



**GOVERNMENT OF PUERTO RICO**  
**OFFICE OF MANAGEMENT AND BUDGET**

Director | Orlando C. Rivera Berrios

June 8, 2025

**BY ELECTRONIC MAIL**

Mr. Robert F. Mujica, Jr.  
Executive Director  
Fiscal Oversight and Management Board  
San Juan, Puerto Rico

Dear Mr. Mujica:

**RE: Amendment to Municipal Funds Request**

On May 29, 2025, the Office of Management and Budget (OMB) submitted a request to the Fiscal Oversight and Management Board (FOMB) for a distribution of \$35 million, currently under the custody of the OMB, to be disbursed to various municipalities for liquidity relief.

This letter constitutes an amendment to the original request, incorporating the agreements and clarifications reached during the meeting held on June 6, 2025, between representatives of the OMB and the FOMB. The OMB appreciates the joint efforts and constructive dialogue that took place during this meeting, which were essential in addressing FOMB's concerns and refining the methodology for the distribution of funds. This shared commitment to fiscal responsibility and service continuity was essential in finalizing the approach to ensure equitable and transparent fund allocation.

We affirm that the requested funds are necessary to address short-term liquidity constraints caused by revenue shortfalls. Without this additional support, municipalities would be forced to implement severe cost-cutting measures, including layoffs and reductions in direct services to citizens. These actions would disproportionately affect vulnerable populations that heavily depend on municipal programs and essential services.

According to our analysis, the municipalities have a deficit of approximately \$95 million. The \$35 million requested herein would provide partial relief. However, we recognize that to fully resolve the liquidity issue, the OMB must assist the municipalities in exploring mechanisms to improve their budget planning, similar to the efforts being undertaken within the Central Government.

The OMB is committed to ensuring that any distribution from the General Fund to support municipal critical services is fair, objective, and fiscally responsible. The proposed distribution primarily aims to cover regular payroll expenses, essential services, and other applicable liquidity needs.

This request is based on the results of the evaluation process conducted by the OMB. The methodology used to validate the legitimacy and urgency of the funding requests included the following criteria:

1. Analysis of the progress of each municipality's General Fund balance from FY2020 to date;
2. Verification that the municipality issued its audited financial statements for FY2024;
3. Review of actual versus budgeted revenues for each municipality's general fund through April 2025, along with a projection for the fiscal year-end, June 30, 2025;
4. Evaluation of current liquidity conditions, with an emphasis on identifying municipalities facing cash flow restrictions projected to last three months or less; and
5. Consideration of population metrics defined by the U.S. Department of Housing and Urban Development (HUD), particularly if a municipality qualifies as a Non-Entitled Local Government Unit (NEU).

In line with principles of fiscal responsibility and equitable resource distribution, the OMB applied exclusion criteria to ensure that municipalities demonstrating sufficient fiscal capacity or improved financial conditions were not considered for funding. This approach ensures that financial support are targeted to municipalities facing the most critical short-term fiscal challenges. Consequently, the following exclusion criteria were applied:

1. Municipalities with a General Fund balance exceeding \$20 million, reported in their latest available audited financial statements;
2. Municipalities with savings in the Puerto Rico Health Insurance Administration (ASES) contributions equal to or greater than 1% of their adopted FY2025 budget;
3. Municipalities that received intergovernmental contributions and savings in ASES during FY2025 exceeding the Net Financing Allocation of CRIM for FY2024.

Pursuant to the public policy established by Governor Hon. Jennifer González-Colón and in alignment with our commitment to fiscal responsibility and the best interests of Puerto Rico's municipalities, we respectfully request the release of a total of \$35,656,894 currently held in account 141-0170000-1248-081-2025 under the custody of the OMB. These funds will be specifically allocated to municipalities currently experiencing short-term fiscal stress. The distribution of funds is detailed in **Exhibit I**.

Furthermore, it is important to note that, for any FY2026 fund distribution, the OMB will require additional data from municipalities and will require modifications to their budgets. The OMB remains fully committed to providing the necessary support to municipalities to meet these challenges.

We appreciate your attention to this amendment to our original request, which is intended to incorporate the agreements reached during the June 6, 2025, meeting. We remain fully committed to working collaboratively and to providing any additional information the FOMB may require for its prompt evaluation and approval.

Sincerely,



Orlando C. Rivera Berríos  
Director  
Office of Management and Budget

c:

Hon. Jennifer A. González Colón  
Hon. Francisco J. Domenech Fernández  
Mr. Germán Ojeda  
Ms. Leonor De Jesús

**EXHIBIT I**  
**ALLOCATIONS TO THE MUNICIPALITIES OF PUERTO RICO**

#	Municipality	Allocation
1	ADJUNTAS	924,257.83
2	AGUADILLA	243,225.74
3	AGUAS BUENAS	972,902.97
4	AÑASCO	778,322.38
5	ARROYO	826,967.53
6	BARCELONETA	778,322.38
7	CAMUY	924,257.83
8	CANOVANAS	875,612.68
9	CEIBA	924,257.83
10	CIALES	194,580.59
11	CIDRA	243,225.74
12	COROZAL	924,257.83
13	CULEBRA	826,967.53
14	FLORIDA	972,902.97
15	GUANICA	924,257.83
16	GUAYANILLA	924,257.83
17	GURABO	729,677.23
18	JAYUYA	972,902.97
19	JUANA DIAZ	729,677.23
20	JUNCOS	291,870.89
21	LAJAS	924,257.83
22	LARES	972,902.97
23	LAS MARÍAS	729,677.23
24	LAS PIEDRAS	924,257.83
25	LOIZA	924,257.83
26	MARICAO	291,870.89
27	MAUNABO	972,902.97
28	MOCA	291,870.89
29	NAGUABO	924,257.83
30	OROCOVIS	778,322.38
31	PATILLAS	972,902.97
32	PEÑUELAS	778,322.38
33	RIO GRANDE	924,257.83
34	SABANA GRANDE	972,902.97
35	SALINAS	826,967.53
36	SAN GERMAN	924,257.83
37	SAN LORENZO	972,902.97
38	SANTA ISABEL	875,612.68
39	TRUJILLO ALTO	924,257.83
40	VEGA ALTA	972,902.97
41	VEGA BAJA	729,677.23
42	VIEQUES	243,225.74
43	VILLALBA	924,257.83
44	YABUCOA	972,902.97
45	YAUCO	924,257.83
<b>Total</b>		<b>\$35,656,894.00</b>