

tion 4407 of Pub. L. 110-246, set out as a note under section 1161 of Title 2, The Congress.

**EFFECTIVE DATE OF 2002 AMENDMENT**

Amendment by section 4118(c) of Pub. L. 107-171 not applicable with respect to any sanction, appeal, new investment agreement, or other action by the Secretary of Agriculture or a State agency that is based on a payment error rate calculated for any fiscal year before fiscal year 2003, see section 4118(e) of Pub. L. 107-171, set out as a note under section 2022 of this title.

Amendment by section 4122(c) of Pub. L. 107-171 effective Oct. 1, 2002, except as otherwise provided, see section 4405 of Pub. L. 107-171, set out as an Effective Date note under section 1161 of Title 2, The Congress.

**EFFECTIVE DATE OF 1990 AMENDMENT**

Amendment by sections 1760(1)(A) and 1761 of Pub. L. 101-624 effective Oct. 1, 1990, and amendment by section 1760(1)(B), (2) of Pub. L. 101-624 effective Nov. 28, 1990, see section 1781(b)(1), (2) of Pub. L. 101-624, set out as a note under section 2012 of this title.

**EFFECTIVE DATE OF 1985 AMENDMENT**

Section 1542(b) of Pub. L. 99-198 provided that: "The amendment made by this section [amending this section] shall become effective on October 1, 1986."

**EFFECTIVE DATE OF 1982 AMENDMENT**

Amendment by section 180(b)(2) of Pub. L. 97-253 effective Oct. 1, 1982, see section 193(b) of Pub. L. 97-253, set out as a note under section 2012 of this title.

Amendment by section 183 of Pub. L. 97-253 effective Sept. 8, 1982, see section 193(a) of Pub. L. 97-253, set out as a note under section 2012 of this title.

**EFFECTIVE DATE OF 1981 AMENDMENT**

Amendment by Pub. L. 97-98 effective on earlier of Sept. 8, 1982, or date such amendment became effective pursuant to section 1338 of Pub. L. 97-98, set out as a note under section 2012 of this title, see section 192(b) of Pub. L. 97-253, set out as a note under section 2012 of this title.

Amendment by Pub. L. 97-98 effective upon such date as Secretary of Agriculture may prescribe, taking into account need for orderly implementation, see section 1338 of Pub. L. 97-98, set out as a note under section 2012 of this title.

**EFFECTIVE DATE**

Section 1301 of Pub. L. 95-113 provided that this section is effective Oct. 1, 1977.

**AVAILABILITY OF AMOUNTS IF SEQUESTRATION ORDER ISSUED FOR FISCAL YEAR 1989**

Amounts available to carry out food stamp program [now supplemental nutrition assistance program] under this section to be reduced if sequestration order is issued under section 902(b) of Title 2, The Congress, see section 701(c)(1) of Pub. L. 100-435, set out as an Effective Date of 1988 Amendment note under section 2012 of this title.

**§ 2028. Consolidated block grants for Puerto Rico and American Samoa**

**(a) Payments to governmental entities**

**(1) Definition of governmental entity**

In this subsection, the term "governmental entity" means—

- (A) the Commonwealth of Puerto Rico; and
- (B) American Samoa.

**(2) Block grants**

**(A) Amount of block grants**

From the sums appropriated under this chapter, the Secretary shall, subject to this

section, pay to governmental entities to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C)—

(i) for fiscal year 2003, \$1,401,000,000; and

(ii) subject to the availability of appropriations under section 2027(a) of this title, for each fiscal year thereafter, the amount specified in clause (i), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 2012(u)(4) of this title between June 30, 2002, and June 30 of the immediately preceding fiscal year.

**(B) Payments to Commonwealth of Puerto Rico**

**(i) In general**

For fiscal year 2003 and each fiscal year thereafter, the Secretary shall use 99.6 percent of the funds made available under subparagraph (A) for payment to the Commonwealth of Puerto Rico to pay—

(I) 100 percent of the expenditures by the Commonwealth for the fiscal year for the provision of nutrition assistance included in the plan of the Commonwealth approved under subsection (b) of this section; and

(II) 50 percent of the related administrative expenses.

**(ii) Exception for expenditures for certain systems**

Notwithstanding clause (i), the Commonwealth of Puerto Rico may spend in fiscal year 2002 or 2003 not more than \$6,000,000 of the amount required to be paid to the Commonwealth for fiscal year 2002 under this paragraph (as in effect on the day before May 13, 2002) to pay 100 percent of the costs of—

(I) upgrading and modernizing the electronic data processing system used to carry out nutrition assistance programs for needy persons;

(II) implementing systems to simplify the determination of eligibility to receive the nutrition assistance; and

(III) operating systems to deliver the nutrition assistance through electronic benefit transfers.

**(C) Payments to American Samoa**

For fiscal year 2003 and each fiscal year thereafter, the Secretary shall use 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay 100 percent of the expenditures by American Samoa for a nutrition assistance program extended under section 1469d(c) of title 48.

**(D) Carryover of funds**

For fiscal year 2002 and each fiscal year thereafter, not more than 2 percent of the funds made available under this paragraph for the fiscal year to each governmental entity may be carried over to the following fiscal year.

**(3) Time and manner of payments to Commonwealth of Puerto Rico**

The Secretary shall, subject to the provisions of subsection (b) of this section, pay to

the Commonwealth for the applicable fiscal year, at such times and in such manner as the Secretary may determine, the amount estimated by the Commonwealth pursuant to subsection (b)(1)(A)(iv) of this section, reduced or increased to the extent of any prior overpayment or current underpayment which the Secretary determines has been made under this section and with respect to which adjustment has not already been made under this subsection.

**(b) Plan for provision of assistance; approval; noncompliance**

(1)(A) In order to receive payments under this chapter for any fiscal year, the Commonwealth shall have a plan for that fiscal year approved by the Secretary under this section. By July 1 of each year, if the Commonwealth wishes to receive payments, it shall submit a plan for the provision of the assistance described in subsection (a)(2)(B) of this section for the following fiscal year which—

(i) designates the agency or agencies directly responsible for the administration, or supervision of the administration, of the program for the provision of such assistance;

(ii) assesses the food and nutrition needs of needy persons residing in the Commonwealth;

(iii) describes the program for the provision of such assistance, including the assistance to be provided and the persons to whom such assistance will be provided, and any agencies designated to provide such assistance, which program must meet such requirements as the Secretary may by regulation prescribe for the purpose of assuring that assistance is provided to the most needy persons in the jurisdiction;

(iv) estimates the amount of expenditures necessary for the provision of the assistance described in the program and related administrative expenses, up to the amount provided for payment by subsection (a)(2)(B) of this section; and

(v) includes such other information as the Secretary may require.

(B)(i) The Secretary shall approve or disapprove any plan submitted pursuant to subparagraph (A) no later than August 1 of the year in which it is submitted. The Secretary shall approve any plan which complies with the requirements of subparagraph (A). If a plan is disapproved because it does not comply with any of the requirements of that paragraph the Secretary shall, except as provided in subparagraph (B)(ii), notify the appropriate agency in the Commonwealth that payments will not be made to it under subsection (a) of this section for the fiscal year to which the plan applies until the Secretary is satisfied that there is no longer any such failure to comply, and until the Secretary is so satisfied, the Secretary will make no payments.

(ii) The Secretary may suspend the denial of payments under subparagraph (B)(i) for such period as the Secretary determines appropriate and instead withhold payments provided for under subsection (a) of this section, in whole or in part, for the fiscal year to which the plan applies, until the Secretary is satisfied that there is no longer any failure to comply with the re-

quirements of subparagraph (A), at which time such withheld payments shall be paid.

(2)(A) The Commonwealth shall provide for a biennial audit of expenditures under its program for the provision of the assistance described in subsection (a)(2)(B) of this section, and within 120 days of the end of each fiscal year in which the audit is made, shall report to the Secretary the findings of such audit.

(B) Within 120 days of the end of the fiscal year, the Commonwealth shall provide the Secretary with a statement as to whether the payments received under subsection (a) of this section for that fiscal year exceeded the expenditures by it during that year for which payment is authorized under this section, and if so, by how much, and such other information as the Secretary may require.

(C)(i) If the Secretary finds that there is a substantial failure by the Commonwealth to comply with any of the requirements of subparagraphs (A) and (B), or to comply with the requirements of subsection (b)(1)(A) of this section in the administration of a plan approved under subsection (b)(1)(B) of this section, the Secretary shall, except as provided in subparagraph (C)(ii), notify the appropriate agency in the Commonwealth that further payments will not be made to it under subsection (a) of this section until the Secretary is satisfied that there will no longer be any such failure to comply, and until the Secretary is so satisfied, the Secretary shall make no further payments.

(ii) The Secretary may suspend the termination of payments under subparagraph (C)(i) for such period as the Secretary determines appropriate, and instead withhold payments provided for under subsection (a) of this section, in whole or in part, until the Secretary is satisfied that there will no longer be any failure to comply with the requirements of subparagraphs (A) and (B) and subsection (b)(1)(A) of this section, at which time such withheld payments shall be paid.

(iii) Upon a finding under subparagraph (C)(i) of a substantial failure to comply with any of the requirements of subparagraphs (A) and (B) and subsection (b)(1)(A) of this section, the Secretary may, in addition to or in lieu of any action taken under subparagraphs (C)(i) and (C)(ii), refer the matter to the Attorney General with a request that injunctive relief be sought to require compliance by the Commonwealth of Puerto Rico, and upon suit by the Attorney General in an appropriate district court of the United States and a showing that noncompliance has occurred, appropriate injunctive relief shall issue.

**(c) Review; technical assistance**

(1) The Secretary shall provide for the review of the programs for the provision of the assistance described in subsection (a)(2)(A) of this section for which payments are made under this chapter.

(2) The Secretary is authorized as the Secretary deems practicable to provide technical assistance with respect to the programs for the provision of the assistance described in subsection (a)(2)(A) of this section.

**(d) Penalty for violations**

Whoever knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any funds, assets, or property provided or financed under this section shall be fined not more than \$10,000 or imprisoned for not more than five years, or both, but if the value of the funds, assets or property involved is not over \$200, the penalty shall be a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

(Pub. L. 88-525, §19, as added Pub. L. 97-35, title I, §116(a)(2), Aug. 13, 1981, 95 Stat. 364; amended Pub. L. 97-253, title I, §184(a), Sept. 8, 1982, 96 Stat. 785; Pub. L. 98-204, §1, Dec. 2, 1983, 97 Stat. 1385; Pub. L. 99-114, §2, Oct. 1, 1985, 99 Stat. 488; Pub. L. 99-157, §3, Nov. 15, 1985, 99 Stat. 818; Pub. L. 99-182, §3, Dec. 13, 1985, 99 Stat. 1173; Pub. L. 99-198, title XV, §1543, Dec. 23, 1985, 99 Stat. 1589; Pub. L. 101-624, title XVII, §1762(b), Nov. 28, 1990, 104 Stat. 3804; Pub. L. 102-237, title IX, §941(9), Dec. 13, 1991, 105 Stat. 1893; Pub. L. 103-66, title XIII, §13917, Aug. 10, 1993, 107 Stat. 674; Pub. L. 104-127, title IV, §401(f), Apr. 4, 1996, 110 Stat. 1026; Pub. L. 106-387, §1(a) [title VIII, §821], Oct. 28, 2000, 114 Stat. 1549, 1549A-59; Pub. L. 107-171, title IV, §4124(a), May 13, 2002, 116 Stat. 324; Pub. L. 110-234, title IV, §§4115(b)(13), 4406(a)(6), May 22, 2008, 122 Stat. 1108, 1141; Pub. L. 110-246, §4(a), title IV, §§4115(b)(13), 4406(a)(6), June 18, 2008, 122 Stat. 1664, 1870, 1902.)

## CODIFICATION

Pub. L. 110-234 and Pub. L. 110-246 made identical amendments to this section. The amendments by Pub. L. 110-234 were repealed by section 4(a) of Pub. L. 110-246.

## AMENDMENTS

2008—Subsec. (a)(2)(A)(i). Pub. L. 110-246, §§4115(b)(13), 4406(a)(6), substituted “subject to the availability of appropriations under section 2027(a) of this title, for each fiscal year thereafter” for “for each of fiscal years 2004 through 2007” and “section 2012(u)(4)” for “section 2012(o)(4)”.

2002—Pub. L. 107-171, §4124(a)(1), substituted “Consolidated block grants for Puerto Rico and American Samoa” for “Puerto Rico block grant” in section catchline.

Subsec. (a). Pub. L. 107-171, §4124(a)(1), inserted heading, added pars. (1) and (2), redesignated former par. (2) as (3) and inserted heading, and struck out former par. (1) which read as follows:

“(1)(A) From the sums appropriated under this chapter, the Secretary shall, subject to the provisions of this section, pay to the Commonwealth of Puerto Rico—

“(i) for fiscal year 2000, \$1,268,000,000;

“(ii) for fiscal year 2001, the amount required to be paid under clause (i) for fiscal year 2000, as adjusted by the change in the Food at Home series of the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor, for the most recent 12-month period ending in June; and

“(iii) for fiscal year 2002, the amount required to be paid under clause (ii) for fiscal year 2001, as adjusted by the percentage by which the thrifty food plan is adjusted for fiscal year 2002 under section 2012(o)(4) of this title;

to finance 100 percent of the expenditures for food assistance provided to needy persons and 50 percent of the administrative expenses related to the provision of the assistance.

“(B) The payments to the Commonwealth for any fiscal year shall not exceed the expenditures by that ju-

risdiction during that year for the provision of the assistance the provision of which is included in the plan of the Commonwealth approved under subsection (b) of this section and 50 per centum of the related administrative expenses.”

Subsec. (b). Pub. L. 107-171, §4124(a)(2), substituted “subsection (a)(2)(B) of this section” for “subsection (a)(1)(A) of this section” wherever appearing.

Subsec. (c). Pub. L. 107-171, §4124(a)(3), substituted “subsection (a)(2)(A) of this section” for “subsection (a)(1)(A) of this section” in two places.

2000—Subsec. (a)(1)(A). Pub. L. 106-387 substituted “Puerto Rico—” and cls. (i) to (iii) for “Puerto Rico \$1,143,000,000 for fiscal year 1996, \$1,174,000,000 for fiscal year 1997, \$1,204,000,000 for fiscal year 1998, \$1,236,000,000 for fiscal year 1999, \$1,268,000,000 for fiscal year 2000, \$1,301,000,000 for fiscal year 2001, and \$1,335,000,000 for fiscal year 2002.”

1996—Subsec. (a)(1)(A). Pub. L. 104-127 substituted “\$1,143,000,000 for fiscal year 1996, \$1,174,000,000 for fiscal year 1997, \$1,204,000,000 for fiscal year 1998, \$1,236,000,000 for fiscal year 1999, \$1,268,000,000 for fiscal year 2000, \$1,301,000,000 for fiscal year 2001, and \$1,335,000,000 for fiscal year 2002” for “\$974,000,000 for fiscal year 1991, \$1,013,000,000 for fiscal year 1992, \$1,051,000,000 for fiscal year 1993, \$1,097,000,000 for fiscal year 1994, and \$1,143,000,000 for fiscal year 1995”.

1993—Subsec. (a)(1)(A). Pub. L. 103-66 substituted “\$1,097,000,000” for “\$1,091,000,000” and “\$1,143,000,000” for “\$1,133,000,000”.

1991—Subsec. (b)(1)(A)(i). Pub. L. 102-237 struck out a period after “directly”.

1990—Subsec. (a)(1)(A). Pub. L. 101-624 amended subpar. (A) generally. Prior to amendment, subpar. (A) read as follows: “From the sums appropriated under this chapter the Secretary shall, subject to the provisions of this subsection and subsection (b) of this section, pay to the Commonwealth of Puerto Rico not to exceed \$825,000,000 for the fiscal year ending September 30, 1986, \$852,750,000 for the fiscal year ending September 30, 1987, \$879,750,000 for the fiscal year ending September 30, 1988, \$908,250,000 for the fiscal year ending September 30, 1989, and \$936,750,000 for the fiscal year ending September 30, 1990, to finance 100 per centum of the expenditures for food assistance provided to needy persons, and 50 per centum of the administrative expenses related to the provision of such assistance.”

1985—Subsec. (a)(1)(A). Pub. L. 99-198, §1543(1), (2), substituted “for the fiscal year ending September 30, 1986, \$852,750,000 for the fiscal year ending September 30, 1987, \$879,750,000 for the fiscal year ending September 30, 1988, \$908,250,000 for the fiscal year ending September 30, 1989, and \$936,750,000 for the fiscal year ending September 30, 1990,” for “for each fiscal year” and struck out “noncash” after “100 per centum of the expenditures for”.

Pub. L. 99-114, Pub. L. 99-157, and Pub. L. 99-182, made identical amendments which temporarily struck out “noncash” after “100 per centum of the expenditures for”, for specified periods of time. See Effective and Termination Dates of 1985 Amendments note below.

Subsec. (b)(1)(A)(i). Pub. L. 99-198, §1543(3), substituted “the agency or agencies directly.” for “a single agency which shall be”.

1983—Subsec. (a)(1)(A). Pub. L. 98-204 temporarily struck out “noncash” after “100 per centum of the expenditures for”. See Effective and Termination Dates of 1983 Amendment note below.

1982—Subsec. (a)(1)(A). Pub. L. 97-253 substituted “the expenditures for noncash food assistance” for “the expenditures for food assistance”.

## EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, except as otherwise provided, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

Amendment by sections 4115(b)(13) and 4406(a)(6) of Pub. L. 110-246 effective Oct. 1, 2008, see section 4407 of

Pub. L. 110-246, set out as a note under section 1161 of Title 2, The Congress.

#### EFFECTIVE DATE OF 2002 AMENDMENT

Pub. L. 107-171, title IV, §4124(c), (d), May 13, 2002, 116 Stat. 326, as amended by Pub. L. 110-234, title IV, §4002(b)(1)(B), (2)(C), May 22, 2008, 122 Stat. 1096; Pub. L. 110-246, §4(a), title IV, §4002(b)(1)(B), (2)(C), June 18, 2008, 122 Stat. 1664, 1857, 1858, provided that:

“(c) APPLICABILITY.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section [amending this section and repealing section 2033 of this title] apply beginning on October 1, 2002.

“(2) EXCEPTIONS.—Subparagraphs (B)(ii) and (D) of section 19(a)(2) of the Food and Nutrition Act of 2008 [7 U.S.C. 2028(a)(2)] (as amended by subsection (a)(1)) apply beginning on the date of enactment of this Act [May 13, 2002].

“(d) EFFECTIVE DATE.—The amendments made by this section [amending this section and repealing section 2033 of this title] take effect on the date of enactment of this Act [May 13, 2002].”

#### EFFECTIVE AND TERMINATION DATES OF 1985 AMENDMENTS

Section 3 of Pub. L. 99-182 provided that the amendment made by that section is effective for the period beginning Dec. 14, 1985, and ending Dec. 31, 1985.

Section 3 of Pub. L. 99-157 provided that the amendment made by that section is effective for the period beginning Nov. 16, 1985, and ending Dec. 13, 1985.

Section 2 of Pub. L. 99-114 provided that the amendment made by that section is effective for the period beginning Oct. 1, 1985, and ending Nov. 15, 1985.

#### EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-66 effective, and to be implemented beginning on, Oct. 1, 1993, see section 13971(a) of Pub. L. 103-66, set out as a note under section 2025 of this title.

#### EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-237 effective and to be implemented no later than Feb. 1, 1992, see section 1101(d)(1) of Pub. L. 102-237, set out as a note under section 1421 of this title.

#### EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-624 effective Oct. 1, 1990, see section 1781(b)(1) of Pub. L. 101-624, set out as a note under section 2012 of this title.

#### EFFECTIVE AND TERMINATION DATES OF 1983 AMENDMENT

Section 1 of Pub. L. 98-204 provided that the amendment made by that section is effective for the period beginning Jan. 1, 1984, and ending Sept. 30, 1985.

#### EFFECTIVE DATE OF 1982 AMENDMENT

Amendment by Pub. L. 97-253 effective Sept. 8, 1982, see section 193(a) of Pub. L. 97-253, set out as a note under section 2012 of this title.

Pub. L. 97-253, title I, §184(b), Sept. 8, 1982, 96 Stat. 785, as amended by Pub. L. 98-107, §101(b), Oct. 1, 1983, 97 Stat. 734, provided that: “The amendment made by subsection (a) [amending this section] shall not apply with respect to any plan submitted under section 19(b) of the Food Stamp Act of 1977 [now the Food and Nutrition Act of 2008] (7 U.S.C. 2028(b)) by the Commonwealth of Puerto Rico in order to receive payments for the fiscal year ending September 30, 1982, or the fiscal year ending September 30, 1983, or for the first three months of the fiscal year ending September 30, 1984.”

#### EFFECTIVE DATE

Section 116(a) of Pub. L. 97-35 provided that this section is effective July 1, 1982.

#### NUTRITION ASSISTANCE PROGRAM IN PUERTO RICO

Section 1762(a) of Pub. L. 101-624 provided that: “It is the policy of Congress that citizens of the United States who reside in the Commonwealth of Puerto Rico should be safeguarded against hunger and treated on an equitable and fair basis with other citizens under Federal nutritional programs.”

#### NUTRITIONAL NEEDS OF PUERTO RICANS; STUDY AND REPORT TO CONGRESS

Pub. L. 101-624, title XVII, §1762(c), (d), Nov. 28, 1990, 104 Stat. 3805, as amended by Pub. L. 110-234, title IV, §4002(b)(1)(A), (B), (D), (2)(KK), May 22, 2008, 122 Stat. 1095, 1096, 1098; Pub. L. 110-246, §4(a), title IV, §4002(b)(1)(A), (B), (D), (2)(KK), June 18, 2008, 122 Stat. 1664, 1857, 1859, provided that:

“(c) STUDY OF NUTRITIONAL NEEDS OF PUERTO RICANS.—The Comptroller General of the United States shall conduct a study of—

“(1) the nutritional needs of the citizens of the Commonwealth of Puerto Rico, including—

“(A) the adequacy of the nutritional level of the diets of members of households receiving assistance under the nutrition assistance program and other households not currently receiving the assistance;

“(B) the incidence of inadequate nutrition among children and the elderly residing in the Commonwealth;

“(C) the nutritional impact of restoring the level of nutritional assistance provided to households in the Commonwealth to the level of the assistance provided to other households in the United States; and

“(D) such other factors as the Comptroller General considers appropriate; and

“(2) the potential alternative means of providing nutritional assistance in the Commonwealth of Puerto Rico, including—

“(A) the impact of restoring the Commonwealth to the supplemental nutrition assistance program;

“(B) increasing the benefits provided under the nutrition assistance program to the aggregate value of supplemental nutrition assistance program benefits coupons that would be distributed to households in the Commonwealth if the Commonwealth were to participate in the supplemental nutrition assistance program; and

“(C) the usefulness of adjustments to standards of eligibility and other factors appropriate to the circumstances of the Commonwealth comparable to those adjustments made under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) for Alaska, Hawaii, Guam, and the Virgin Islands of the United States.

“(d) REPORT OF FINDINGS.—Not later than August 1, 1992, the Comptroller General shall submit a final report on the findings of the study required under subsection (c) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.”

#### STUDY OF FOOD ASSISTANCE PROGRAM IN PUERTO RICO; REPORT TO CONGRESS BY MARCH 1, 1985

Pub. L. 98-204, §2, Dec. 2, 1983, 97 Stat. 1385, directed the Secretary of Agriculture to conduct a study of the food assistance program in Puerto Rico and to submit a final report of the findings of the study to Committees of Congress no later than Mar. 1, 1985.

#### AMOUNT PAYABLE TO THE COMMONWEALTH OF PUERTO RICO FOR FISCAL YEAR 1982; PLANS TO BE SUBMITTED TO THE SECRETARY FOR GRANTS FOR FISCAL YEARS 1982 AND 1983

Pub. L. 97-35, title I, §116(b), Aug. 13, 1981, 95 Stat. 366, provided for a payment of \$206,500,000 to Puerto Rico for fiscal year 1982, notwithstanding the provisions of this section, and required Puerto Rico to submit the plan required by the provisions of subsec. (b) of this section by Apr. 1, 1982, to receive payments for fiscal years 1982 and 1983.

**§ 2029. Workfare****(a) Program plan; guidelines; compliance**

(1) The Secretary shall permit any political subdivision, in any State, that applies and submits a plan to the Secretary in compliance with guidelines promulgated by the Secretary to operate a workfare program pursuant to which every member of a household participating in the supplemental nutrition assistance program who is not exempt by virtue of the provisions of subsection (b) of this section shall accept an offer from such subdivision to perform work on its behalf, or may seek an offer to perform work, in return for compensation consisting of the allotment to which the household is entitled under section 2017(a) of this title, with each hour of such work entitling that household to a portion of its allotment equal in value to 100 per centum of the higher of the applicable State minimum wage or the Federal minimum hourly rate under the Fair Labor Standards Act of 1938 [29 U.S.C. 201 et seq.].

(2)(A) The Secretary shall promulgate guidelines pursuant to paragraph (1) which, to the maximum extent practicable, enable a political subdivision to design and operate a workfare program under this section which is compatible and consistent with similar workfare programs operated by the subdivision.

(B) A political subdivision may comply with the requirements of this section by operating any workfare program which the Secretary determines meets the provisions and protections provided under this section.

**(b) Exempt household members**

A household member shall be exempt from workfare requirements imposed under this section if such member is—

(1) exempt from section 2015(d)(1) of this title as the result of clause (B), (C), (D), (E), or (F) of section 2015(d)(2) of this title;

(2) at the option of the operating agency, subject to and currently actively and satisfactorily participating at least 20 hours a week in a work activity required under title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(3) mentally or physically unfit;

(4) under sixteen years of age;

(5) sixty years of age or older; or

(6) a parent or other caretaker of a child in a household in which another member is subject to the requirements of this section or is employed fulltime.

**(c) Valuation or duration of work**

No operating agency shall require any participating member to work in any workfare position to the extent that such work exceeds in value the allotment to which the household is otherwise entitled or that such work, when added to any other hours worked during such week by such member for compensation (in cash or in kind) in any other capacity, exceeds thirty hours a week.

**(d) Nature, conditions, and costs of work**

The operating agency shall—

(1) not provide any work that has the effect of replacing or preventing the employment of an individual not participating in the workfare program;

(2) provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours; and

(3) reimburse participants for actual costs of transportation and other actual costs all of which are reasonably necessary and directly related to participation in the program but not to exceed \$25 in the aggregate per month.

**(e) Job search period**

The operating agency may allow a job search period, prior to making workfare assignments, of up to thirty days following a determination of eligibility.

**(f) Disqualification**

An individual or a household may become ineligible under section 2015(d)(1) of this title to participate in the supplemental nutrition assistance program for failing to comply with this section.

**(g) Payment of administrative expenses**

(1) The Secretary shall pay to each operating agency 50 per centum of all administrative expenses incurred by such agency in operating a workfare program, including reimbursements to participants for work-related expenses as described in subsection (d)(3) of this section.

(2)(A) From 50 per centum of the funds saved from employment related to a workfare program operated under this section, the Secretary shall pay to each operating agency an amount not to exceed the administrative expenses described in paragraph (1) for which no reimbursement is provided under such paragraph.

(B) For purposes of subparagraph (A), the term “funds saved from employment related to a workfare program operated under this section” means an amount equal to three times the dollar value of the decrease in allotments issued to households, to the extent that such decrease results from wages received by members of such households for the first month of employment beginning after the date such members commence such employment if such employment commences—

(i) while such members are participating for the first time in a workfare program operated under this section; or

(ii) in the thirty-day period beginning on the date such first participation is terminated.

(3) The Secretary may suspend or cancel some or all of these payments, or may withdraw approval from a political subdivision to operate a workfare program, upon a finding that the subdivision has failed to comply with the workfare requirements.

(Pub. L. 88-525, §20, as added Pub. L. 97-98, title XIII, §1333, Dec. 22, 1981, 95 Stat. 1291; amended Pub. L. 97-253, title I, §§185-188, Sept. 8, 1982, 96 Stat. 786; Pub. L. 99-198, title XV, §1517(d), Dec. 23, 1985, 99 Stat. 1577; Pub. L. 102-237, title IX, §941(10), Dec. 13, 1991, 105 Stat. 1893; Pub. L. 104-193, title I, §109(e), title VIII, §815(b)(2), Aug. 22, 1996, 110 Stat. 2170, 2317; Pub. L. 110-234, title IV, §4001(b), May 22, 2008, 122 Stat. 1092; Pub. L. 110-246, §4(a), title IV, §4001(b), June 18, 2008, 122 Stat. 1664, 1853.)