

Subsec. (c). Pub. L. 90-575, § 133(a), substituted "eligible institution" for "institution of higher education".
 Subsec. (e). Pub. L. 90-575, § 135(b), added subsec. (e).

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-244, title IV, § 442(c), Oct. 7, 1998, 112 Stat. 1712, provided that: "The amendments made by this section [amending this section] shall apply with respect to allocations of amounts appropriated pursuant to section 441(b) for fiscal year 2000 or any succeeding fiscal year."

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-208 effective as if included in the Higher Education Amendments of 1992, Pub. L. 102-325, except as otherwise provided, see section 5(a) of Pub. L. 103-208, set out as a note under section 1051 of Title 20, Education.

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-325 effective Oct. 1, 1992, see section 2 of Pub. L. 102-325, set out as a note under section 1001 of Title 20, Education.

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-50 effective as if enacted as part of the Higher Education Amendments of 1986, Pub. L. 99-498, see section 27 of Pub. L. 100-50, set out as a note under section 1001 of Title 20, Education.

EFFECTIVE DATE OF 1986 AMENDMENT

Section 403(b)(1) of Pub. L. 99-498, as enacted by Pub. L. 100-50, § 22(c), June 3, 1987, 101 Stat. 361, provided that: "Section 442 of the Act [this section] shall apply with respect to the allocation of funds for academic year 1988-1989 and succeeding academic years."

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-374 effective Oct. 1, 1980, see section 1393(a) of Pub. L. 96-374, set out as a note under section 1001 of Title 20, Education.

COLLEGE WORK-STUDY ALLOTMENT FOR SPECIFIC FISCAL YEARS

Pub. L. 98-8, title I, § 100, Mar. 24, 1983, 97 Stat. 27, provided that notwithstanding subssecs. (a), (b), (c), and (e) of this section and section 11 of Public Law 97-301, set out as a note below, the Secretary should allot the sums appropriated pursuant to section 2751(b) of this title for fiscal year 1983 among the States so that each State's allotment bore the same ratio to the total amount appropriated as that State's allotment in fiscal year 1981 bore to the total amount appropriated pursuant to that section for fiscal year 1981.

Pub. L. 97-301, § 11, Oct. 13, 1982, 96 Stat. 1403, which provided that notwithstanding subssecs. (a), (b), (c), and (e) of this section, if in fiscal year 1983, fiscal year 1984, or fiscal year 1985 the sums appropriated pursuant to section 2751(b) of this title were less than the sums appropriated pursuant to such section for the fiscal year 1981, the Secretary should allot the sums appropriated pursuant to that section for such fiscal year among the States so that each State's allotment bore the same ratio to the total amount appropriated as that State's allotment in fiscal year 1981 bore to the total amount appropriated pursuant to that section for fiscal year 1981 was repealed by Pub. L. 99-498, title IV, § 408(b), Oct. 17, 1986, 100 Stat. 1495, eff. with respect to any academic year beginning on or after July 1, 1988.

§ 2753. Grants for Federal work-study programs

(a) Agreements required

The Secretary is authorized to enter into agreements with institutions of higher education under which the Secretary will make grants to such institutions to assist in the oper-

ation of work-study programs as provided in this part.

(b) Contents of agreements

An agreement entered into pursuant to this section shall—

(1) provide for the operation by the institution of a program for the part-time employment, including internships, practica, or research assistantships as determined by the Secretary, of its students in work for the institution itself, work in community service or work in the public interest for a Federal, State, or local public agency or private non-profit organization under an arrangement between the institution and such agency or organization, and such work—

(A) will not result in the displacement of employed workers or impair existing contracts for services;

(B) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee;

(C) does not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship; and

(D) will not pay any wage to students employed under this subpart¹ that is less than the current Federal minimum wage as mandated by section 206 of title 29;

(2) provide that funds granted an institution of higher education, pursuant to this section, may be used only to make payments to students participating in work-study programs, except that—

(A) for fiscal year 2000 and succeeding fiscal years, an institution shall use at least 7 percent of the total amount of funds granted to such institution under this section for such fiscal year to compensate students employed in community service, and shall ensure that not less than 1 tutoring or family literacy project (as described in subsection (d) of this section) is included in meeting the requirement of this subparagraph, except that the Secretary may waive this subparagraph if the Secretary determines that enforcing this subparagraph would cause hardship for students at the institution; and

(B) an institution may use a portion of the sums granted to it to meet administrative expenses in accordance with section 1096 of title 20, may use a portion of the sums granted to it to meet the cost of a job location and development program in accordance with section 2756 of this title, and may transfer funds in accordance with the provisions of section 1095 of title 20;

(3) provide that in the selection of students for employment under such work-study program, only students who demonstrate financial need in accordance with part F [20 U.S.C. 1087kk et seq.] and meet the requirements of section 1091 of title 20 will be assisted, except

¹ So in original. Probably should be "part".

that if the institution's grant under this part is directly or indirectly based in part on the financial need demonstrated by students who are (A) attending the institution on less than a full-time basis, or (B) independent students, a reasonable portion of the grant shall be made available to such students;

(4) provide that for a student employed in a work-study program under this part, at the time income derived from any need-based employment is in excess of the determination of the amount of such student's need by more than \$300, continued employment shall not be subsidized with funds appropriated under this part;

(5) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement shall not exceed 75 percent, except that—

(A) the Federal share may exceed 75 percent, but not exceed 90 percent, if, consistent with regulations of the Secretary—

(i) the student is employed at a nonprofit private organization or a government agency that—

(I) is not a part of, and is not owned, operated, or controlled by, or under common ownership, operation, or control with, the institution;

(II) is selected by the institution on an individual case-by-case basis for such student; and

(III) would otherwise be unable to afford the costs of such employment; and

(ii) not more than 10 percent of the students compensated through the institution's grant under this part during the academic year are employed in positions for which the Federal share exceeds 75 percent; and

(B) the Federal share may exceed 75 percent if the Secretary determines, pursuant to regulations promulgated by the Secretary establishing objective criteria for such determinations, that a Federal share in excess of such amounts is required in furtherance of the purpose of this part;

(6) include provisions to make employment under such work-study program reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof;

(7) provide assurances that employment made available from funds under this part will, to the maximum extent practicable, complement and reinforce the educational program or vocational goals of each student receiving assistance under this part;

(8) provide assurances, in the case of each proprietary institution, that students attending the proprietary institution receiving assistance under this part who are employed by the institution may be employed in jobs—

(A) that are only on campus and that—

(i) to the maximum extent practicable, complement and reinforce the education programs or vocational goals of such students; and

(ii) furnish student services that are directly related to the student's education,

as determined by the Secretary pursuant to regulations, except that no student shall be employed in any position that would involve the solicitation of other potential students to enroll in the school; or

(B) in community service in accordance with paragraph (2)(A) of this subsection;

(9) provide assurances that employment made available from funds under this part may be used to support programs for supportive services to students with disabilities;

(10) provide assurances that the institution will inform all eligible students of the opportunity to perform community service, and will consult with local nonprofit, governmental, and community-based organizations to identify such opportunities; and

(11) include such other reasonable provisions as the Secretary shall deem necessary or appropriate to carry out the purpose of this part.

(c) Private sector employment agreement

As part of its agreement agreement² described in subsection (b) of this section, an institution of higher education may, at its option, enter into an additional agreement with the Secretary which shall—

(1) provide for the operation by the institution of a program of part-time employment of its students in work for a private for-profit organization under an arrangement between the institution and such organization that complies with the requirements of subparagraphs (A) through (D) of subsection (b)(1) of this section and subsection (b)(3) of this section;

(2) provide that the institution will use not more than 25 percent of the funds made available to such institution under this part for any fiscal year for the operation of the program described in paragraph (1);

(3) provide that, notwithstanding subsection (b)(5) of this section, the Federal share of the compensation of students employed in such program will not exceed 60 percent for academic years 1987–1988 and 1988–1989, 55 percent for academic year 1989–1990, and 50 percent for academic year 1990–1991 and succeeding academic years, and that the non-Federal share of such compensation will be provided by the private for-profit organization in which the student is employed;

(4) provide that jobs under the work study program will be academically relevant, to the maximum extent practicable; and

(5) provide that the for-profit organization will not use funds made available under this part to pay any employee who would otherwise be employed by the organization.

(d) Tutoring and literacy activities

(1) Use of funds

In any academic year to which subsection (b)(2)(A) applies, an institution shall ensure that funds granted to such institution under this section are used in accordance with such subsection to compensate (including compensation for time spent in training and travel directly related to tutoring in reading and family literacy activities) students—

² So in original.

(A) employed as reading tutors for children who are preschool age or are in elementary school; or

(B) employed in family literacy projects.

(2) Priority for schools

To the extent practicable, an institution shall—

(A) give priority to the employment of students in the provision of tutoring in reading in schools that are participating in a reading reform project that—

(i) is designed to train teachers how to teach reading on the basis of scientifically-based research on reading; and

(ii) is funded under the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6301 et seq.]; and

(B) ensure that any student compensated with the funds described in paragraph (1) who is employed in a school participating in a reading reform project described in subparagraph (A) receives training from the employing school in the instructional practices used by the school.

(3) Federal share

The Federal share of the compensation of work-study students compensated under this subsection may exceed 75 percent.

(e) Civic education and participation activities

(1) Use of funds

Funds granted to an institution under this section may be used to compensate (including compensation for time spent in training and travel directly related to civic education and participation activities) students employed in projects that—

(A) teach civics in schools;

(B) raise awareness of government functions or resources; or

(C) increase civic participation.

(2) Priority for schools

To the extent practicable, an institution shall—

(A) give priority to the employment of students participating in projects that educate or train the public about evacuation, emergency response, and injury prevention strategies relating to natural disasters, acts of terrorism, and other emergency situations; and

(B) ensure that any student compensated with the funds described in paragraph (1) receives appropriate training to carry out the educational services required.

(3) Federal share

The Federal share of the compensation of work-study students compensated under this subsection may exceed 75 percent.

(Pub. L. 89-329, title IV, § 443, as added Pub. L. 96-374, title IV, § 434, Oct. 3, 1980, 94 Stat. 1434; amended Pub. L. 99-498, title IV, § 403(a), Oct. 17, 1986, 100 Stat. 1432; Pub. L. 100-50, § 11(b), (c), June 3, 1987, 101 Stat. 348; Pub. L. 102-325, title IV, §§ 441(a)(2), 443, July 23, 1992, 106 Stat. 563, 564; Pub. L. 103-208, § 2(d)(3)-(5), Dec. 20, 1993, 107 Stat. 2470; Pub. L. 105-244, title IV, § 443, Oct. 7,

1998, 112 Stat. 1712; Pub. L. 110-315, title IV, § 443, Aug. 14, 2008, 122 Stat. 3258; Pub. L. 111-39, title IV, § 403, July 1, 2009, 123 Stat. 1945.)

REFERENCES IN TEXT

Part F, referred to in subsec. (b)(3), means part F of title IV of Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219, known as the Higher Education Act of 1965. Part F of title IV of the Act is classified generally to part E (§1087kk et seq.) of subchapter IV of chapter 28 of Title 20, Education. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of Title 20 and Tables.

The Elementary and Secondary Education Act of 1965, referred to in subsec. (d)(2)(A)(ii), is Pub. L. 89-10, Apr. 11, 1965, 79 Stat. 27, which is classified generally to chapter 70 (§6301 et seq.) of Title 20, Education. For complete classification of this Act to the Code, see Short Title note set out under section 6301 of Title 20 and Tables.

PRIOR PROVISIONS

A prior section 2753, Pub. L. 89-329, title IV, § 443, formerly title I, § 143, as added, renumbered title IV, § 443, and amended Pub. L. 90-575, title I, §§ 131(a), (b)(1), 133(a), (b), 139(1), Oct. 16, 1968, 82 Stat. 1028, 1029, 1030; Pub. L. 94-482, title I, § 128(b), Oct. 12, 1976, 90 Stat. 2143, made provision for the grants for work-study programs, prior to repeal by Pub. L. 96-374, § 434.

AMENDMENTS

2009—Subsec. (b)(2). Pub. L. 111-39, § 403(1), made technical amendment to reference in original act which appears in text as reference to this section in introductory provisions.

Subsec. (d)(1). Pub. L. 111-39, § 403(2), substituted “subsection (b)(2)(A)” for “subsection (b)(2)(B)”.

Subsec. (e)(1). Pub. L. 111-39, § 403(3), struck out “in accordance with such subsection” before “to compensate” in introductory provisions.

2008—Subsec. (b)(2)(A) to (C). Pub. L. 110-315, § 443(1), redesignated subpars. (B) and (C) as (A) and (B), respectively, and struck out former subpar. (A) which read as follows: “for fiscal year 1999, an institution shall use at least 5 percent of the total amount of funds granted to such institution under this section in any fiscal year to compensate students employed in community service (including a reasonable amount of time spent in travel or training directly related to such community service), except that the Secretary may waive this subparagraph if the Secretary determines that enforcing it would cause hardship for students at an institution;”.

Subsec. (e). Pub. L. 110-315, § 443(2), added subsec. (e). 1998—Subsec. (b)(1). Pub. L. 105-244, § 443(a), inserted “, including internships, practica, or research assistantships as determined by the Secretary,” after “part-time employment”.

Pub. L. 105-244, § 443(b), (c)(1)(A), substituted “for fiscal year 1999,” for “in fiscal year 1994 and succeeding fiscal years,” inserted “(including a reasonable amount of time spent in travel or training directly related to such community service)” after “community service”, and struck out “and” at end.

Subsec. (b)(2)(B), (C). Pub. L. 105-244, § 443(c)(1)(B), (C), added subpar. (B) and redesignated former subpar. (B) as (C).

Subsec. (b)(3). Pub. L. 105-244, § 443(d), amended par. (3) generally. Prior to amendment, par. (3) read as follows: “provide that in the selection of students for employment under such work-study program, only students, who demonstrate financial need in accordance with part F of this title, and who meet the requirements of section 1091 of title 20 will be assisted, except that—

“(A) if the institution’s grant under this part is directly or indirectly based in part on the financial need demonstrated by students who are (i) attending the institution less than full time, or (ii) independent students; and

“(B) if the total financial need of all such less than full-time and independent students at the institution exceeds 5 percent of the total financial need of all students at such institution, then at least 5 percent of the grant shall be made available to such less than full-time and independent students;”.

Subsec. (b)(5). Pub. L. 105-244, §443(e), amended par. (5) generally. Prior to amendment, par. (5) read as follows: “provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement shall not exceed 75 percent for academic year 1993-1994 and succeeding academic years, except that the Federal share may exceed such amounts of compensation if the Secretary determines, pursuant to regulations promulgated by the Secretary establishing objective criteria for such determinations, that a Federal share in excess of such amounts is required in furtherance of the purpose of this part;”.

Subsec. (b)(6). Pub. L. 105-244, §443(f), struck out “, and to make equivalent employment offered or arranged by the institution reasonably available (to the extent of available funds) to all students in the institution who desire such employment” after “in need thereof”.

Subsec. (c)(4). Pub. L. 105-244, §443(g), inserted “, to the maximum extent practicable” before the semicolon at end.

Subsec. (d). Pub. L. 105-244, §443(c)(2), added subsec. (d).

1993—Subsec. (b)(2)(A). Pub. L. 103-208, §2(d)(3), substituted “institution; and” for “institution;”.

Subsec. (b)(5). Pub. L. 103-208, §2(d)(4), amended par. (5) generally. Prior to amendment, par. (5) read as follows: “provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement shall not exceed 75 percent for academic year 1993-1994 and succeeding academic years, except that—

“(A) the Federal share may exceed such amounts of such compensation if the Secretary determines, pursuant to regulations promulgated by the Secretary establishing objective criteria for such determinations, that a Federal share in excess of such amounts is required in furtherance of the purpose of this part; and

“(B) when a student engaged in work in community service performs such work for a private nonprofit organization other than the eligible institution, the contribution of such agency or organization shall not exceed 40 percent of the institution’s share of the compensation of the student, and the eligible institution in its discretion may count such contribution toward satisfaction of the non-Federal share of the compensation of the student;”.

Subsec. (b)(8)(A) to (C). Pub. L. 103-208, §2(d)(5), added subpars. (A) and (B) and struck out former subpars. (A) to (C) which read as follows:

“(A) on campus only, except as required in subparagraph (A) of paragraph (2);

“(B) that, to the maximum extent practicable, complement and reinforce the educational programs or vocational goals of such students; and

“(C) furnishing student services that are directly related to the student’s education, as determined by the Secretary pursuant to regulations, except that no student shall be employed in any position that would involve the solicitation of other potential students to enroll in the school;”.

1992—Pub. L. 102-325, §441(a)(2), inserted “Federal” after “Grants for” in section catchline.

Subsec. (b)(1). Pub. L. 102-325, §443(a), inserted “, work in community service” after “institution itself”.

Subsec. (b)(2)(A). Pub. L. 102-325, §443(b), amended subpar. (A) generally. Prior to amendment, subpar. (A) read as follows: “an institution may use not to exceed 10 percent of the funds granted to the institution in any fiscal year to carry out the work study program de-

scribed in section 2756a of this title at the increased Federal share specified in paragraph (5)(B) of this subsection, and”.

Subsec. (b)(3) to (5). Pub. L. 102-325, §443(c)-(e), amended par. (3) to (5) generally. Prior to amendment, pars. (3) to (5) read as follows:

“(3) provide that in the selection of students for employment under such work-study program, only students who demonstrate financial need in accordance with part F of this title, and who meet the requirements of section 1091 of title 20 will be assisted, except that, if the institution’s grant under this part is directly or indirectly based in part on the financial need demonstrated by students attending the institution less than full time, a reasonable proportion of the institution’s grant shall be made available to such students;

“(4) provide that for a student employed in a work-study program under this part, at the time income derived from any employment (including non-work-study or both) is in excess of the determination of the amount of such student’s need by more than \$200, continued employment shall not be subsidized with funds appropriated under this part;

“(5) provide that the Federal share of the compensation of students employed in the work study program in accordance with the agreement will not exceed 80 percent for academic years 1987-1988 and 1988-1989, 75 percent for academic year 1989-1990, and 70 percent for academic year 1990-1991 and succeeding academic years, except that—

“(A) the Federal share may exceed such amounts of such compensation if the Secretary determines, pursuant to regulations promulgated by the Secretary establishing objective criteria for such determinations, that a Federal share in excess of such amounts is required in furtherance of the purpose of this part; and

“(B) the Federal share of the compensation of the students employed in the work study for community service-learning programs described in section 2756a of this title from funds available under paragraph (2)(A) in accordance with the agreement will not exceed 90 percent of such compensation;”.

Subsec. (b)(8)(A). Pub. L. 102-325, §443(f)(1), inserted “, except as required in subparagraph (A) of paragraph (2)” before semicolon at end.

Subsec. (b)(8)(C). Pub. L. 102-325, §443(f)(2), (g)(2), inserted “that are directly related to the student’s education” after “student services” and struck out “and” at end.

Subsec. (b)(9) to (11). Pub. L. 102-325, §443(g)(1), (3), added pars. (9) and (10) and redesignated former par. (9) as (11).

1987—Subsec. (b). Pub. L. 100-50, §11(b), substituted “paragraph (5)(B)” for “clause (6)(B)” in par. (2)(A), and “paragraph (2)(A)” for “clause (2)(A)” in par. (5)(B).

Subsec. (c). Pub. L. 100-50, §11(c), substituted “As part of its agreement” for “In addition to the” and inserted “and subsection (b)(3) of this section” before semicolon at end of par. (1).

1986—Pub. L. 99-498 amended section generally, inserting provisions relating to private sector employment agreements.

EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-39 effective as if enacted on Aug. 14, 2008, see section 3 of Pub. L. 111-39, set out as a note under section 1001 of Title 20, Education.

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-244 effective Oct. 1, 1998, except as otherwise provided in Pub. L. 105-244, see section 3 of Pub. L. 105-244, set out as a note under section 1001 of Title 20, Education.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-208 effective as if included in the Higher Education Amendments of 1992, Pub. L. 102-325, except as otherwise provided, see section 5(a) of

Pub. L. 103-208, set out as a note under section 1051 of Title 20, Education.

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-325 effective Oct. 1, 1992, see section 2 of Pub. L. 102-325, set out as a note under section 1001 of Title 20, Education.

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-50 effective as if enacted as part of the Higher Education Amendments of 1986, Pub. L. 99-498, see section 27 of Pub. L. 100-50, set out as a note under section 1001 of Title 20, Education.

EFFECTIVE DATE OF 1986 AMENDMENT

Section 403(b)(2), formerly section 403(b), of Pub. L. 99-498, as redesignated by Pub. L. 100-50, §22(c), June 3, 1987, 101 Stat. 361, provided that: "Sections 443(c), 446, and 447 of the Act [sections 2753(c), 2756, and 2756a of this title] as amended by this section shall apply to periods of enrollment beginning on or after July 1, 1987."

EFFECTIVE DATE

Section effective Oct. 1, 1980, see section 1393 of Pub. L. 96-374, set out as an Effective Date of 1980 Amendment note under section 1001 of Title 20, Education.

§ 2754. Sources of matching funds

Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part, and such share may be paid to such student in the form of services and equipment (including tuition, room, board, and books) furnished by such institution.

(Pub. L. 89-329, title IV, §444, as added Pub. L. 99-498, title IV, §403(a), Oct. 17, 1986, 100 Stat. 1435.)

PRIOR PROVISIONS

A prior section 2754, Pub. L. 89-329, title IV, §444, formerly title I, §144, as added, renumbered, and amended Pub. L. 90-575, title I, §§131(a), (b)(1), 133(a), (c), 134, 136, 137, 138, 139(2), Oct. 16, 1968, 82 Stat. 1028, 1029, 1030; Pub. L. 92-318, title I, §§135C(a)(1), 135D, 135E, June 23, 1972, 86 Stat. 271; Pub. L. 94-482, title I, §128(c), Oct. 12, 1976, 90 Stat. 2143, set out conditions required of agreements with eligible institutions, prior to repeal by Pub. L. 96-374, title IV, §434, Oct. 3, 1980, 94 Stat. 1434, eff. Oct. 1, 1980. See section 2753(b) of this title.

Section was originally enacted as section 124 of the Economic Opportunity Act of 1964, Pub. L. 88-452, title I, Aug. 20, 1964, 78 Stat. 514. As such, it had been amended by Pub. L. 89-253, §10, Oct. 9, 1965, 79 Stat. 974; Pub. L. 89-329, title IV, §441(1), (4), (5), Nov. 8, 1965, 79 Stat. 1249; Pub. L. 90-82, §§1, 2, Sept. 6, 1967, 81 Stat. 194, and renumbered section 144 by Pub. L. 90-222, title I, §111(a), Dec. 23, 1967, 81 Stat. 726.

Under Pub. L. 90-575, title I, §131(a), Oct. 16, 1968, 82 Stat. 1028, section was transferred along with the remainder of Part C of title I of the Economic Opportunity Act of 1964, Pub. L. 88-452, and inserted as Part C of title IV of the Higher Education Act of 1964, Pub. L. 89-329. Former Part C of title IV of Pub. L. 89-329, as originally enacted, comprising sections 441 and 442 thereof, was struck out to accommodate the transferal but the amendment of this section by section 441(1), (4), (5) of Pub. L. 89-239 was not struck out.

§ 2755. Flexible use of funds

(a) Carry-over authority

(1) Of the sums granted to an eligible institution under this part for any fiscal year, 10 per-

cent may, at the discretion of the institution, remain available for expenditure during the succeeding fiscal year to carry out programs under this part.

(2) Any of the sums so granted to an institution for a fiscal year which are not needed by that institution to operate work-study programs during that fiscal year, and which it does not wish to use during the next fiscal year as authorized in the preceding sentence, shall remain available to the Secretary for making grants under section 2753 of this title to other institutions in the same State until the close of the second fiscal year next succeeding the fiscal year for which such funds were appropriated.

(b) Carry-back authority

(1) Up to 10 percent of the sums the Secretary determines an eligible institution may receive from funds which have been appropriated for a fiscal year may be used by the Secretary to make grants under this part to such institution for expenditure during the fiscal year preceding the fiscal year for which the sums were appropriated.

(2) An eligible institution may make payments to students of wages earned after the end of the academic year, but prior to the beginning of the succeeding fiscal year, from such succeeding fiscal year's appropriations.

(c) Flexible use of funds

An eligible institution may, upon the request of a student, make payments to the student under this part by crediting the student's account at the institution or by making a direct deposit to the student's account at a depository institution. An eligible institution may only credit the student's account at the institution for (1) tuition and fees, (2) in the case of institutionally owned housing, room and board, and (3) other institutionally provided goods and services.

(d) Flexibility in the event of a major disaster

(1) In general

In the event of a major disaster, an eligible institution located in any area affected by such major disaster, as determined by the Secretary, may make payments under this part to disaster-affected students, for the period of time (not to exceed one academic year) in which the disaster-affected students were prevented from fulfilling the students' work-study obligations as described in paragraph (2)(A)(iii), as follows:

(A) Payments may be made under this part to disaster-affected students in an amount equal to or less than the amount of wages such students would have been paid under this part had the students been able to complete the work obligation necessary to receive work study funds.

(B) Payments shall not be made to any student who was not eligible for work study or was not completing the work obligation necessary to receive work study funds under this part prior to the occurrence of the major disaster.

(C) Any payments made to disaster-affected students under this subsection shall meet the matching requirements of section