



Executive Session
Minutes of Meeting of Financial Oversight and Management Board for Puerto Rico
Wednesday, March 31, 2021

The meeting convened by video and telephonic conference at 8:00 pm EST on Wednesday, March 31, 2021. Voting Board members Andrew Biggs, Arthur Gonzalez, Antonio Medina, John Nixon, Justin Peterson, Betty Rosa and David Skeel were present.

The members discussed the following agenda item for the duration of the meeting, which ended at 9:40 pm EST:

Resolution (attached as Exhibit A) whereby the Board (1) determines in its sole discretion that the proposed revision of the Commonwealth Fiscal Year 2021 Budget to cover the cost of the Congressional Delegation election pursuant to Law 167-2020 submitted by the Governor (the “Proposed Revised Budget”) is a compliant budget as required by PROMESA Section 202(c)(1) and thus approves the Proposed Revised Budget, and (2) submits the Proposed Revised Budget to the Legislature pursuant to PROMESA Section 202(c)(1).

After the deliberations, the members proceeded to vote on the Resolution. Andrew Biggs, Arthur Gonzalez, Betty Rosa and David Skeel voted in favor of the Resolution. Antonio Medina, John Nixon and Justin Peterson voted against the Resolution. Accordingly, the Resolution was approved.

Andrew Biggs, Arthur Gonzalez, Betty Rosa and David Skeel requested that the minutes include the following statement: From its inception, the Board has carefully avoided taking any position on Puerto Rico’s status. The requested budget amendment puts the Board in a very difficult position, given that it relates to the status issue. Board members reached different conclusions as to how best to fulfill our responsibilities without intervening in the status debate. The Board members who voted to approve the budget amendment believe that the most neutral approach is to consider only whether or not the proposed amendment is compliant with the current Fiscal Plan, as required by PROMESA, without taking any position on its merits. The budget amendment will now be forwarded to the Puerto Rico Legislature for its consideration, as PROMESA also requires.

Justin Peterson requested that the minutes reflect the basis of his objection to the Resolution as follows: Mr. Peterson objected to the framing of the Resolution by pointing out that PROMESA does not speak to the Board’s authority to fund political activity favoring one party over another, and therefore the question of whether or not the budget request was “compliant” or “non-compliant” was immaterial. Mr. Peterson also stated his opposition to the Resolution on its

merits, stating his personal opposition as a member of the Board to taking sides on the status issue, and his preference that this be a matter left to the Governor and the Legislature to come to an agreement.

EXHIBIT A

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

MARCH 31, 2021

**RESOLUTION APPROVING SUBMISSION OF REVISION TO
COMMONWEALTH'S FISCAL YEAR 2020 BUDGET TO THE LEGISLATURE**

WHEREAS, on June 30, 2016, the federal Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA") was enacted; and

WHEREAS Section 101 of PROMESA created the Financial Oversight and Management Board for Puerto Rico (the "Board"); and

WHEREAS, on June 30, 2020, the Board approved a fiscal year 2020 budget for the Commonwealth of Puerto Rico developed by the Board (the "Original Commonwealth Budget") as a revised, compliant budget that was submitted to the Governor and the Legislature pursuant to Sections 202(d)(2) and 202(e)(3) of PROMESA; and

WHEREAS, on March 26, 2020, pursuant to Section 202(c), the Governor submitted to the Board a revision to the Original Commonwealth Budget to cover the cost of the Congressional Delegation election pursuant to Law 167-2020 (the "Proposed Revised Budget"); and

WHEREAS the Board and its advisors held extensive discussions with the Governor's representatives regarding the Proposed Revised Budget;

NOW, THEREFORE, IT IS HEREBY RESOLVED that, after substantial deliberations, the Board determines in its sole discretion that the Proposed Revised Budget is a compliant budget as required by PROMESA Section 202(c)(1) and approves the Proposed Revised Budget, which is attached hereto as Exhibit 1, in accordance with PROMESA Section 202(c)(1)(A)(i) (the "Revised Compliant Budget"); and

IT IS HEREBY FURTHER RESOLVED that the Board submits the Revised Compliant Budget to the Legislature as required by PROMESA Section 202(c)(1)(A)(ii).