

TRAINING AND EMPLOYMENT NOTICE	NO. 11-09
	DATE October 15, 2009

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
ONE-STOP CAREER CENTERS
STATE UNEMPLOYMENT INSURANCE DIRECTORS

FROM: JANE OATES
Assistant Secretary *Jane Oates*

SUBJECT: Supporting UI Claimant Training Needs in the One-Stop Career Center System

1. **Purpose.** The purpose of this Training and Employment Notice (TEN) is to provide information and resources to help the public workforce system support Unemployment Insurance (UI) recipients as they seek out Pell Grants and to support all unemployed workers in their pursuit of education and training opportunities.
2. **References.**
 - Pell Grants and the Payment of Unemployment Benefits to Individuals in Approved Training, Training and Employment Guidance Letter (TEGL) 21-08, including Change 1
 - Workforce Investment Act of 1998, section 134(d)(4)(B)
 - Workforce Investment Act regulations at 20 CFR 663.320
 - The preamble to the Workforce Investment Act regulations at page 49328 of Federal Register Notice Vol. 65, No. 156, published Friday, August 11, 2000
 - Approved Training for the Unemployment Insurance Program Recommended Policies, TEGL 2-09
 - Funding Education Beyond High School: The Guide to Federal Student Aid, at http://studentaid.ed.gov/students/publications/student_guide/index.html
 - Counselors and Mentors Handbook on Federal Student Aid at <http://www.fsa4counselors.ed.gov/clcf/counselorsHandbook.html>
3. **Background.** President Obama announced in May that he encourages unemployed Americans to consider education and training opportunities to develop their skills while the economy recovers. In particular, President Obama encouraged states to help UI claimants pursue training opportunities while continuing to receive UI benefits, and highlighted flexibilities that help recently unemployed workers qualify for Federal Pell Grants and other student aid programs. To support this effort, the Employment and Training Administration (ETA) strongly encourages states to: (1) broaden their definition of approved training for UI

**EMPLOYMENT AND TRAINING ADMINISTRATION
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claimants during economic downturns, (2) notify UI claimants of their potential eligibility for Pell Grants and other student aid, and (3) help individuals apply for Pell Grants through One-Stop Career Centers. These encouragements were issued in TEGL 21-08 on May 8, 2009. TEGL 21-08 encourages states to send letters to UI claimants informing them of their potential eligibility for Pell Grants and encouraging them to seek the services of the One-Stop Career Center system. States have begun distribution of these letters, resulting in an increased UI claimant traffic in One-Stop Career Centers. On August 26, 2009, ETA released additional guidance encouraging states to review their policies and procedures on state-approved training for the UI program and providing recommended policies in TEGL 2-09.

Providing UI claimants with reemployment and training services is one of the core missions of the workforce system. When UI claimants need training and education to successfully return to the labor market, the workforce system's role is to identify available resources to help them gain access to that training, which may include using WIA training resources, Pell Grants, scholarships, and/or student loans. The focus of this TEN is on helping those UI claimants for whom a Pell Grant is among the appropriate resources to fund postsecondary education and training.

The workforce system can help UI claimants achieve their training goals through the use of Pell Grants in the following ways:

- Coordinate with the state's UI agency to provide outreach and services to UI claimants generally, including providing information on their potential eligibility for Pell Grants;
- Work collaboratively with the state's UI agency to learn the state's policies regarding what constitutes "approved training" for purposes of continued receipt of UI benefits and the processes for a UI claimant to gain the necessary approval;
- Provide UI claimants with sound career and education counseling so they can make viable training and career advancement choices;
- Ensure that all One-Stop Career Centers and staff are prepared to assist UI claimants and other customers in applying for Pell Grants and other student financial aid; and
- Develop relationships with the financial aid officers at the postsecondary institutions in your region to help facilitate the application process for Pell Grants and other student financial aid.

In addition to helping UI claimants, the workforce system is uniquely positioned to help other unemployed and dislocated workers pursue Pell Grant funding for training opportunities that strengthen their position in the labor market. The Free Application for Federal Student Aid now includes a question to identify dislocated workers and adjust their expected family contribution if they meet certain income requirements.

4. **Background on Pell Grants**. The Pell Grant program is a postsecondary, educational grant program sponsored by the U.S. Department of Education. For 2009-2010 Pell Grants pay up to \$5,350 for an academic year to cover the costs of training for eligible programs of study at accredited institutions of higher education, proprietary institutions, and postsecondary vocational institutions. An application for a Pell Grant and other Federal student aid is

known as the Free Application for Federal Student Aid or the “FAFSA.” A student generally submits the application directly to the Department of Education (ED), and ED provides the processed application information to the school at which the student has been admitted.

Program Eligibility. Pell Grants can only be awarded to students enrolled in eligible programs of study. Program eligibility varies by type of institution, but may include the following:

- Associate or bachelors degrees;
- At least a 2-year program acceptable for full credit towards a bachelor’s degree;
- At least a 1-year training program, that leads to a degree or certificate and prepares students for gainful employment in a recognized occupation; and
- An eligible training program at a proprietary or postsecondary vocational institution that prepares students for gainful employment and meets certain minimum standards.

Generally, Pell-eligible training does not include programs that do not lead to a degree, certificate, or other recognized educational credential, continuing education or remedial coursework that is not part of an organized program of study, individual courses, or corporate training programs.

Student Eligibility. Pell Grants are awarded based on financial need and other factors. To be eligible for a Pell Grant, an individual must:

- Demonstrate financial need by submitting a FAFSA;
- Be a U.S. citizen, U.S. national or eligible non-citizen;
- Have a valid Social Security Number;
- Have a high school diploma or General Education Development (GED) certificate OR demonstrate “ability to benefit” by passing an approved test;
- Meet satisfactory academic progress standards;
- Be enrolled in an eligible program at an eligible postsecondary school;
- Be working toward an undergraduate degree or certificate or teaching credential;
- Certify that the funds will be used only for educational purposes;
- Be registered with the Selective Service if you are a male between the ages of 18 and 25; and
- Not be in default on a student loan or other Federal obligations.

Pell Grants are for undergraduate students who have not received a bachelor’s or first professional degree, with a few exceptions. Individuals who have a four-year degree but are pursuing a teaching certificate may be eligible. Individuals who have a two-year degree or undergraduate certificate and want to pursue another two-year degree, undergraduate certificate, or an initial four-year degree may be eligible.

Flexibility for Unemployed Workers. Unemployed workers have two opportunities to benefit from flexibility in the Federal grant application process.

The FAFSA now includes a question to identify dislocated workers, who may qualify for a reduced expected family contribution if their family income was \$50,000 or less in the base year (calendar 2008 for the 2009-2010 award year). For the purposes of the FAFSA, a dislocated worker is defined as someone who meets the definition of a dislocated worker in the Workforce Investment Act.

For unemployed workers whose income level or unemployment status does not qualify them for an adjustment to their expected family contribution under the FAFSA dislocated worker question, financial aid officers are able to use their “professional judgment” to adjust the applicant’s expected family contribution or the cost of attendance based on special circumstances, such as becoming unemployed and claiming UI benefits.

Use of professional judgment is at the discretion of the financial aid officer and varies by institution. To seek an adjustment under this professional judgment authority, individuals must first accurately complete the FAFSA application, indicating income for the base year. Once the application has been reviewed, the individual may appeal for professional judgment using the educational institution’s appeal process.

The Departments of Labor and Education partnered recently in a webinar designed to provide additional information on the Pell grant process for UI claimants. The webinar is archived for viewing at anytime on ETA’s Workforce3One web site at: <http://www.workforce3one.org/view/5000919434225407676/info>. Click on “View Recording.”

5. Helping Unemployment Insurance Claimants Achieve Their Training Goals. As the U.S economy recovers, unemployed workers may benefit from education and training to strengthen their competitiveness in the job market and future employment opportunities. UI claimants may seek assistance from One-Stop Career Centers in assessing their training needs, identifying training opportunities, and accessing financial support for training. The workforce system is uniquely positioned to assist UI claimants and other unemployed and underemployed workers in their pursuit of training opportunities during difficult economic times. The state workforce agency, local workforce investment boards, and One-Stop Career Centers can play a pivotal role in connecting eligible customers to Pell Grants and in connecting UI claimants to training and reemployment services in three key ways:

- *Coordinating with the state’s UI agency to provide outreach and services to UI claimants generally, including providing information on their potential eligibility for Pell Grants.* For many unemployed workers, the UI system is their initial point of entry to the workforce system. By coordinating with the state UI agency, the workforce system can reach out to UI claimants and share information about: 1) the benefits of training to reentering the labor market, 2) potential eligibility for Pell Grants and other student financial aid, and 3) the reemployment services and resources available through the One-Stop system.
- *Working collaboratively with the state’s UI agency to learn the state’s policies regarding what constitutes “approved training” for purposes of continued receipt of UI benefits and the processes for a UI claimant to gain the necessary approval.* All states have policies governing the circumstances under which UI claimants can enroll in training while continuing to receive their UI benefits. States have been strongly encouraged to review their current policies related to “approved training,” which enables UI claimants to continue to receive benefits while they are in training.

One-Stop Career Center staff should have information regarding and a basic understanding of their state’s UI laws and policies regarding approved training. UI

claimants should be informed of these policies and encouraged to communicate their intent to retrain or attend school to the state UI agency as soon as possible. UI claimants must provide the state UI agency with specific training information so the agency can determine whether the UI claimant's training program meets state UI law provisions and can notify claimants of the state's decision in a timely manner.

- *Providing UI claimants with sound career and education counseling so they can make viable training and career advancement decisions.* Customers who are prompted by the UI-Pell grant notification letter to visit a One-Stop Career Center should be provided with immediate information about the Pell Grant and other training opportunities, along with full information about other services available at the One-Stop Center. Such customers should have access to an in-depth assessment to be informed of their choices about training and future career pathways. This approach is particularly important because not all UI claimants will be eligible for Pell Grants, or will have education and training goals consistent with Pell Grant requirements, but may be eligible for other training programs. One-Stop Center staff should also encourage customers to seek financial aid counseling, which may uncover additional sources of financial aid for education and training designed for those who are not eligible for Pell Grants.

6. **Helping Workforce System Customers access Pell Grants.** The workforce system has a long history of connecting customers with the education funding provided through Pell Grants and other types of federal assistance. States and local areas should ensure that all One-Stop Career Centers and staff are prepared to assist UI claimants and other customers in applying for Pell Grants and other financial aid. Many states and local areas require One-Stop Center customers seeking Individual Training Accounts or other training assistance to complete a FAFSA if their training goals include Pell-eligible training programs. Thus, many One-Stop Career Centers already provide assistance in completing the FAFSA as part of their career and training counseling process.

Ultimately, completing the FAFSA and seeking an adjustment to the expected family contribution under professional judgment authority is the responsibility of the individual, and they should be encouraged and counseled to play a proactive role in this process. The workforce system can facilitate the application process by helping individuals understand basic eligibility requirements, providing assistance in filling out the FAFSA, and helping the individual understand how to navigate between the financial aid office and the One-Stop Career Center. Attachment A includes an intake checklist and a "to-do" list that One-Stop Centers may customize and incorporate into their services.

To further support One-Stop Center customers as they apply for Pell Grants, One-Stop Career Center staff should develop relationships with the financial aid offices of Pell-eligible educational institutions, such as local community colleges, technical schools, and four-year institutions. Through such relationships, One-Stop Center staff should identify institutional procedures for FAFSA filing and review and policies regarding professional judgment. This information should be integrated into career and education counseling materials in the One-Stop Career Center. Strong relationships between One-Stop Center staff and financial aid office staff may facilitate closer coordination of WIA and Pell Grant resources, and can help workforce system customer's transition smoothly into education and training experiences.

7. **Pell Grants and Workforce Investment Act Resources.** One-Stop Career Centers should take a participant-based approach in supporting UI claimants and other unemployed or underemployed workers with their training needs. Individuals interested in obtaining Pell Grants may also benefit from WIA training funds, either to support the cost of training before a Pell Grant is awarded, or to supplement a Pell Grant award by covering the full cost of training and living expenses after the award. While WIA training funds must be used to cover direct training costs, Pell Grants are more flexible and can also cover supplies and living expenses. Students who are awarded Pell Grants may benefit from a combination of WIA training funds, WIA-funded supportive services or needs related payments, and Pell Grants to cover the full costs of taking on a course of training. It is within the bounds of WIA law and regulation to provide WIA training funds to Pell Grant recipients, provided duplicate payments of training costs are not made. For additional guidance on the relationship between WIA training funds and other types of federal assistance, the workforce system is encouraged to review WIA section 134(d)(4)(B), WIA regulations at 20 CFR 663.320, and the preamble to the WIA regulations at page 49328 of Federal Register Notice Vol. 65, No. 156, published Friday, August 11, 2000.
8. **Action Requested.** State Workforce Agencies, State and Local Workforce Investment Boards, and One-Stop Career Centers are encouraged to examine their service delivery strategies for UI claimants and other unemployed workers and make adjustments where necessary to ensure that these customers have access to training opportunities and receive assistance in Pell Grant applications.
9. **Inquires.** All inquiries should be directed to the appropriate regional office.
10. **Attachment.**
 - Attachment A: Pell Grant Information Check List and Applicant To-Do List Templates

Attachment A

Pell Grant Information Checklist for UI Recipients

This checklist template is intended to help On-Stop Career Center staff answer UI claimants questions about accessing Pell Grants. One-Stops are encouraged to customize the checklist with questions that address state and local policies and circumstances.

Unemployment Insurance Characteristics

Are you currently receiving Unemployment Insurance Benefits?

Add additional questions here based on your state's policies regarding UI benefits and training to help you understand if the individual can continue to receive UI benefits while enrolled in training.

Training Interests

Have you received a bachelor's degree or first professional degree?

Are you interested in a training program that leads to a degree, certificate or other recognized educational credential?

Student Eligibility Criteria

Have you read and understood the student eligibility criteria for Pell Grants?

- U.S. citizen, permanent resident, or other eligible noncitizen
- High school graduate or GED holder OR demonstrate "ability to benefit" by passing an approved test;
- Enrollment in eligible degree/certificate program at an eligible postsecondary school
- Valid Social Security Number
- Males registered with Selective Service
- Satisfactory academic progress
- Not in default on a student loan or other Federal Obligations

Attachment A

Pell Grant Applicant To-Do List

This Pell Grant application to-do list is intended to help One-Stop Career Center staff support UI claimants and other customers applying for Pell Grants. One-Stops are encouraged to customize the to-do list with action steps that address local policies and processes.

- Decide on a degree or certificate program
- Apply to area eligible institutions that offer the program. You must complete the admission process and be enrolled in a financial-aid-eligible program to receive financial aid.
- Accurately complete the FAFSA
 - Apply for Federal Pell Grants or other financial aid by visiting www.fafsa.gov or by calling 1-800-4FEDAID
- Compile documentation to demonstrate loss of income compared to the base year (calendar 2008 for the 2009-2010 school year)
 - Letter from UI agency.