



THE BIDEN-HARRIS PLAN FOR RECOVERY, RENEWAL AND RESPECT FOR PUERTO RICO

Joe Biden believes that Puerto Rico, and the more than 3 million American citizens who call it home, deserve to be treated with dignity and respect. Whether you live in Reading, Pennsylvania; Kissimmee, Florida; or San Juan, Puerto Rico, you deserve a fair return for your work, an equal chance to get ahead, and a government that treats every American citizen equally and has your back when you get knocked down.

Yet, President Trump turns his back on the people of Puerto Rico again and again. He has not only not attempted to help, he has made things worse. After the island was devastated by Hurricane Maria, he failed to deliver the emergency supplies it needed and then suggested we should sell or trade Puerto Rico. In the midst of the coronavirus, he has again failed to provide Puerto Ricans with the support they need. Given Trump's failure, it is no surprise that the coronavirus has hit Puerto Rico's fragile economy harder than most U.S. jurisdictions.

Moving forward to a future of renewal and respect is not fully possible without addressing the issue of Puerto Rico's political status, which has been debated for decades. As President, Biden will work with representatives who support each of the status options in Puerto Rico to engage in a fair and binding process to determine their own status.

Joe Biden will not wait, however, to address the current untenable situation in Puerto Rico, which has resulted in the unequal treatment of the American citizens who call the island home. As President, Biden will create a federal working group for Puerto Rico which will report directly to the President to make sure Puerto Rico has the resources and technical assistance it needs not only to recover, but also to prosper. He will respect Puerto Rico and support the

Island's recovery and renewal, including by:

- Supporting a full recovery and infrastructure reconstruction to modern standards.
- Investing in Puerto Rico's future through economic development initiatives and support for families.
- Providing relief from unsustainable debt.
- Expanding access to education and workforce development.

SUPPORTING A FULL RECOVERY & INFRASTRUCTURE RECONSTRUCTION TO MODERN STANDARDS

In 2017, Hurricanes Irma and Maria inflicted grave damage to Puerto Rico's infrastructure and economy, resulting in widespread deprivation and suffering for residents. The federal response to Hurricane Maria was inadequate and slow and likely contributed to thousands of subsequent storm-related deaths. And instead of calling for enactment of the bipartisan Puerto Rico earthquake supplemental appropriations bill in response to the recent earthquake, Trump first raided military construction funding, originally intended to repair facilities damaged by Hurricane Maria, for his border wall. Now, he's signed a memorandum raiding disaster relief funding instead of making a deal with Congress on enhanced unemployment insurance. Biden will ensure that Puerto Rico receives the federal disaster reconstruction funding that it urgently needs to support the long-term recovery of Puerto Rico and increase its ability to withstand any future storms. Specifically, he will:

Accelerate access to promised reconstruction funding while ensuring transparency and accountability for public funds. Biden will immediately instruct the Federal Emergency Management Agency (FEMA), the U.S. Department of Housing and Urban Development (HUD), and all federal agencies involved in Puerto Rico's reconstruction to work closely with Puerto Rico and municipal governments to ensure that federal funding is deployed efficiently, effectively, and in full compliance with appropriate laws and regulations. Biden will

also instruct HUD to remove onerous restrictions unique to Puerto Rico that limit its access to Community Development Block Grants (CDBG) Disaster Relief funding. And, he will partner with Puerto Rico's 78 mayors to ensure their communities get the funds they need. His administration will also develop a dashboard similar to the one established by the Obama-Biden administration for American Recovery and Reinvestment Act (ARRA) funding, in order to provide the people of Puerto Rico with accurate and transparent, up-to-date information on public expenditures.

Forgive disaster relief loans to Puerto Rican towns/municipalities so they can recover faster. FEMA has lent roughly \$300 million to 76 Puerto Rican towns/municipalities under the Community Disaster Loan (CDL) program. While such loans are often forgiven for municipalities in U.S. states (as long as they meet certain conditions), such forgiveness for Puerto Rico can happen only at the discretion of the Secretary of Homeland Security in consultation with the Secretary of the Treasury. As President, Biden will work to have these loans canceled just as they would be for mainland recipients.

Ensure that recovery funds benefit local businesses. As of September 2018, approximately 10% of federal relief and recovery spending was going to Puerto Rican businesses in the form of contracts and purchases. Biden will ensure that the Stafford Act's preferences for local funding for local recovery are followed, and that federal agencies are giving additional incentives to provide contracts to Puerto Rican businesses, as called for in the Small Business Contracting Credit Act of 2019.

Rebuild Puerto Rico's infrastructure. Puerto Rico's infrastructure is significantly deficient and in need of major investments, which is having a direct impact on its economic growth and development. The American Society of Civil Engineers gives Puerto Rico's infrastructure an overall grade of "D-". A cornerstone of Biden's economic plan is an infrastructure package that will rebuild our nation's roads and bridges, schools, utilities, ports, public transit, and other infrastructure. And he will ensure that Puerto Rico's infrastructure and coastal habitats are rebuilt in ways that increase their capacity and resiliency to withstand any future storms.

INVESTING IN PUERTO RICO'S FUTURE THROUGH ECONOMIC DEVELOPMENT INITIATIVES AND SUPPORT FOR FAMILIES

With appropriate federal support, Puerto Rico can get back on its feet and maintain a healthy, vibrant, self-sufficient economy. This means invigorating leading industries, including manufacturing. It also means providing steady employment and providing critical support to dramatically improve the living standards of residents in Puerto Rico. A Biden-Harris Administration will:

- **Strengthen and improve Puerto Rico's power system.** Providing low-cost, reliable, and clean electricity to Puerto Rico's businesses and residents is critical to Puerto Rico's long-term economic development. This includes modernizing PREPA's power generation, transmission, and distribution systems through necessary infrastructure investments.
- **Improve access to affordable, quality health care.** The federal government caps annual Medicaid funding for Puerto Rico and contributes at a far lower rate than if federal matching funds for Puerto Rico were determined the same way as for states. Puerto Rico's Medicaid program, *Vital*, caps eligibility at one-third of the eligible income level in the states, provides only 10 of 17 essential services, pays providers less, and spends less per enrollee. Congress passed a short-term fix, but Puerto Rico will be in the same situation again after September 2021. As President, Biden will work to ensure that Puerto Rico is able to participate in the Medicaid program on par with other U.S. jurisdictions. Biden will also:
 - **Direct the HHS Secretary to Propose Medicare Reimbursement Reforms to Address Chronic Program Underpayments.** Biden will address historically low Medicare Advantage payment rates and their

consequences to Puerto Rico's health system by directing the HHS Secretary to develop and recommend payment reforms and enhancements to the program.

- **Expand investment in community health centers and increase the pipeline of health care providers.** Community health centers are a critical part of the Puerto Rican health care system, serving almost 360,000 patients in 2017. Biden will double the federal investment in community health centers – translating to an investment of an additional \$100 million per year.
- **Expand access to free COVID-19 health care services.** Biden will lead a decisive public health response to COVID-19 and ensure the residents of Puerto Rico and all Americans receive the resources they need to address the public health crisis. He will ensure wide availability of free testing and eliminate cost barriers to preventative care and treatment for Covid-19. He will fight for the development of a safe and effective vaccine and the full production and fair distribution of necessary supplies, personnel, and facilities. And he will set national safety guidelines, empower local decision-making and provide emergency funding for public schools to support school reopening for in-person instruction.
- **Provide families in Puerto Rico equal access to nutrition assistance.** According to a 2015 study, an alarmingly high proportion – roughly 33% – of adults in Puerto Rico are food insecure, a share that likely increased in the aftermath of subsequent natural disasters. While those living in U.S. states who meet SNAP eligibility criteria are guaranteed food support, families in Puerto Rico must make do with an annual block grant program which does not automatically adjust in times of higher need. And, funding for the program is inadequate to meet the needs of Puerto Rico and is substantially lower than what would be spent were Puerto Rico treated the same as a state. As President, Biden will work to make Puerto Rico eligible for SNAP and ensure

that families in Puerto Rico who meet SNAP's eligibility criteria are given the same support that they would receive on the mainland.

- **Provide Supplemental Security Income benefits.** A federal court recently ruled that residents of Puerto Rico should be eligible for the Supplemental Security Income (SSI) program, but the Trump Administration has appealed the ruling. Biden will ensure residents of Puerto Rico have access to these benefits.

PROVIDING RELIEF FROM UNSUSTAINABLE DEBT

To assure Puerto Rico's future, we must reduce its unsustainable debt burden; Puerto Rico's annual debt service is 28% of revenues, more than five times that of the average state. The Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) of 2016 aimed to address this crisis by providing tools to restructure Puerto Rico's debt and lead Puerto Rico's economic recovery. When PROMESA was passed, no one envisioned two devastating hurricanes, earthquakes, and a once-in-a-century pandemic. In light of current conditions, the Financial Oversight and Management Board (FOMB) needs a meaningful shift in approach. Biden will chart a new path for tackling Puerto Rico's unsustainable debts that takes into consideration new challenges. Biden will support efforts to more effectively address the debt burdens hampering Puerto Rico's economy:

Reverse the policy of fiscal austerity imposed by the FOMB. Faced with an economic crisis and the devastating consequences of hurricanes, the FOMB insisted on a damaging policy of fiscal austerity. Biden will support a review of these policies and will partner with the government of Puerto Rico to make investments to promote economic growth, including infrastructure, and protect essential services.

Ensure representatives of Puerto Rico have a voice. Biden will work to clarify the respective roles of the government of Puerto Rico and the FOMB so that they can resolve Puerto Rico's financial challenges in a way that respects the authority of Puerto Rico's elected leaders to govern.

Support an audit of Puerto Rico's debt. Billions of dollars of debt may have been issued illegally in violation of Puerto Rico's constitution and hence be invalid. An audit of Puerto Rico's debt will enable Puerto Rico to plan for a fair and sustainable fiscal path forward.

Ensure low- and moderate-income people and pensioners are protected in any debt restructurings. Public pensions are critical to the financial security of 25% of Puerto Rico's families and hence to the local economy's health. Since 2013, pensioners have seen dramatic reductions in their benefits: retirement ages have been increased, employee contributions increased, cost of living increases eliminated, and pensions outright cut. Biden will work to protect pensioners in the context of debt restructuring.

EXPANDING ACCESS TO EDUCATION AND WORKFORCE DEVELOPMENT

In order to fuel the modernization and growth of Puerto Rico's economy, the federal government must strengthen Puerto Rico's public education system at all levels so that it can produce the workers of today and tomorrow and invest in health care infrastructure and the pipeline of health care workers. Biden will:

Invest in and rebuild the public school system. Puerto Rico's students are in dire need of additional resources. More than 50% of school-age children in Puerto Rico live below the federal poverty line. Puerto Rico has a higher percentage of students receiving special education services than any state. As President, Joe Biden will triple Title I funding for schools serving children from low-income families and fully fund the Individuals with Disabilities Education Act (IDEA). For Puerto Rico, this will mean a total of more than \$1.2 billion in funding under Title I and nearly \$300 million under IDEA. Puerto Rican school districts will be able to use this Title I funding to pay teachers competitive salaries, provide preschool to all 3- and 4-year olds, and give every student access to rigorous coursework.

Invest in school infrastructure. Puerto Rico's schools have been devastated by natural disasters and will take years to rebuild. Up to 95% of Puerto Rico's public schools do not meet

current building codes for earthquake safety. President Biden's infrastructure plan will provide \$100 billion for school construction, including funding specifically designated for Puerto Rico. This investment will enable Puerto Rico to make significant progress towards all students attending school in safe, healthy learning environments.

Provide pathways to college and the workforce. Keeping students in school and providing them with opportunities after high school requires strengthening the connections among high schools, the University of Puerto Rico and community colleges, and employers; and giving every student the opportunity to earn college credit or a workforce credential in high school. A cross-agency Puerto Rico task force within the Biden-Harris Administration will provide guidance and technical assistance to help Puerto Rico leverage resources from the Department of Education, the Department of Labor, and the Department of Health and Human Services to support these goals. And, Biden will create work-based learning opportunities. Biden will also ensure that workers in Puerto Rico can access individual career services that help with finding a job, developing a career plan, or getting other forms of career coaching.

Invest in the University of Puerto Rico as an engine of economic growth. As part of his Plan for Education Beyond High School, Biden will commit over \$70 billion to Minority-Serving Institutions (MSIs) like the University of Puerto Rico.

Increase mental health support. Trauma and disruption from hurricanes, earthquakes, and ongoing school closures have had a profound impact on Puerto Rico's students. In the immediate aftermath of Hurricane Maria, approximately one-third of children reported feeling that their lives were at risk. Rates of post-traumatic stress disorder among children were twice as high as the rate in the general population. Biden will dramatically increase investment in students' mental health, doubling the number of psychologists, school counselors, nurses, social workers, and other health professionals in Puerto Rico's schools.