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**Executive Director**

**BY ELECTRONIC MAIL**

April 27, 2026

The Honorable Luis Daniel Colón LaSanta  
Chairman  
Labor and Labor Relations Committee  
Senate of Puerto Rico

Dear Chairman Colón LaSanta:

We write in response to your correspondence dated January 30, 2026, in which you asked for the Oversight Board's assessment of Senate Bill 850 ("SB 850" or the "Bill"). We interpret your correspondence as a request that the Oversight Board conduct a preliminary review of the Bill pursuant to PROMESA § 204(a)(6) to determine whether it would be consistent with the Certified Revised 2024 Fiscal Plan for Puerto Rico (the "Fiscal Plan") and PROMESA.

SB 850 would amend Act 28-2005 to:

1. establish new categories of public service nursing professionals (with both "experienced" and "inexperienced" classifications), including nurse with a doctoral degree, nurse practitioner with a master's degree, and advanced practicing nurse; and
2. establish new base salaries for both the new and preexisting categories of nursing professionals.<sup>1</sup>

The Bill also would authorize the Secretary of the Department of Health to establish a process to implement the new categories and base salaries by July 1, 2026, and to place all public service nursing staff on a new salary scale.

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<sup>1</sup> The new base salaries range from \$2,916 per month for an "inexperienced nurse practitioner" to \$6,500 per month for an experienced nurse with a doctoral degree.

The Oversight Board finds the stated purposes of the Bill laudable, acknowledges the valuable contributions of public service nursing professionals, and recognizes the importance of ensuring they receive fair and equitable compensation that is competitive within the local labor market. However, as drafted, SB 850 would be inconsistent with the Fiscal Plan. Therefore, the Oversight Board encourages the Legislative Assembly (the “Legislature”) to pursue the purposes of the Bill through the Civil Service Reform (“CSR”) instead of through piecemeal legislative salary adjustments.<sup>2</sup> This would be more closely aligned with prior Oversight Board recommendations concerning proposed and enacted legislation.<sup>3</sup>

The CSR established by the Government and the Oversight Board requires adjustments to public employee salary scales to be based on a data-driven, market-based pay-setting methodology that ensures competitive and fiscally responsible compensation.<sup>4</sup> By establishing new base salaries through piecemeal legislation, SB 850 diverges from these best practices, creating challenges to classification and compensation plans that further limit the Government’s much-needed flexibility to set competitive market rates.<sup>5</sup> Any salary adjustments for public employees are expected to be made comprehensively through the CSR, considering the applicable Uniform Classification and Remuneration Plan, the current salary structure under the CSR, and the Certified Budget.

Additionally, the Bill does not align with the CSR insofar as it provides for salary changes that are not comprehensive but, rather, focus on only one segment of medical professionals. Further, the proposed salary changes do not appear to be based on an analysis of how the proposed salary increases compare with the salaries of other public sector workers not impacted by the Bill. In addition, it does not appear that the proposed increases are based on any analysis of market rates and other relevant factors. Rather, the Bill provides for the type of *ad hoc* salary adjustments that

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<sup>2</sup> The Oversight Board has previously advised that pursuing a piecemeal approach to salary adjustments is inconsistent with the CSR. For example, *see* Oversight Board letter dated July 28, 2025, available at [https://drive.google.com/file/d/1RqWx5f8qe0lb3\\_SN-t3oOAWM\\_Rt8VIc-/view](https://drive.google.com/file/d/1RqWx5f8qe0lb3_SN-t3oOAWM_Rt8VIc-/view).

<sup>3</sup> *See* letters concerning:

1. Act 41-2024, available at <https://drive.google.com/file/d/18eAbeCAymgWE02h9ou-g-jTJNxRmL74D/view>;
2. JR 58-2024, available at <https://drive.google.com/file/d/1CbiGDDQ0wo21vEIAPJMIpNgRKxU15h3Q/view>;
3. SB 132, available at [https://drive.google.com/file/d/1L1G7OPscDGF\\_EgciOy7S9rLve6PI9M\\_J/view](https://drive.google.com/file/d/1L1G7OPscDGF_EgciOy7S9rLve6PI9M_J/view).

<sup>4</sup> Fiscal Plan at 102 (“This is why the Government is undertaking a comprehensive CSR, which focuses on four interconnected strategic components . . . (2) compensation review to ensure employees have a competitive salary vis-a-vis the local labor market.”); 105 (“With the implementation of the [Uniform and Remuneration Plan] for trust employees, alongside the already implemented plan for career employees in the central government, the Government will have an integrated, cohesive, and uniform compensation system that is data-driven, market-based, and fiscally responsible across all of Government.”).

<sup>5</sup> Pursuant to Act 8-2017, which established the Government as a Single Employer, this type of compensation framework is implemented through a centralized system administered by the Office of the Administration and Transformation of Human Resources (“OATRH,” for its Spanish acronym), the entity responsible for developing and administering classification and remuneration plans for all agencies and employees comprising the Central Government.

the CSR was created to prevent, and may not fully reflect the comprehensive, data-driven methodology applied under the CSR.<sup>6</sup>

In addition to seeking to change nursing professionals' salaries, SB 850 requires the Secretary of the Department of Health to establish a procedure that results in the implementation of the new base salaries by July 1, 2026. We note that while existing law provided the Secretary of the Department of Health this authority with respect to prior efforts to set public health worker salaries, this provision as it pertains to the new salaries contained in the Bill directly contradicts the "Single Employer" model established by Act 8-2017. Under the "Single Employer" model, OATRH is the sole authority on all matters related to classification and remuneration for agencies under the Central Government, ensuring that salary and job classifications remain uniform across all Government agencies.

The Oversight Board is willing to collaborate with the Legislature to determine how best to achieve the purposes of the Bill in a manner consistent with the CSR, the Fiscal Plan for Puerto Rico, and PROMESA. However, prior to any such discussion or further action, SB 850 should be submitted to the Legislature's Budget Office ("OPAL," for its Spanish acronym) for an assessment of its fiscal impact. It appears this has not yet been done, which may limit the Legislature's access to important information necessary to fully understand the costs of the Bill as it considers its enactment. Sharing the Bill and future legislative measures with OPAL for analysis of their fiscal impact can help mitigate the risk of the enactment of unfunded mandates that disrupt Puerto Rico's progress towards financial sustainability and violate the Fiscal Plan and PROMESA. Further, the information OPAL can provide on the Bill will permit us to have a more constructive conversation on the Bill.

We thank you for requesting our review of the Bill.<sup>7</sup> The Oversight Board looks forward to continued engagement with the Legislature and encourages you to submit any other legislation you believe may impact the Commonwealth's expenditures, revenues, compliance with any Fiscal Plan, or PROMESA's purposes, together with supporting documentation developed by OPAL. This approach helps avoid the enactment of bills that are inconsistent with the Fiscal Plan and disrupt Puerto Rico's progress toward restoring fiscal responsibility.

We look forward to continuing to work together for the benefit of the people of Puerto Rico.

Sincerely,



Robert F. Mujica, Jr.  
Executive Director

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<sup>6</sup> Measures like SB 850 not only create issues for the impacted categories of public workers but also disrupt the overall public sector salary structure and distort its internal hierarchy, thereby undermining and complicating the Government's ability to continue the process of implementing a cohesive, holistic, data-driven compensation system that ensures equity and market competitiveness across all levels and positions.

<sup>7</sup> If the Bill is enacted, the Governor will still be required to make a PROMESA § 204(a) submission and, as stated in PROMESA, the results of this preliminary review under PROMESA § 204(a)(6) are not binding on the Oversight Board in its review of such submission.