

**FINANCIAL OVERSIGHT AND MANAGEMENT BOARD
FOR PUERTO RICO**



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Executive Director

BY ELECTRONIC MAIL

April 13, 2020

The Honorable Wanda Vázquez Garced
Governor of Puerto Rico

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

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

Dear Governor Vázquez Garced, President Rivera Schatz, Speaker Méndez Núñez:

We have become aware that House Joint Resolution 666 (“HJR 666”) is scheduled for another vote in the House of Representatives, after some amendments were incorporated by the Senate. HJR 666, in its current version, redistributes \$156,810,500 from funds under the custody of the Office of Management and Budget (“OMB”) for the fiscal year 2019-2020. As it has been communicated previously in our letters and in public statements, the Oversight Board’s authorization to spend has already been granted with a reapportionment for \$156,810,500 submitted by Governor Wanda Vázquez Garced, and approved by the Oversight Board on March 30, 2020.

As background, the Oversight Board certified the Emergency Measures Support Package on March 28, 2020 following the Legislature’s vote and the Governor’s signature of Joint Resolution 23-2020 as part of the Legislature’s first phase of the "Strategic Plan to Reactivate Our Economy, Support Our Merchants and Protect Our Workers" in response to the COVID-19 emergency. This is part of the \$787 million Emergency Measure Support Package agreed together with the Government to provide support to the Puerto Rican people, frontline workers, educators and students, and small businesses. It consists of \$500 million that had to be authorized as an incremental appropriation to the fiscal year 2020 General Fund budget in compliance with the budgetary process under PROMESA, \$157 million of reapportionment within the current fiscal year 2020 Commonwealth General Fund budget, and \$131 million of Federal funds. The Emergency Measures Support Package is in addition to the availability of \$160 million from Puerto Rico’s Emergency Reserve Fund the Oversight Board had already authorized. The

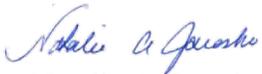
Honorable Wanda Vázquez Garced
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Oversight Board encourages the Government to distribute the funds urgently to ensure that the support reaches those who need the funds as soon as possible.

Although we appreciate the efforts of the Legislature to conform HJR 666 to the already authorized reapportionments of the \$156,810,500 submitted by Governor Vázquez Garced and approved by the Oversight Board, we recommend that HJR 666 not be signed by the Governor as currently drafted, as it is duplicative of the measures taken so far by the Government of Puerto Rico and the Oversight Board. Moreover, HJR 666 would be inconsistent with the Emergency Measures Support Package given that Oversight Board authorization to spend has already been granted with a reapportionment approved on March 30, 2020. Therefore, the funds are no longer under the custody of the OMB and the most recent breakdown of the funds is not aligned with the reapportionment approved on March 30. Please be further advised that the Oversight Board reserves all its rights to nullify and enjoin enforcement of legislation pursuant to PROMESA sections 204(a), 108(a)(2) and 207.

The Oversight Board believes that the health and safety of the people of Puerto Rico must be the number one priority at this time and will provide appropriate and needed support as possible. Hence, the Oversight Board will continue to work closely with the Governor, the Legislature, and the private sector to mitigate the crisis to the extent possible.

Sincerely,



Natalie A. Jaresko

CC: Mr. Omar Marrero Díaz