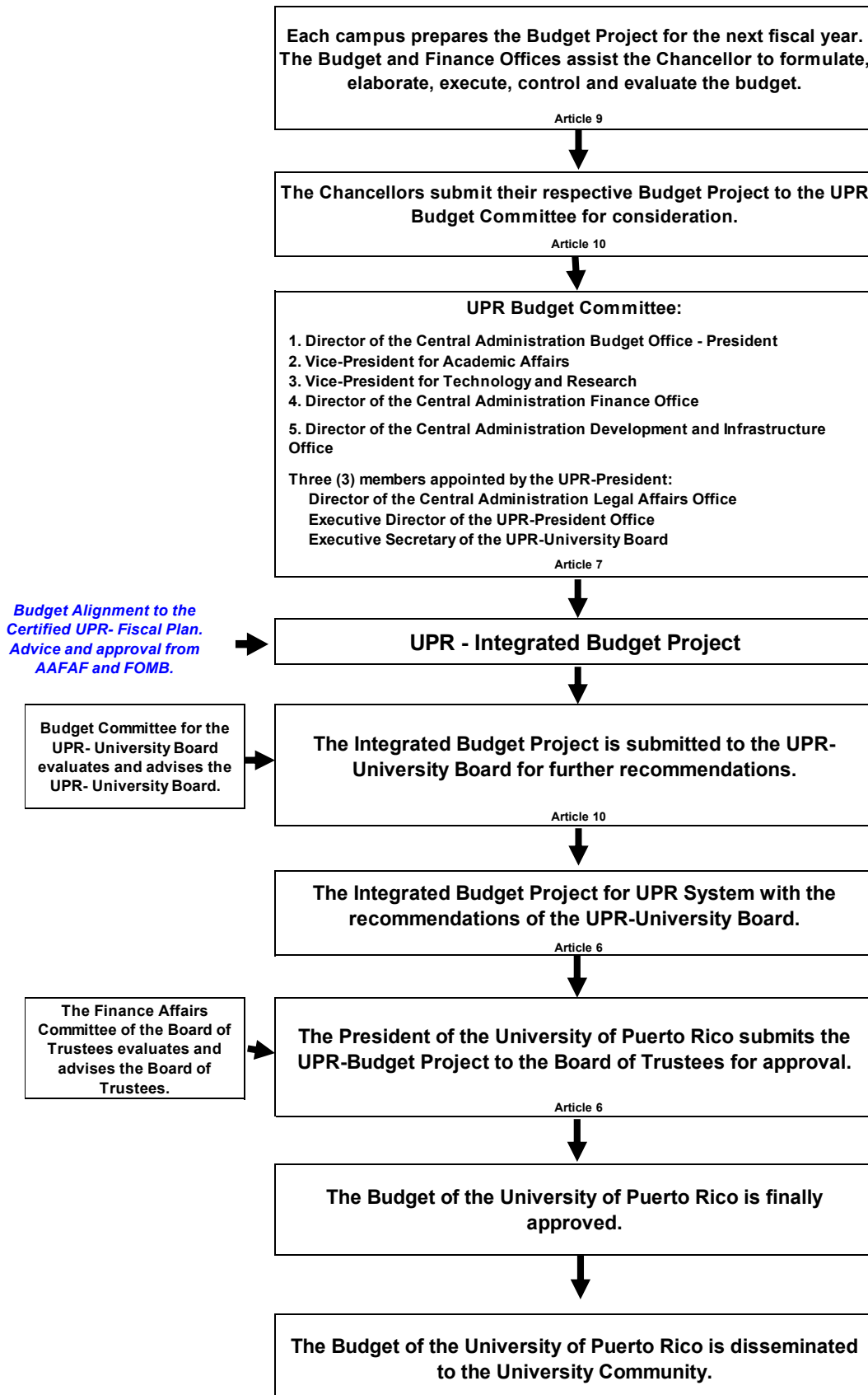


Luis Berrios Amadeo  
Secretario

## 22. INTEGRATED BUDGET FLOWCHART

# Integrated Budget Project Flow Chart

Certification No. 100 (2005-2006) - UPR Budget Regulation



23. CERTIFICATION 2: 2018-2019. UPR BOARD OF GOVERNORS



JUNTA DE GOBIERNO  
UNIVERSIDAD DE PUERTO RICO

CERTIFICACIÓN NÚMERO 2  
2018-2019

Yo, Luis Berríos Amadeo, Secretario de la Junta de Gobierno de la Universidad de Puerto Rico, CERTIFICO QUE:

### **RESOLUCIÓN NUNC PRO TUNC**

Mediante la Certificación Núm. 118 (2017-2018) del 29 de junio de 2018, la Junta de Gobierno, acordó:

**Aprobar el Presupuesto para Gastos Operacionales con cargo al Fondo General de la Universidad de Puerto Rico para el Año Fiscal 2018-2019.**

**Mediante Referéndum llevado a cabo los días 19 y 20 de julio de 2018, la Junta de Gobierno aprobó enmendar la Certificación Núm. 118 (2017-2018) para incorporar la distribución presupuestaria de las respectivas unidades institucionales, según detallado en la tabla que se incorpora a la Certificación Núm. 118 (2017-2018).**

Y PARA QUE ASÍ CONSTE, expido la presente Certificación, en San Juan, Puerto Rico, hoy 20 de julio de 2018.



Luis Berríos Amadeo  
Secretario