



Governor's Workforce Board

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To: Workforce Development Board Chairs
Workforce Development Board Directors

From: Nora Crowley, Interim Executive Director
Robert Kalaskowski, Chief of Policy and Planning

Date: April 17, 2019

Subject: MEMORANDUM
Student Loan Default and WIOA Eligibility

Nora Crowley 4/22/19

Purpose

To provide guidance regarding the impact of a customer's student loan default status and WIOA eligibility

References

Workforce Innovation and Opportunity Act (WIOA) Sec. 134(c)(3)(A)
20 CFR § 680.210

Guidance

The U.S. Department of Labor (USDOL) recently provided guidance regarding Workforce Innovation and Opportunity Act (WIOA) Title I funds and default status on a Federal Student Loan. The USDOL has determined that states may not impose restrictions on eligibility for WIOA services if such restrictions are not written in federal regulations. Therefore, WIOA programs and services cannot be denied solely due to an individual's Federal Student Loan being in default status.

Many unemployed or underemployed individuals are unable to make even minimal payments to get out of default. Financial literacy services and the provision of information regarding repayment of student loan default are recommended services for individuals in default, prior to and during training funded by Title I. Information regarding assistance with paying off student loans can be found at: <https://www.risla.com/>

Should your local area's eligibility criteria for Title I WIOA services include restrictions based on an individual's Federal Student Loan being in default status, you are asked to revise consistent with this guidance.

Please distribute this memo to Workforce Development Board Members, Local Service Providers, and all appropriate staff.

Thank you.

Contact for Questions

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