

Mike Bloomberg's Puerto Rico Policy

Puerto Rico's economy was contracting even before budget cuts imposed by a federally-imposed debt oversight board, the damage of two powerful hurricanes, and now a series of earthquakes crushed the island's economy and infrastructure. The current concentration of challenges has elevated the fundamental problem of Puerto Rico's second-class status – Puerto Ricans are American citizens, but Puerto Rico doesn't get the same benefits or rights that states have. A 2016 congressional task force report identified more than 40 Federal statutes that treat Puerto Rico unequally,¹ including critical health care and other federal safety-net programs.

Puerto Rico has been ranked the place in the world most affected by climate change in the twenty years that ended in 2018,² but its second-class status has allowed mainland politicians to slow and stall needed disaster recovery aid. Puerto Ricans need reconstruction to get on track, not just to recover but also to modernize infrastructure and build a society more resilient to the next climate disaster.

Mike Bloomberg believes in giving Puerto Ricans the same respect and support that all American citizens deserve, including equal rights and a government that helps position the island for long-term growth and prosperity. He supports equal status – statehood – for Puerto Rico, subject to the approval of the Puerto Rican people. In the meantime, he supports giving Puerto Rico equal treatment when it comes to safety-net and other federal programs. Mike will prioritize stabilizing Puerto Rico's finances, investing in education and the economy, and rebuilding Puerto Rico with upgraded, climate-resilient, sustainable infrastructure.

1. Support equal status for Puerto Rico.

For decades, the federal government has treated the people of Puerto Rico like second-class citizens. With no voting representation in Congress, the island and its people are routinely left behind when federal policy is made. Puerto Rico does not get the same funding as states do for federal safety-net programs, including Medicaid,³ the Supplemental Nutrition Assistance Program⁴ (food stamps), and the Earned Income Tax Credit,⁵ and Puerto Ricans aren't eligible for supplemental social security benefits for low-income seniors and disabled people.⁶ Mike supports equal status for Puerto Rico, including statehood if Puerto Ricans choose it, and in the meantime, providing equal federal benefits.

- **Support statehood for Puerto Rico**, subject to approval by the people of Puerto Rico, who must make the ultimate decision. Mike supports passing a bill through Congress that would grant statehood if Puerto Rico votes for it, in an election that Puerto Ricans know is binding and that offers voters clear and fair options for the island's long-term status.

¹ Congressional Task Force on Economic Growth in Puerto Rico, Report to Congress, [cited in H.R. 6246](#), June 2018.

² GermanWatch, [Global Climate Risk Index 2020](#), December 2019.

³ Kaiser Family Foundation, [Puerto Rico: Fast Facts](#), October 2017.

⁴ Center on Budget and Policy Priorities, [How Does Household Food Assistance in Puerto Rico Compare to the Rest of the United States?](#), January 2020.

⁵ Center on Budget and Policy Priorities, [Why the Federal Government Should Support Puerto Ricans' New EITC](#), November 2019.

⁶ Social Security Administration, [What You Need to Know When You Get Supplemental Security Income](#).

- **Provide the same federal safety-net funding to Puerto Rico as to other U.S. states.** Puerto Rico's poverty rate is more than double that of the highest-poverty state.⁷ Yet the federal government doesn't provide the same support to help lift people out of poverty. Mike's plan for Puerto Rico will extend full federal benefits for programs including the Earned Income Tax Credit, Child Tax Credit, Supplemental Nutrition Assistance Program (SNAP), Medicaid, and Social Security.

2. Help Puerto Rico manage its debt and government finance in a way that puts Puerto Ricans first, promotes good government, and reverses the austerity measures of the current administration.

A mounting debt crisis led to Congress imposing an oversight board and drastic cuts to core government functions that are critical for restoring economic growth. Puerto Rico has been forced to cut higher education funding by 56%,⁸ close 255 elementary and secondary schools, and cut funding for local governments by 40%.⁹ Mike will help Puerto Rico take charge of its economic and fiscal future.

- **Conduct an independent audit of current debt and the latest restructuring plan.** Mike's plan includes a comprehensive audit, overseen by a representative board, and new plan for the budget, debt relief, and government reform based on the results.
- **Make the oversight board work for the people of Puerto Rico.** Mike will appoint members to the oversight board who will put politics aside and put the interests of the people of Puerto Rico first, including by stopping cuts to essential services, and making room for investments that promote growth.
- **Provide the debt relief required to make stability and growth possible.** With a focus on ensuring responsible governance, Mike supports putting an end to austerity measures and investing in education and infrastructure to help Puerto Rico grow. His plan would require improved governance, including systemic reforms to curb corruption, to ensure future fiscal responsibility, and support investing in education, infrastructure, and other essential services, including law enforcement and [criminal justice reform](#) to lower crime rates and improve policing.

3. Support a transparent, community-led reconstruction of Puerto Rico that positions the island for economic growth, increases resilience to climate and natural disasters, and enables Puerto Rico to build a world-leading model for clean self-sufficient energy.

The damage caused by two severe hurricanes in 2018 has been compounded by inadequate disaster response,¹⁰ the president's obstruction of legislation to fund the recovery,¹¹ and delays in disbursing the aid.¹² Once aid was finally released, the administration imposed onerous restrictions, limiting wages and blocking funding to improve the electrical grid, even though the Puerto Ricans continue to face rolling

⁷ U.S. Census Bureau, [QuickFacts: Mississippi](#), and [QuickFacts: Puerto Rico](#).

⁸ Financial Oversight and Management Board for Puerto Rico, [Fiscal Plan for University of Puerto Rico](#), June 2019.

⁹ Financial Oversight and Management Board for Puerto Rico, [Fiscal Plan for Commonwealth of Puerto Rico](#), May 2019.

¹⁰ Washington Post, [FEMA admits failures in Puerto Rico disaster response, in after-action report](#), July 2018.

¹¹ Washington Post, [Trump signs disaster relief bill delayed for months by his opposition to Puerto Rico aid](#), June 2019.

¹² National Public Radio, [Months After Blowing Deadline, Trump Administration Lifts Hold on Puerto Rico Aid](#), January 2020.

blackouts.¹³ Reconstruction from the disasters is critical for the people of Puerto Rico, not just to restore basic services, but to build modern infrastructure that can support economic growth, and to make the island more resilient to future disasters.

- **Make Puerto Rico’s reconstruction and well-being a personal priority of the president.** Mike’s plan for Puerto Rico includes expediting the release of funds, while ensuring they are used effectively to help rebuild as intended, and ensure they are put to use as quickly as possible.
- **Make reconstruction work for Puerto Ricans.** Too often, federal officials make important decisions from afar that fail to maximize benefits for Puerto Rico: 90% of contract value to date has gone to mainland U.S. companies.¹⁴ This makes reconstruction less responsive local needs, limits the economic benefits that would come with more work going to local businesses, and fails to build local capacity for future infrastructure projects. Mike will reform the recovery process to increase transparency and public oversight and engagement, reduce any potential for fraud, and increase Puerto Rican’s access to contracts and jobs in reconstruction.
 - **Create advisory councils** to give community leaders, NGOs and professional associations a role in deciding and monitoring how federal funds are spent.
 - **Set up a permanent local office** to serve as a one-stop-shop for island recovery, helping people understand what resources are available, what projects are proposed and how to bid for contracts.
 - **Provide technical assistance to Puerto Ricans looking to access reconstruction funds.** Help Puerto Ricans in areas such as applying for federally-appropriated funds, reconstructing of homes and infrastructure and rebuilding the electrical grid.
 - **Publish detailed, relevant and timely information on reconstruction projects and contracts,** including progress reports and data on the number of local jobs created.
 - **Build the islands’ long-term disaster-response capacity** by, for example, partnering with educational institutions to provide people with necessary skills.
- **Invest in the future and a healthy economy.** Puerto Rico should be rebuilt expeditiously, and rebuilt in a manner that will help the economy grow. Reconstruction funds should be coordinated with increased federal infrastructure investment, to build back better infrastructure than was there before the disasters, and infrastructure built for the challenges of climate change .
 - **Make Puerto Rico’s reconstruction a model for modernizing infrastructure and preparing for climate change.** Mike will bring together the resources and expertise of the government and the private sector with the island’s own skill base to make sure reconstruction creates a more resilient, sustainable economy. Mike’s administration will make sure reconstruction funds aren’t limited to building back what was destroyed, but can

¹³ New York Times, [Trump Attaches Severe Restrictions to Puerto Rico’s Long-Delayed Disaster Aid](#), January 2020.

¹⁴ Center for a New Economy, [Transforming the Recovery into Locally-led Growth](#), September 2018.

be used to rebuild better buildings and infrastructure that better .

- o **Invest in 21st-century infrastructure.** Mike’s federal [infrastructure investment plan](#) will treat Puerto Rico on even terms with states and provide funds to upgrade schools, housing, public transportation, telecommunications, water supply, and the energy grid, and connect all the people of Puerto Rico to high-speed internet.
- o **Rebuild for a stronger economy.** Mike’s [All-in Economy plan](#) will invest in Puerto Rico’s economy, based on partnerships with universities and community leaders, to implement innovation-based economic development strategies based on Puerto Rico’s strategic assets.
- o **Rebuild a sustainable Puerto Rico, resilient to the impacts of climate change.** It’s a moral imperative to rebuild in a way that positions Puerto Ricans and their communities to better withstand the storms, floods, and landslides that will only become more frequent with climate change. Mike will invest in Puerto Rico as part of his national [climate resilience plan](#), which includes federal support for planning for resilience to storms, flooding, and other effects of climate change. He’ll launch a Climate-Safe Communities program prioritizing the most vulnerable, invest in hardening critical infrastructure such as energy, telecommunications, and public safety systems. He’ll also protect and restore natural areas and working lands that can provide community protection, such as floodplains and wetlands that can mitigate the effects of flood or drought, or mangroves and sand dunes that can limit damage from storm surges.
- o **Prioritize housing.** Puerto Rico had housing challenges before disaster struck. With recent earthquakes and repeated aftershocks, Puerto Ricans are afraid to sleep in their own homes. Mike will reform federal disaster recovery management to prioritize housing, help Puerto Rico address housing affordability, and develop an approach that maximizes climate resilience and minimizes displacement.
- **Support Puerto Rican efforts to increase clean energy, reduce carbon pollution, and reform the electric utility.** Puerto Rico suffers from an electrical system that was underinvested in before the hurricanes and dependent on imported, expensive fossil fuels that contribute to climate change. But the need to rebuild its power grid is also an opportunity to move toward the 100% clean energy system as directed by Puerto Rico’s legislature, one that is decentralized, more resilient to future storms.
 - o **Reform the utility’s management.** Mike’s plan will revisit debt relief for the utility, particularly in light of new earthquake damage, and strengthen the independence of its regulator.
 - o **Bring national expertise to bear.** Mike will offer Puerto Rico the full support of the Secretary of Energy, the National Labs, and other experts at Puerto Rico’s request, to help build a power system based on local distributed clean energy, deploying energy efficiency and demand response to lower costs, and building a smart, decentralized grid that uses and energy storage to minimize blackouts in future disasters. Mike’s plan includes low-interest

loans and grants to help build the affordable, sustainable, decentralized power system Puerto Ricans want.

- **Improve Puerto Rico's preparedness for future disasters.** Mike's administration will increase funding for regular assessments of preparedness, to ensure clear plans are in place, and he'll explore incentives such as reducing local requirements for funding matches for states and municipalities that meet certain preparedness standards (like FEMA does under the Community Rating System of the National Flood Insurance Program).