

<b>Employment and Training Administration</b> <b>Advisory System</b> <b>U.S. Department of Labor</b> <b>Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> Approved Training
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**ADVISORY:** TRAINING AND EMPLOYMENT GUIDANCE LETTER No. 21-08, Change 1

**TO:** STATE WORKFORCE AGENCIES  
 STATE WORKFORCE ADMINISTRATORS  
 STATE WORKFORCE LIAISONS  
 STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS  
 STATE LABOR COMMISSIONERS

**FROM:** JANE OATES *Jane Oates*  
 Assistant Secretary

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

1. Purpose. (1) To advise states of two important clarifications about Pell Grant eligibility requirements, (2) to encourage states to use procedures that inform Unemployment Insurance (UI) beneficiaries before enrollment whether training is considered by the state as UI Approved Training, and (3) to remind states that determinations made on UI Approved Training requests may be reported as “countable” non-monetary determinations for workload purposes.
2. 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; 20 U.S.C. 1070a (pertaining to Pell Grants); the Workforce Investment Act (WIA); Draft Legislation to Implement the Employment Security Amendments of 1970 (commonly called the “Orange Book”); Training and Employment Notice No. 32-08; Training and Employment Guidance Letter (TEGL) No. 21-08; ET 207 Report in Handbook No. 401 and Unemployment Insurance Program Letter (UIPL) No. 27-09.
3. Pell Grant Program Clarification. TEGL No. 21-08 provides an overview of Pell Grant eligibility requirements, but it did not include two important eligibility criteria. First, Pell

<b>RESCISSIONS</b>	<b>EXPIRATION DATE</b>
None	Continuing

Grants are available only to individuals in an undergraduate degree or certificate program, regardless of full time or part time status. Second, students who already have an undergraduate degree cannot receive a Pell Grant to obtain another undergraduate degree. However, these students may apply for other financial aid such as student loans. States should ensure that these criteria are included in their communications with UI beneficiaries regarding potential Pell Grant eligibility.

4. Options for Notification Letters. Many states have expressed concern that the initial mailing of letters to all current beneficiaries will result in a response that overwhelms telephone lines and One-Stop Career Centers that are already operating near capacity. In order to address this concern, the Department suggests that states first send a “test batch” of letters in order to gauge the percent of recipients who respond either to a One-Stop Career Center or the UI call center. Several states that have already sent their initial mailings have experienced a two to three percent response rate. Other suggestions include setting up a specific telephone number to which questions regarding approved training and Pell Grants are directed, and notifying current beneficiaries in “waves” in order to mitigate the impact of phone lines and One-Stop Career Centers.

In addition, we suggest that notification letters include the following information:

- State-specific policies on qualifying for training while collecting UI;
- A description of the process UI beneficiaries should follow in applying for: 1) a Pell grant or other financial aid; 2) training/schooling; and 3) UI Approved Training (to confirm UI eligibility while attending school);
- One-Stop Career Center services to help beneficiaries assess their skills and identify appropriate training; and
- Basic Pell Grant eligibility criteria, including that Pell Grants cannot be used to fund additional bachelor degrees if the individual already has a degree.

Finally, the correct Web site for beneficiaries to apply for Pell Grants is [www.fafsa.ed.gov](http://www.fafsa.ed.gov). The sample letter attached to TEGl No. 21-08 did not include the complete Web site name.

5. State Training Approval Procedures. States use a variety of procedures for determining when UI beneficiaries may participate in training and continue to receive UI benefits. Most states approve training to which beneficiaries are referred by One-Stop Career Centers, and many states approve training provided by a list of entities sanctioned by One-Stop Career Centers. In most cases, the state UI agency accepts the assessment of the One-Stop Career Center that training is appropriate for the beneficiary and exempts the beneficiary from the “available for work” requirement. State UI agencies and One-Stop Career Centers are encouraged to continue to work closely together to ensure that UI beneficiaries who are interested in training opportunities are given appropriate guidance about how they can pursue training and continue to receive UI benefits.

Some UI beneficiaries may decide to enroll in education and training without the guidance of One-Stop Career Center staff. In these cases, the state UI agency makes a determination, depending on the circumstances, that the training would or would not impact the individual's availability for work, and if it would result in lack of availability for work, whether the training is "approved training" under the state UI law. In these instances, states should be aware that these determinations are reportable as non monetary determinations for workload funding purposes.

In addition, we urge states to make these determinations in advance of beneficiaries' enrollment in education or training and to communicate with beneficiaries about how they can obtain a decision regarding training approval. Few beneficiaries would be expected to invest their time and money enrolling in training without assurance that it would be "approved training" and their UI benefits would not be at risk.

6. Administrative Costs. In implementing and administering this initiative, state UI agencies were advised through TEGE No 21-08 that administrative costs associated with this initiative may be charged to the UI grant. Because costs associated with informing claimants of their benefit rights and determining eligibility for UI ( a UI training benefit) are necessary for the proper and efficient administration of a state's UI law, they may be charged to the UI grant consistent with Section 303(a)(8), SSA. Start-up costs that can be charged to the UI program (e.g., computer programming, initial wave of notification letters) are being addressed through the supplemental budget request (SBR) process (see UIPL No. 27-09). Ongoing administrative costs that can be charged to the UI program related to this initiative will be reported in the comments section of the quarterly UI-3 report, identified as such, and broken out by the following activities: postage, notification letters, training approval application reviews, programming, overhead, and other. Note: One-Stop Career Center costs such as those related to providing information, advice, and referral to training or education services that are part of this initiative may not be charged to UI grants.
7. Action. State administrators are requested to distribute this advisory to appropriate staff.
8. Inquiries. Questions should be addressed to your Regional Office.