

The Puerto Rico and U.S. Virgin Islands Equitable Rebuild Act of 2017:

Section by Section

Purposes.

The bill establishes the following goals:

- Emphasizing the importance of input in the recovery process by local impacted communities,
- Ensuring public participation in an open and transparent oversight process,
- Promoting long-term economic development, environmental safeguards, and rights of the local communities affected and to chart their path to recovery,
- Maintaining labor protections, public input, local and municipal governing power, the National Environmental Policy Act, and other legal protections,
- Mitigating the causes of climate change by decreasing or eliminating dependence on fossil fuel use,
- Adaptation to the increasing climate impacts of extreme weather and sea level rise by rebuilding infrastructure to higher standards and supporting innovative solutions that can better withstand extreme weather and other risks.

TITLE I—DEBT

Sec. 101 Sense of Congress relating to the debt of Puerto Rico. Puerto Rico’s debt should be relieved so that it can recover from the hurricanes with dignity and honor its pension promises. As Puerto Rico recovers from the hurricanes, any decisions regarding the future of Puerto Rico must be made by the people of Puerto Rico and their elected representatives.

Sec. 102 Sense of Congress relating to the privatization of public institutions in Puerto Rico and the Virgin Islands. Any efforts to privatize public institutions must be rejected.

TITLE II—INFRASTRUCTURE

Subtitles A and B provide necessary grants to ensure the electric systems in Puerto Rico and the U.S. Virgin Islands are rebuilt in a modern, renewable and resilient way.

Subtitle A—Energy

Sec. 201 expands the eligible uses for using FEMA Public Assistance to repair or replace the electric grid in a way that prioritizes decreasing or eliminating imported fossil fuels for electricity and transportation and increases grid resilience.

- Allows FEMA to use \$13 billion in Public Assistance money to rebuild the grids on Puerto Rico and the U.S. Virgin Islands with more modern, resilient technologies (instead of the Stafford Act’s statutory requirements that the grid be restored to its condition before the storms). Requires federal dollars spent to rebuild the electric systems be done so with oversight from the local electric utility regulatory commission and authorizes the local commission to conduct an independent audit of federal funds spent by the utilities and its contractors.

Sec. 202 Provides Department of Energy grants to the territories for energy efficiency and clean energy technologies:

- Office of Energy Efficiency and Renewable Energy: \$100,000,000.
- Energy Efficiency and Conservation Block Grant Program: \$38,400,000.
- Weatherization Assistance Program: \$1,700,000 to Puerto Rico and \$390,000 to the Virgin Islands.
- State Energy Program: \$950,000 to Puerto Rico and \$430,000 to the Virgin Islands.
- Low-Income Home Energy Assistance Program of the Department of Health and Human Services: \$30,400,000 to Puerto Rico and \$1,200,000 to the Virgin Islands.
- Office of Electricity Delivery and Energy Reliability: \$2,500,000.

Subtitle B—Energy Infrastructure Incentives

Sec. 211 provides \$270,000,000 for Puerto Rico and \$20,000,000 to the Virgin Islands for renewable energy and energy efficiency grants for local municipalities and homeowners. The grants remain available until expended and cover 30% of the cost for:

- Small and large wind,
- Geothermal power and heat pumps,
- Solar energy,
- Small irrigation power,
- Hydropower,
- Fuel Cells,
- Microturbines,
- Combined heat and power systems,
- Residential Energy Efficiency property

Sec. 212 – \$11,500,000 in grants for energy efficient commercial buildings. A building owner (and in some cases a tenant) can receive up to \$1.80 per square foot if a building saves 50% or more energy from interior lighting, a building envelope, the heating, cooling, ventilation, or hot water systems.

Sec. 213 – \$8,500,000 in grants for new energy efficient homes. Homeowners can receive a grant of up to \$2,000 if their home uses at least 50% less energy for heating and cooling than minimum standards.

Sec. 214 – \$12,500,000 in grants to provide incentives for electric, hybrid, and fuel cell vehicles.

Subtitle C – Transportation, Housing, and Agriculture Incentives

Provides \$8.55 billion over ten years to address underlying deficiencies in Puerto Rico’s and the U.S. Virgin Islands’ infrastructure, create the jobs the islands’ economies desperately need, and offer incentives to shift away from reliance on imported fossil fuels and toward local renewable energy.

Sec. 221 General Provisions – Waives the non-federal cost share for projects and activities, and allows funds to be used for administrative expenses.

Sec. 222 Highway Program – \$3 billion for the Puerto Rico Highway Program, \$1.5 billion for the U.S. Virgin Islands under the Territory Highway Program to rebuild crumbling roads and bridges, and improve and expand transit systems.

Sec. 223 TIGER Discretionary Grants – \$250 million for Puerto Rico and the U.S. Virgin Islands under the TIGER program for transportation projects that increase mobility and stimulate economic development.

Sec. 224 Passenger and Freight Rail Improvements – \$600 million for planning and capital costs to build, improve, or expand passenger and freight rail projects in Puerto Rico.

Sec. 225 Airport Improvement Program – \$200 million to improve airport infrastructure.

Sec. 226 Clean and Safe Water Revolving Funds – \$125 million each to both the Clean Water State Revolving Fund and the Safe Drinking Water Revolving Fund.

Sec. 227 Rural Utilities Service Programs – \$250 million each through the Rural Utilities Services (RUS) Water and Environmental Program and the RUS electric program.

Sec. 228 Rural Energy for America Program – \$125 million through the USDA for the deployment of renewable energy and energy efficiency technologies.

Sec. 229 Construction of Ferry Boats and Ferry Terminal Facilities – \$25 million to improve ferry boat systems.

Sec. 230 Corps of Engineers – \$750 million for the Army Corp Construction Account for authorized navigation, coastal storm and riverine flood damage reduction, ecosystem restoration, and environmental infrastructure assistance activities. It also appropriates \$375 million for the Army Corps Operation and Maintenance Account for operation, maintenance, and care of existing commercial navigation, aquatic ecosystem restoration projects and flood and storm damage reduction, among other purposes.

Sec. 231 Pre-disaster Hazard Mitigation and Resiliency – \$250 million through FEMA’s pre-disaster hazard mitigation program.

Sec. 232 Broadband Programs – \$150 million each for RUS broadband initiatives and the National Telecommunications and Information Administration’s Broadband USA program.

Sec. 233 Housing and Community Development – \$85 million for the HOME Investment Partnerships Program, with an additional \$15 million set aside for the Martín Peña Community Land Trust. \$300 million for the Community Block Grant Program, with an additional \$25 million set aside for ENLACE for housing, community, and economic development in the eight Caño Martín Peña communities.

Sec. 242 Oversight – Ensures that federal funds are spent with oversight from the local regulatory commission.

Subtitle D—Limit on Privatization

Sec. 241 Limitation on privatization. Prevents public facilities funded under this Title from being privatized.

TITLE III—MEDICAID AND MEDICARE PARITY

Subtitle A —Medicaid

Sec 301 Eliminates general Medicaid funding limitations (“cap”) for territories. Sunsets the statutory cap on overall funding for Medicaid in the territories beginning with fiscal year 2019.

Sec. 302 Eliminates the specific Federal medical assistance percentage (FMAP) limitation for territories. Eliminates the statutory 55 percent limit on federal matching for Medicaid in the territories beginning in fiscal year 2019.

Sec. 303 Extends the authority to waive or modify certain Medicaid requirements to all territories effective October 1, 2018.

Sec. 304 Makes the territories eligible for Medicaid disproportionate share hospital (“DSH”) payments to help cover the cost of uncompensated care, beginning in fiscal year 2019.

Subtitle B—Medicare

PART I—Part A

Sec. 311 Increases Medicare DSH payments to acute care hospitals in Puerto Rico, applicable to payments for discharges on or before October 1, 2017.

Sec. 312 Increases overall Medicare reimbursement rates for acute care hospitals in the territories, beginning October 1, 2017.

Sec. 313 Extends eligibility for Medicare DSH payments to include hospitals in all of the territories.

PART II—Part B

Sec. 321 Provides automatic Medicare Part B enrollment for eligible residents of Puerto Rico as well as a transition period during which automatic enrollment will be phased in and the penalty for late enrollment will be reduced.

PART III—Medicare Advantage (Part C)

Sec. 331 Increases payments to Medicare Advantage plans in Puerto Rico, beginning with 2018.

PART IV—Part D

Sec. 341 Increases the amount of federal funding for territories to provide prescription drug coverage to low-income Medicare beneficiaries.

Sec. 342 Requires the Secretary of Health and Human Services to submit a report to Congress with recommendations for improving prescription drug coverage for low-income individuals in each territory, not later than February 1, 2020.

Subtitle C—Miscellaneous

Sec. 351 Beginning in 2018, reduces health insurance provider fees in the territories and allows the territories to use fees collected to increase prescription drug coverage for low-income individuals and satisfy their Medicaid matching requirements.

Sec. 352 Not later than 180 days after enactment, requires the Secretary of Health and Human Services to make publicly available, and to periodically update, certain information on Medicaid and Children’s Health Insurance Program (CHIP) operations and expenditures in the territories.

Sec. 353 Not later than February 1, 2020, requires the Secretary of Health and Human Services to submit to Congress a report regarding the impact of the lack of Affordable Care Act health insurance exchanges in the territories.

TITLE IV—AGRICULTURE

Sec. 401 Rural Water and Waste Disposal Program. \$34,000,000 to restore clean drinking water and proper sewage disposal in Puerto Rico and the U.S. Virgin Islands.

Sec. 402 Rural Community Facilities Program. Every county in Puerto Rico meets the definition of a “persistent poverty county,” yet the commonwealth only received 1.4% of the USDA Strike Force funds to address persistent poverty. This section would increase Puerto Rico’s and the U.S. Virgin Islands’ share to 1% of overall funds under the rural housing service and rural community facilities program.

Sec. 403 Watershed and Flood Prevention Operations. \$1,688,000 to address erosion, flood prevention, and improve water quality in Puerto Rico and the U.S. Virgin Islands.

Sec. 404 Community Facilities Direct Loans and Grants. Directs USDA to prioritize applicants from Puerto Rico and U.S. Virgin Islands to rebuild essential community facilities, particularly those that improve food security and independence on the islands.

Sec. 405 Waiver of Noninsured Crop Disaster Assistance Program Service Fee. Waives the administrative barrier to access disaster crop insurance.

Sec. 406 Assistance for Community Food Projects. Sets aside 10% of grants during the FY 2018-2027 period under the Community Food Projects Program for Puerto Rico and the U.S. Virgin Islands to recover from the hurricane and invest in local food production and agriculture.

Sec. 407 Participation of the territories in Supplemental Nutrition Assistance Program. Repeals block grant and reestablishes territories’ ability to participate in SNAP like states. Authorizes Puerto Rico to continue to provide a percentage of their benefits in the form of cash assistance and continue their Family Market Program.

Sec. 408 Limit on privatization. Prevents public facilities funded under this Title from being privatized.

TITLE V—VETERANS AFFAIRS

Sec. 501 – \$200 million for the Department of Veterans Affairs to address effects of damages on Hurricane Irma and Hurricane Maria in Puerto Rico and the Virgin Islands.

Sec. 502 Limitation on privatization. Prevents public facilities funded under this Title from being privatized.

TITLE VI—SCHOOLS

Subtitle A – Educational Assistance Funds

Sec. 601 Education and Head Start Funding

- \$3.157 billion to improve public schools, colleges, childcare facilities and mental health services to children and families.
- \$930 million to immediately restart school operations.
- \$5 million to assist homeless youth.
- \$1.1 billion to make temporary impact aid payments to eligible Local Educational Agencies serving displaced students.
- \$2 million for School Emergency Response to Violence (SERV) grants to assist K-12 schools and higher education institutions affected by a violent or traumatic event, including student counseling.
- \$310 million to help colleges and universities rebuild, student financial assistance and to provide assistance to displaced students.

- \$810 million for Head Start/Early Head Start early childhood education funding.

Subtitle B – Elementary and Secondary Education Disaster Relief

Defines uses for funding to rebuilds damaged schools, childcare facilities and assist homeless youth and displaced students.

Sec. 612 Immediate Aid to Restart School Operations – authorizes immediate services and assistance to local educational agencies in Puerto Rico and the Virgin Islands

Sec. 613 Hold Harmless for Local Educational Areas Serving Major Disaster Areas – ensures that funds provided to a local educational agency that serves a covered disaster area shall not be less than the amount made available for Fiscal Year 2017.

Sec. 614 Paraprofessional Reciprocity – authorizes reciprocity for paraprofessionals displaced by Hurricanes Irma or Maria.

Sec. 615 Regulatory and Financial Relief – Waiver authority to ease financial burdens relating to maintenance of effort for Fiscal Year 2018.

Sec. 616 Assistance for Homeless Youth – authorizes State educational agencies to disburse funds to local educational agencies to provide assistance to homeless children and youth displaced by a covered disaster, including identification, enrollment assistance, assessment and school placement assistance, transportation, coordination of school services, supplies, referrals for health, mental health, and other needs.

Sec. 617 Temporary Emergency Impact Aid for Displaced Students – provides emergency impact aid to eligible local educational agencies and eligible Bureau of Indian Affairs (BIA)-funded schools to assist and to provide for the instruction of displaced students.

Sec. 618 Severability

Sec. 619 Anti-Privatization Requirement. Prevents Puerto Rico and the Virgin Islands from making changes to the governmental structure of the public elementary and secondary schools of any local educational agency that receives funds for each year that the agency receives funds and for three years following such fiscal year.

Sec. 620 Authorization of Funds

Sec. 621 Sunset Provision

Subtitle C – Higher Education Disaster Relief

Sec. 631 Definitions

Sec. 632 Grants authority to the Secretary to waive or modify any statutory or regulatory provision applicable to the student financial assistance programs or any student or institutional eligibility provisions under relevant sections of title IV of the Higher Education Act.

Sec. 633 Grants authority to the Secretary to modify Teacher Quality Enhancement Grants to assist local educational agencies recruit and retain highly qualified teachers school districts in covered disaster areas; assists institutions of higher education in a covered disaster area in recruiting and retaining faculty necessary to prepare teachers and provide professional development.

Sec. 634 TRIO, GEAR-UP – assists students attending institutions of higher education located in a covered disaster area and authorizes the Secretary to modify the required and allowable uses of federal competitive grants.

Sec. 635 – authorizes financial aid administrators to make adjustments when calculating the expected student and/or parent contribution for an affected student, or for a student or parent who resides or resided, or was employed in a covered disaster area.

Sec. 636 – requires the Secretary to make special efforts to notify affected students and/or parents who qualify for means-tested Federal benefit programs of their potential eligibility for a maximum Federal Pell Grant award.

Sec. 637 Procedures

Sec. 638 – authorizes affected Federal student loan borrowers on Puerto Rico and the Virgin Islands to be eligible for deferment for up to three years.

Sec. 639 – Terminates the Secretary’s authority to issue waivers or modifications at the end of the 2017-2018 academic year.

Subtitle D – Disaster Relief for Other Education and Related Programs

Provides additional federal support for quality and comprehensive Head Start and Early Head Start early education programs to prepare students to be successful in elementary school.

Sec. 651 Definitions

Sec. 652 – agreements to extend certain deadlines of the Individuals with Disabilities Education Act

Sec. 653 Head Start and Child Care and Development Block Grants – provides training and technical assistance, guidance and resources to Head Start agencies in Puerto Rico and the Virgin Islands to address the health and counseling needs of infants, toddlers, and young children affected by Hurricanes Irma and Maria; permits waivers for certain requirements.

TITLE VII—ECONOMIC DEVELOPMENT ASSISTANCE AND WORKER PROTECTIONS

Sec. 701 – \$25 million for the Workforce Investment Act (WIA) Dislocated Worker (DW) National Reserve to provide for training and employment services for dislocated workers.

Sec. 702 – provides for equitable treatment for residents of Puerto Rico and the Virgin Islands with respect to the earned income tax credit and the child tax credit.

Sec. 703 Requirement to use Local Labor.

Sec. 704 Minimum wage for young employees in Puerto Rico – restores parity to minimum wage laws to help Puerto Rican workers and the economy. The passage of PROMESA created a special subminimum wage for workers under 25 in Puerto Rico. No other state has this exemption to federal labor law.

Sec. 705 – restores parity for overtime laws to help Puerto Rican workers and the economy.

Sec. 706 – \$320 million for Puerto Rico and \$10 million for the Virgin Islands for Disaster Unemployment Assistance (DUA) benefits for eligible individuals left unemployed as a direct result of the detestation caused by Hurricane Maria and Irma.

Sec. 707 – \$500 million to the Economic Development Administration (EDA) for assistance to communities experiencing long-term economic distress or sudden economic dislocation because of disaster.

Sec. 708 – \$250 million over five years to the Community Development Financial Institutions (CDFI) Fund for disaster recovery in Puerto Rico and the Virgin Islands.

Sec. 709 – \$46 billion for Puerto Rico and \$2 billion for the Virgin Islands for the Community Development Block Grant Disaster Recovery Program (CDBG-DR).

TITLE VIII—ENVIRONMENTAL REMEDIATION

Sec. 801 – provides funds to repair National Park Service Historic Sites.

Sec. 802 – provides funds for important programs at the Environmental Protection Agency (EPA) for clean air, Brownfields, clean water, and hazardous waste management, among others.

Sec. 803 – provides funding for EPA’s Superfund sites damaged during the hurricanes.

Sec. 804 – provides funding for leaking underground storage tanks.

Sec. 805 – provides grants to the Department of the Interior (DOI) to rebuild National Parks, National Wildlife Refuges, and other DOI property that may have been damaged during the hurricanes. Also provides funds to increase the resiliency and capacity of coastal habitat and infrastructure to withstand future storms.

Sec. 806 – provides grants for environmental cleanup activities for the Department of Defense through the Military Munitions Response Program (MMRP) and the Installation Restoration Program (IRP) for environmental remediation at active and former military installations.

Sec. 807 – provides extra funding as needed for environmental projects that are not eligible for FEMA public assistance.

Sec. 808 – prohibition on privatization. Prevents public facilities funded under this Title from being privatized.

TITLE IX—LONG -TERM RESILIENT EMERGENCY DISASTER RELIEF PLAN

Sec. 901 directs FEMA to develop a long-term disaster relief response plan for Puerto Rico and the Virgin Islands for a situation when one or both is hit again by two or more Category 4 or higher hurricane to help ensure a better response in the future, completed within 8 months in consultation with territorial- and municipal-level elected officials and in coordination with other relevant agencies within Department of Homeland Security, the Environmental Protection Agency, the Department of Housing and Urban Development, the Department of the Interior, the Department of Health and Human Services, the Department of Transportation, and the Department of Commerce.

TITLE X— FEMA PROVISIONS

Sec.1001 Waiver of non-federal cost-share requirements – waives the usual 25% non-federal cost share for FEMA Public Assistance (PA) grant programs for temporary and permanent work, as was done after Katrina. Waives the statutory 25% non-federal cost share for the Section 404 Hazard Mitigation Grant Program (HMGP).

Sec.1002 Hazard Mitigation Grant Funding – Increases the amount of Section 404 HMGP funding, from the usual 15% of total FEMA disaster assistance, to 20% percent of total assistance. Puerto Rico and the Virgin Islands would essentially be treated as if they had an *enhanced* mitigation plan in place, so they can invest in additional and much needed resiliency projects. Authorizes Puerto Rico and the Virgin Islands to access advance assistance by removing FEMA’s discretion to provide up to 25% of HMGP funds in advance, and instead, makes it clear the territories *shall* receive that level of assistance if they request it. Establishes a

minimum allocation of HMGP funding six months after the date of the disaster, to allow the territories to move forward with eligible projects.

Sec. 1003 Hazard Mitigation (Section 406) – Authorizes the territories to access Section 406 hazard mitigation monies to repair, restore, or replace damaged facilities by lowering the threshold for two of three ways to show cost effectiveness of the mitigation measures. Stipulates that mitigation measures will be considered cost-effective if their cost does not exceed 25% of the total project cost, instead of the usual 15%. Establishes the benefit-cost analysis used to demonstrate cost-effectiveness of mitigation measures that *exceed* 25% of the total project cost can take into account expected economic and environmental benefits of the measure, in addition to the existing criteria.

Sec. 1004 Community Disaster Loans (CDL) – authorizes loan forgiveness for principal and interest of loans made under the section 417 CDL program. Authorizes loan recipients to use CDLs to pay the upfront costs of eligible PA projects, in addition to covering the cost of general government operations. Limits use of loans to pay preexisting debt by prohibiting the use of CDLs to pay bondholders.

Sec. 1005 Management Costs: Waives the \$20,000,000 aggregate limit on management costs for PA and HMGP.

TITLE XI—EMERGENCY FUNDING

Subtitle A – General Provisions

Sec.1101 – extends the deadline for FEMA Individual Assistance for 240 days after the date of the covered disaster to ensure people have enough time and resources to apply for this important assistance.

Sec. 1102 Emergency designation. This provision designates the appropriations in this bill as an emergency to ensure Puerto Rico and the U.S. Virgin Islands get the funds they need without the bill being subject to a Budget Point of Order.

Subtitle B – Puerto Rico and Virgin Islands Hurricane Damage Restoration Account

Sec. 1111 Definitions

Sec. 1112 Puerto Rico and United States Virgin Islands hurricane damage restoration account – authorizes the creation of a facility in the Department of the Treasury to provide Puerto Rico and the Virgin Islands with funds to ensure they are able to meet their cash-flow shortfalls.

Sec. 1113 Establishment and operation of the Puerto Rico and Virgin Islands emergency credit facility – authorizes up to \$57,206,000,000 for Puerto Rico and \$5,000,000,000 for to the Virgin Islands. Governors of the covered territories may certify to the Treasury Department that they have a cash shortfall resulting from the disaster. Treasury Secretary is authorized to provide grants to support the liquidity needs of the territories as they recover from the storms. Funding will be made available for the grants based on available estimates for future liquidity needs.