

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION Approved Training
	CORRESPONDENCE SYMBOL OWI
	DATE December 20, 2022

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 21-08, Change 2

TO: STATE WORKFORCE AGENCIES
 ALL STATE WORKFORCE LIAISONS
 STATE UI DIRECTORS
 COMPREHENSIVE AMERICAN JOB CENTER MANAGERS
 STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
 STATE LABOR COMMISSIONERS

FROM: BRENT PARTON /s/
 Acting Assistant Secretary

SUBJECT: Federal Pell Grants and the Payment of Unemployment Benefits to Individuals in Approved Training

1. **Purpose.** To strongly encourage states to review their policies and practices for re-employment and re-skilling Unemployment Insurance (UI) beneficiaries and other unemployed jobseekers, and to inform jobseekers of their potential eligibility for Federal Pell Grants (Pell Grants) and other student aid to meet educational expenses associated with enrollment in an eligible postsecondary program. Further, to remind states that determinations made regarding UI Approved Training requests may be reported as “countable” non-monetary determinations for workload purposes.
2. **Action Requested.** The Department of Labor’s (Department) Employment and Training Administration (ETA) strongly encourages State Workforce Agencies and UI Directors to continue to work together and coordinate efforts to ensure jobseekers and UI beneficiaries understand their options for retraining including their potential eligibility for Pell Grants (and other student aid), in accordance with the existing statutory definitions, regulations, and prior guidance. States should (1) ensure that information about Federal Pell Grants (Pell Grants) and other student aid is up to date and easily accessible; and (2) ensure that UI beneficiaries determine before enrollment whether training is considered by the state as UI Approved Training. ETA reminds states that states are required to ensure that UI benefits are still available to individuals in training with the approval of the State UI agency. States must distribute this advisory to appropriate staff.
3. **Summary and Background.**
 - a. Summary – The Department is collaborating with the Department of Education (ED), which administers the Pell Grant program, to work together with State UI agencies and

RESCISSIONS None	EXPIRATION DATE Continuing
----------------------------	--------------------------------------

American Job Centers (AJCs) to continue to ensure that interested UI beneficiaries know how they can pursue training opportunities and continue to receive UI benefits, and that all jobseekers can find the resources needed to get training and pursue new careers. Through this advisory, states are strongly encouraged to send notification letters to UI beneficiaries, as outlined in prior guidance, and to connect beneficiaries with information online about UI recipients' potential eligibility for Pell Grants and other student aid. States are also encouraged to continue in their effort to make determinations approving or denying approval for training, in advance of beneficiaries' enrollment in education or training, and to communicate with beneficiaries about how they can obtain a decision regarding training approval. These training request determinations may be reported as "countable" non-monetary determinations for workload purposes.

- b. Background – State UI and workforce agencies regularly assist millions of jobseekers with financial stability, reemployment, and career advancement. For jobseekers and UI beneficiaries aiming to upskill and move into a new career path, Pell Grants provide powerful support; yet not all jobseekers are aware of Pell Grant availability or how their UI benefits and Pell Grants interact.

In 2009, ETA published Training and Employment Guidance Letter (TEGL) No. 21-08, *Pell Grants and the Payment of Unemployment Benefits to Individuals in Approved Training*, to strongly encourage states to broaden their definition of approved training for UI beneficiaries during economic downturns, to notify UI beneficiaries of their potential eligibility for Pell Grants and other student aid, and to help individuals apply for Pell Grants on the Free Application for Federal Student Aid (FAFSA®) through the AJCs (referred to in the guidance and regulations as one-stop centers). Subsequently, advisory TEGL No. 21-08, Change 1 advised states of two important clarifications about Pell Grant eligibility requirements, encouraged states to use procedures that inform UI beneficiaries before enrollment in a program whether training received in the program is considered by the state as UI approved training, and reminded states that determinations made on UI approved training requests may be reported as "countable" non-monetary determinations for workload purposes.¹

As jobseekers return to the workforce in large numbers, bolstered by economic growth, many jobseekers can use this opportunity to grow their skills, obtain industry-recognized credentials, and obtain higher-paying jobs. To support these jobseekers, ETA is issuing this advisory to encourage State UI agencies and AJCs to continue to work closely together to ensure that jobseekers know about Pell as a resource, and UI beneficiaries who are interested in training opportunities can find appropriate information about how they can pursue training and continue to receive UI benefits.

- 4. Notifying UI Beneficiaries of Pell Grant Eligibility.** The Pell Grant program is a post-secondary educational grant program. Pell Grants are awarded to help students with demonstrated financial need to meet the cost of their postsecondary education. The circumstances many UI beneficiaries experience may mean they are eligible for Pell Grants or eligible to receive a larger Pell award, and ED has made efforts to encourage

¹ See https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2752

student financial aid administrators to use the discretion available to them to adjust financial aid applicants' information and accurately reflect their income. Guidance to financial aid administrators from January 2021, updated in April 2022, is available here: <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2021-01-29/update-use-professional-judgment-financial-aid-administrators>.

To ensure that UI beneficiaries are aware of their potential eligibility for Pell Grants, states are asked to send each beneficiary a letter or other communication (model attached) describing the Pell Grant program, directing them to information about Pell Grants, and emphasizing that UI beneficiaries can, in some circumstances, continue to receive UI benefits while in training with the state's approval. The model letter provides information about Pell Grants and advises individuals of the website <https://studentaid.gov/understand-aid/types/grants>, which provides additional information about Pell Grants and other federal grants for postsecondary enrollment. State UI agencies are free to modify this letter or message to reflect appropriate contact information and state UI policy. States are encouraged to tell letter recipients about information that can inform their training decisions, such as <https://collegescorecard.ed.gov/>, <https://collegescorecard.ed.gov/training/>, and <https://www.trainingproviderresults.gov/>, and that advice and assistance are available through AJCs. State UI agencies should ensure that both the name and address of the recipient is included in the body of the letter or message. States should transmit this letter or message to all beneficiaries who received payments of UI for the most recent week of unemployment. Also, states should send this letter or message to individuals who receive first payments of regular compensation and those who receive payments as a result of filing an additional or reopened claim.

Ongoing administrative costs that may be charged to this UI initiative should be reported in accordance with prior guidance.

As required by the Paperwork Reduction Act, OMB has reviewed and approved this information collection OMB Control Number 1205-0553, which expires on December 31, 2025. Under 5 CFR 1320.5(b), an agency cannot conduct, sponsor, or require a response to a collection of information unless the collection displays a valid OMB Control Number.

- A. **Criteria for Determining if Training May be Approved.** Section 3304(a)(8) of the Federal Unemployment Tax Act (FUTA) requires, as a condition of employers in the state receiving credit against the Federal unemployment tax, that —

[C]ompensation shall not be denied to an individual for any week because he is in training with the approval of the State agency (or because of the application, to any such week in training, of State law provisions relating to availability for work, active search for work, or refusal to accept work);

As stated in prior guidance, this provision was added to Federal law to assure that UI eligibility criteria, such as actively seeking work, are not an impediment to the individual improving her or his prospects of employment by participating in approved training. States use a variety of procedures for determining when UI beneficiaries may

participate in approved training and continue to receive UI benefits.

Some states place strict limits on approved training, such as limiting approvals to occupational training (i.e., training designed to lead to a specific occupation) and to situations where there is no demand for an individual's most recent job. As an example, an individual laid-off from a fast-food restaurant would be denied training, in some states, as fast-food jobs continue to exist. Such approaches limit an individual's ability to obtain skills that might lead to more secure employment and higher wages.

In an effort to help job seekers return to the workforce, increase their skills, and obtain industry-recognized credentials, ETA has continued to strongly encourage states to reconsider their laws and regulations, and any applicable administrative requirements, to determine if their approved training requirements are appropriate to the current economy. State UI agencies should also continue to consider approval of programs at community colleges with job skills components, courses leading to general equivalency degrees, courses in adult basic education, language courses, or other courses of study, including degree and certificate programs, which are likely to increase the individual's long-term employability. Note that not all training programs meet the threshold necessary to meet a state's definition of approved training as contemplated in FUTA, which will allow a student access to Pell Grants as defined under the Higher Education Act of 1965, as amended. Program eligibility requirements for the Pell Grant are defined in 34 CFR 668.8. Programs at community colleges may be more likely to qualify students for Pell Grants than programs at training facilities or institutions that are not institutions of higher education that participate in the Title IV, federal student aid programs (including the Pell Grant program).

The Department will continue its commitment to work with states as they review their current policies. State UI agencies and workforce agencies are encouraged to continue to work closely together to ensure that UI beneficiaries who are interested in training opportunities can pursue training and continue to receive UI benefits.

B. UI and Workforce Agency Coordination. ETA strongly encourages state workforce agencies and state UI agencies to continue their re-employment efforts, to help jobseekers including UI beneficiaries understand their potential eligibility for Pell Grants and other student aid, and to ensure that UI beneficiaries enter training that allows them to continue receipt of their UI benefits. Providing referrals to and coordination of activities with other programs and services are free basic career services through the AJCs. State UI and workforce agencies may take several steps to accomplish this:

- i. States should review or establish processes to minimize the burden on individual UI beneficiaries in establishing whether a training program is consistent with UI eligibility rules.

- ii. State UI agencies should share with state workforce agencies and AJCs whether and when beneficiaries can continue to receive UI benefits while in approved training, and how the state determines UI-approved training. Where WIOA program staff are advising UI beneficiaries on appropriate training, WIOA program staff should coordinate with UI staff to secure approval of that training, so the individual does not later face difficulty maintaining UI eligibility due to training that does not qualify.
- iii. State agencies should coordinate how to best share information about UI-approved training, and about how to obtain financial assistance in obtaining that training.

C. **Assisting Claimants in Finding Training and Applying for Financial Aid.** States must ensure that WIOA staff or staff in other AJC partner programs are prepared to provide UI beneficiaries, jobseekers, and learners, as a part of their basic career services, assistance in establishing eligibility for programs of financial aid assistance for training and education programs not under WIOA (20 CFR 678.430(a)(11), in applying for Pell Grants and other financial aid. Individuals interested in applying for a Pell Grant must complete the Free Application for Federal Student Aid (FAFSA). Extensive and helpful information on applying for the FAFSA is available at <https://studentaid.gov/h/apply-for-aid/fafsa>. WIOA staff and other AJC partners can also provide UI beneficiaries seeking Pell Grants with skill assessments, career guidance, labor market information, job search assistance, assistance in choosing training, and assistance in obtaining funding for that training. These basic and (as necessary) individualized career services are available at no cost to jobseekers and UI beneficiaries, to support their employment goals, to provide information on eligible providers of education and training programs, and if eligible pay for the training.

It may be appropriate to enroll UI beneficiaries in the WIOA Dislocated Worker or Adult program to access these services. An individual who meets WIOA Dislocated Worker eligibility, whether or not she or he is enrolled in the WIOA Dislocated Worker program, may qualify for either the simplified needs test or automatic zero expected family contribution test used by the FAFSA to determine the student's need for federal student aid. As an example, a dependent student who has a parent who is a dislocated worker, or an independent student who is, or whose spouse is, a dislocated worker, may be eligible for more need-based aid, including Pell Grants. There is a question on the 2022-23 FAFSA about dislocated worker status. For more information, please see page 21 of the following link: https://fsapartners.ed.gov/sites/default/files/2022-2023/2022-2023_Federal_Student_Aid_Handbook/knowledge-center_fsa-handbook_2022-2023_application-and-verification-guide_ch2-filling-out-fafsa.pdf. Note that not everyone who receives unemployment benefits will meet the definition of a dislocated worker. For example, in general, those who quit their jobs are not considered dislocated workers, even if they are receiving unemployment benefits.

ETA encourages WIOA program staff and AJCs to respond to general information requests about the dislocated worker eligibility and definition from financial aid offices, as necessary.

- D. **Administrative Costs.** To ensure the continuity of service continues with UI beneficiaries, state UI agencies were advised through TEGL No 21-08 that administrative costs associated with this initiative could be charged to a UI grant. Costs associated with informing claimants of their benefit rights and determining eligibility for UI, including eligibility for benefits while in approved training, are necessary for the proper and efficient administration of a state's UI law, and may be charged to the UI grant consistent with Section 303(a)(8) of the Social Security Act (SSA). Ongoing administrative costs that may be charged to this UI initiative should be reported in accordance with prior guidance in TEGL No. 21-08. State agencies may request reimbursement for ongoing administrative costs that were charged to the UI program related to this initiative via the quarterly UI-3 report. Such amounts should be included on line #26 (labeled "Other") and identified in the UI-3 comments section as "Pell Grant = \$#####". While costs associated with AJC staff providing information, advice, and referral to training or education services that are part of this initiative may not be charged to UI grants, such costs are appropriate as career services under WIOA (see 20 CFR 678.430(a)(11)).

There are no costs for a student to complete the FAFSA, which is the sole method to determine Pell Grant eligibility. It is cost free.

5. **Inquiries.** Please direct inquiries to the appropriate Regional Office. For questions on Pell Grant eligibility, students should contact the financial aid office at their current or prospective institution.

6. **References.**

- Section 3304(a)(8) of the Federal Unemployment Tax Act (FUTA)
- Section 303(a)(8) of the Social Security Act (SSA)
- The Higher Education Act of 1965, Title IV, Part A, Subpart 1
- 1998 Amendments to Higher Education Act of 1965 (Public Law (Pub. L.) 105-244), Section 401(a)(1) (20 U.S.C. 1070a(a)(1))
- 20 U.S.C. 1070a (pertaining to Pell Grants)
- The Workforce Innovation and Opportunity Act (WIOA) (Public Law (Pub. L.) 113- 28), Title I sec. 134(c)(3)(E) enacted July 22, 2014
- Employment and Training Administration, Workforce Innovation and Opportunity Act; Final Rule (WIOA DOL Final Rule) published at 81 FR 56071 (Aug. 19, 2016) (20 CFR 680.600)
- Draft Legislation to Implement the Employment Security Amendments of 1970 (commonly called the "Orange Book")
- Training and Employment Notice No. 32-08 - *Guidance on 2009-2010 FAFSA: New Needs Determination to Include WIA Dislocated Workers*
- Training and Employment Guidance Letter (TEGL) No. 21-08 and Change 1 - *Pell Grants and the Payment of Unemployment Benefits to Individuals in Approved Training*
- ET 207 Report in Handbook No. 401

7. **Attachment.**

- Draft Letter Advising Claimants of Pell Grants/UI Approved Training