Oklahoma Employment Security Commission
Workforce Integrated Programs Division

MEMORANDUM #M-05-2009

TO: WIA Board Staff and Fiscal Agents

FROM: Richard J. Gilbertson, Director
Workforce Integrated Programs Division

DATE: May 28, 2009

SUBJECT: Training and Employment Notice #32-08 issued March 10, 2009
Guidance on 2009-2010 FAFSA: New Needs Determination to Include WIA Dislocated Workers

MESSAGE: OESC is forwarding the attached TEN #32-08 for your information.

ACTION: Please share this notice with appropriate staff.

If you have any questions, please contact Richard Gilbertson at (405) 557-7121.

Sincerely,

Richard J. Gilbertson,
WIP Director

JY/jy

TRAINING AND EMPLOYMENT NOTICE	NO. 32-08
	DATE March 10, 2009

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: DOUGLAS F. SMALL
Deputy Assistant Secretary

SUBJECT: Guidance on 2009-2010 FAFSA: New Needs Determination to Include WIA Dislocated Workers

1. **Purpose.** The purpose of this Training and Employment Notice (TEN) is to provide information to the workforce investment system to support the Department of Education's roll out of the 2009-2010 Free Application for Federal Student Aid (FAFSA). The 2009-2010 FAFSA has been revised to include questions asking whether an individual or an individual's spouse or parent is a dislocated worker, which will be used when determining need for financial aid. This notice will guide the workforce investment system and the state Unemployment Insurance (UI) agency in providing information to One-Stop Career Center customers and supporting financial aid administrators at public, private, and proprietary (for-profit) post-secondary institutions.

2. **References.** Workforce Investment Act of 1998, (29 U.S.C §2801 et seq.), as amended; Higher Education Act of 1965, (20 U.S.C. §§1087ss and tt), as amended by the College Cost Reduction and Access Act of 2007 (P.L. 110-84).

3. **Background.** Federal Student Aid, an office within the U.S. Department of Education, partners with post-secondary schools and financial institutions to deliver services that help students and families who are paying for college. The Federal Student Aid issues the FAFSA, which is used by financial aid administrators at colleges and universities to prepare financial aid packages for students. Students or their parents must complete the FAFSA to be considered for federal student aid, including funding through grants, loans, and work-study. In addition, most colleges and universities use the FAFSA to award non-federal student aid from the state or school. Last year, over 15 million individuals used the FAFSA to apply for financial aid.

The College Cost Reduction and Access Act of 2007 amended section 479 of the Higher Education Act of 1965 to use dislocated worker status in determining whether an applicant qualifies for one of the simplified needs analyses used to determine the student's need for federal student aid. 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 one of the simplified need analyses. In addition, the Act amended section 479A to allow a dislocated worker family member to be considered as a special circumstance that may be the basis for a college financial aid administrator to otherwise adjust a student's cost of attendance or to adjust the data elements used to calculate the student's expected family contribution to determine the student's need for federal student aid.

The act requires that Federal Student Aid follow the Workforce Investment Act (WIA) definition of dislocated worker located at section 101(9) of the Act.[1] In order to support this change, the Department of Education will be issuing WIA dislocated worker definitions and documentation guidance to the financial aid administrators to help clarify concepts related to dislocated worker status in its 2009-2010 Application and Verification Guide, which is part of the Federal Student Aid Handbook (http://www.ifap.ed.gov/ifap/publications.jsp). However, because this definition will be new to financial aid offices, the U.S. Department of Education and the U.S. Department of Labor (USDOL) anticipate that financial aid offices may need additional general guidance to clarify the definition of dislocated workers and to determine appropriate documentation of dislocated worker status. As the local workforce investment system is uniquely positioned to offer this guidance, the USDOL is encouraging local One-Stop Career Centers to respond to general information requests about the dislocated worker definition from financial aid offices, as necessary.

4. **Providing Information.** Financial aid administrators have sole responsibility for determining the validity of student aid applicants' dislocated worker status for purposes of federal student aid and are required to make this determination regardless of whether an individual has proof of dislocated worker status from the workforce investment system, and regardless of whether an individual is receiving dislocated worker services from the workforce investment system. However, the local workforce investment system and state UI agency may elect to support the financial aid administrators in three ways:
    - **Providing General Information to Dislocated Workers.** The workforce investment system may provide general information to an individual receiving dislocated worker services who may be applying, or whose spouse or dependent child may be applying, for financial aid in the upcoming year. As appropriate, the workforce system may encourage these individuals to

[1] For the complete WIA definition of dislocated worker, refer to http://www.doleta.gov/regs/statutes/wialaw.txt.

check off the box on question 85 or 103 indicating that the student, the student's spouse, or one of the student's parents (for a dependent child) is a dislocated worker. When appropriate, the workforce investment system may coordinate efforts with local colleges and universities to ensure that dislocated workers are made aware of these questions. Note: local financial aid offices make eligibility and aid determinations based on information provided in the FAFSA.

- **Providing General Information to Financial Aid Administrators.** The workforce investment system may support financial aid administrators, when requested, by providing general guidance on (1) the WIA definition of dislocated workers; and/or (2) appropriate samples of documentation the financial aid offices could request from an individual to verify dislocated worker status. In providing guidance on appropriate documentation, the workforce investment system may elect to provide information about or examples of WARN notices, layoff or no fault termination notices, local labor market information, documents issued by the state UI agency, or other areas or documents about which the financial aid office may be unfamiliar and have questions. The state UI agencies may provide general guidance and information on definitions and documentation related to the UI program to the extent that it relates to determining dislocated worker status.
- **Providing Specific Information to Dislocated Workers.** If an individual receiving dislocated worker services through the workforce investment system requests proof of dislocated worker status to provide to the college financial aid office in support of a FAFSA application for the individual, a spouse or a dependent, the One-Stop Career Center or other appropriate office should provide the individual or the college with a letter or other documentation verifying that the individual is receiving services as a dislocated worker. However, please note, state UI agencies and the workforce investment system are not required to verify directly to a college financial aid office an individual's dislocated worker eligibility or employment status. The individual receiving dislocated worker services must make the request for documentation, and the One-Stop Career Center may determine the most appropriate method of delivering confirmation, either to the individual or directly to the college financial aid office.

5. **Benefits of Workforce System Collaboration on the FAFSA Dislocated Worker Benefit.** This initiative has the potential to enhance collaboration between the workforce investment system and financial aid offices. In light of the recent economic downturn and increasingly limited federal funds available to serve dislocated workers, the workforce investment system is looking for new ways to serve dislocated worker customers. The 2009-2010 FAFSA is another resource for the workforce investment system to help dislocated workers access financial aid for education. This partnership will ultimately benefit many dislocated workers and

their dependents through increased financial aid and improved access to education and training opportunities.

6. **Additional Resources.** For additional information on the FAFSA and the online application, visit http://www.fafsa.ed.gov .

   The definition of dislocated worker, as codified in the Workforce Investment Act of 1998 (P.L. 105-220), is located at 29 U.S.C §2801(9) and can be found online at http://www.doleta.gov/regs/statutes/wialaw.txt.

7. **Action Requested.** The USDOL encourages local workforce investments areas and state UI agencies to collaborate with local financial aid offices to ensure that dislocated workers take advantage of the inclusion of dislocated workers in the FAFSA.

8. **Inquiries.** Questions regarding this TEN should be directed to the appropriate regional ETA office.