

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



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Natalie A. Jaresko
Executive Director

BY ELECTRONIC MAIL

September 5, 2019

SECRETARIA DEL SENADO

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

5 SEP 2019 PM 3:03

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

Dear President Rivera Schatz and Speaker Méndez Núñez:

On May 5, 2019, the Oversight Board sent then-Governor Ricardo Rosselló Nevares and each of you a letter pursuant to Section 205(a) recommending that the Government of Puerto Rico establish a competitive process for use of the Municipal Improvement Funds and increase the transparency surrounding the capital project selection process. Section 205(b) requires the Governor or the Legislature, whichever has the authority to adopt the recommendation, to notify the Oversight Board whether it is adopting the recommendation within 90 days. On August 30, 2019, AAFAF responded on behalf of Governor Vázquez Garced that it believes the Legislature is the entity with the authority to adopt the recommendation concerning the use of Municipal Improvement Funds, because the Legislature “distributes and determines the use of the Municipal Improvement Funds. . . .” pursuant to Section 4050.09 of Act 1-2011. Based on that belief, the Governor is not taking a position on this recommendation at this time.

More than 90 days has passed since the Oversight Board submitted its 205(a) recommendation concerning the use of Municipal Improvement Funds. Please provide a response as required by Section 205(b) by September 15, 2019.

Sincerely,

Natalie A. Jaresko

CC: Mr. Omar J. Marrero Díaz
Mr. Elí Díaz Atienza