

**EXHIBIT 1: MEDICAL SERVICE ADMINISTRATION FISCAL YEAR 2019
COMPLIANT BUDGET AND BUDGETARY RESOLUTIONS PROVISIONS**

EXHIBIT 1 – COMPLIANT BUDGET

34. Medical Services Administration

A. Federal Funds

i. Payroll	\$0
ii. Non-personnel	\$0
Subtotal	\$0

B. Other Funds

i. Payroll	\$38,532,000
ii. Non-personnel	\$44,531,000
iii. PayGo	\$2,589,000
Subtotal	\$85,652,000

Total Federal Funds & Other Funds **\$85,652,000**

Notes:

1. Any modification to an allocation in this budget must be submitted to the Oversight Board for its review and approval. The modification requests to the Oversight Board must include sufficient supporting documentation to evidence the budget reapportionment need. Any modification or reprogramming to the allotments for any of the budget line items costs requires the prior approval of the Oversight Board

2. On or before July 31, 2018, the Governor or Executive Director shall provide to the Oversight Board budget projections of revenues and expenditures for each quarter of this fiscal year, which must be consistent with the corresponding budget certified by the FOMB (the “Quarterly Budget”). The Quarterly Budget shall be provided to the Oversight Board in Excel format. Together with the report that must be provided under Section 203 of PROMESA not later than 15 days after the last day of each quarter, the Governor shall provide a quarterly variance analysis that is consistent with modified accrual accounting.

3. The Executive Director of the Medical Services Administration (“ASEM”) and the Finance Director of ASEM, shall, as applicable, each be responsible for not spending or obligating during fiscal year 2019, any amount that exceeds the expenditures approved in the budget certified by the Oversight Board.