

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



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Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

April 8, 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 received from Representative Jorge Navarro a letter requesting our views on House Joint Resolution 675 (“HJR 675”), which has been presented in the House of Representatives. HJR 675 proposes to establish that during the term of Executive Orders issued by the Governor of Puerto Rico to manage the crisis precipitated by the outbreak of the Coronavirus (COVID-19), private employers with no less than fifty (50) employees and annual gross income of \$10 million that are providing service to the public as authorized by said Executive Orders, shall pay wages at time and a half.

While we understand the spirit and intent of the measure, we believe it to be impractical and imprudent at this time. Measures such as these that represent an additional significant cost to private sector businesses should be considered carefully as they are an important source of employment at this time. Moreover, it only deepens the economic challenges faced by the business sector during the emergency period. Given the federal assistance that has already been provided through three pieces of federal legislation, including the CARES Act, and the local Emergency Measures Support Package recently adopted by the Government and approved by the Oversight Board, we would recommend to avoid measures such as HJR 675 while further analysis can be conducted into the nature of the support to be received via the federal legislation already adopted and potentially yet to adopted to support those suffering from the COVID 19 pandemic.


Honorable Wanda Vázquez Garced
Honorable Thomas Rivera Schatz
Honorable Carlos J. Méndez Núñez
April 8, 2020
Page 2 of 2

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 for those affected by COVID-19, those fighting the virus at the frontlines, and those affected by the Government's response to the emergency.

Accordingly, the Oversight Board recommends that HJR 675 not be approved by the Legislature nor signed by the Governor. 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.

Please be further advised that the Oversight Board reserves all its rights to nullify and enjoin enforcement of legislation pursuant to PROMESA sections 204, 108(a)(2) and 207.

Sincerely,



Natalie A. Jaresko

CC: Hon. Jorge Navarro
Mr. Omar Marrero Díaz