

Maximizing Unobligated American Rescue Plan – Homeless Children & Youth (ARP-HCY) Funds

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SPEAKERS



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Presentation Topics

1. Confirming ARP-HCY Requirements and the September 30, 2024 Obligation Deadline in Relation to EHCY Deadlines
2. Maximizing Unobligated ARP Homeless I and II Funds
3. Reminder of Liquidation Extension Opportunity
4. Tydings: Consolidating State Administrative Expenses
5. State Spotlights on ARP-HCY Liquidation Strategies: IL & ND
6. Q&A

These slides will be made available on the Department's ARP-HCY Fiscal Information webpage.



The American Rescue Plan Act of 2021

Through the **ARP Elementary and Secondary School Emergency Relief – Homeless Children and Youth (ARP-HCY) fund** Congress appropriated **\$800 million** to address the specific and unique impacts of the COVID-19 pandemic on children and youth experiencing homelessness.

TITLE II—COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Subtitle A—Education Matters

PART 1—DEPARTMENT OF EDUCATION

SEC. 2001. ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND.

(a) IN GENERAL.—In addition to amounts otherwise available through the Education Stabilization Fund, there is appropriated to the Department of Education for fiscal year 2021, out of any money in the Treasury not otherwise appropriated, \$122,774,800,000, to remain available through September 30, 2023, to carry out this section.

(b) GRANTS.—From funds provided under subsection (a), the Secretary shall—

(1) use \$800,000,000 for the purposes of identifying homeless children and youth and providing homeless children and youth with—

(A) wrap-around services in light of the challenges of COVID-19; and

(B) assistance needed to enable homeless children and youth to attend school and participate fully in school activities; and

(2) from the remaining amounts, make grants to each State educational agency in accordance with this section.

(c) ALLOCATIONS TO STATES.—The amount of each grant under

Section 2001(b)(1) of the American Rescue Plan Act of 2021



ARP Homeless I & ARP Homeless II: Two Disbursements of ARP Funds

ARP Homeless I	ARP Homeless II
\$199,750,000 (25% of ARP-HCY)	\$599,250,000 (75% of ARP-HCY)
Must be administered by the Office of the State Coordinator for the Education of Homeless Children and Youth	Must be administered by the Office of the State Coordinator for the Education of Homeless Children and Youth
Supplemented EHCY funds; States could distribute to LEAs as supplements to existing subgrants or through a new competition.	ED issued a final rule that required States to make subgrants via formula based on: <ol style="list-style-type: none"> 1. Each LEA's FFY 2020 Title I, Part A allocation, and 2. The number of identified homeless students in school year 2018-19 or 2019-20, whichever is greater.
SEAs may reserve up to 25% of allocation for State-level activities	SEAs may reserve up to 25% of allocation for State-level activities
At least 75% of allocation must be distributed to LEAs (following EHCY requirements)	At least 75% of allocation must be distributed to LEAs (following formula in final rule)



Confirming ARP-HCY Obligation Deadline in Relation to EHCY Obligation Deadlines

- FY 23 and FY 24 EHCY subgrants will have an additional 12 months for obligation per the FY 24 Further Consolidated Appropriations Act
- ARP-HCY and FY 22 EHCY available funds can be obligated to pay for FY 23 or FY 24 EHCY SEA and LEA grant expenditures through 9/30/24
 - This is subject to grant requirements such as the SEA set-aside limit of 25% and ARP Homeless II formula
 - For example, SEAs that run a new EHCY subgrant competition in FY 23 or FY 24 with new LEA awardees can still obligate ARP-HCY or FY 22 EHCY funds to pay for their expenses until 9/30/24
- All allowable uses of funds under ARP-HCY apply to EHCY except for the provision of short-term, temporary housing (e.g., several nights in a hotel) which was allowable only in light of the COVID-19 pandemic



Maximizing Unobligated ARP Homeless I Funds

- ARP Homeless I funds followed the McKinney-Vento requirements. Therefore, ARP Homeless I did not proscribe a specific method for making subgrants.
- If the SEA determines it may not be able to obligate its reserved funds (up to 25%), or any LEA subgrantee is not able to obligate its full grant amount, the funds can be reallocated to current McKinney-Vento or ARP Homeless I subgrantees to obligate by 9/30/24:
 - SEAs may ask ARP Homeless I subgrantees to relinquish funds that the subgrantees **do not anticipate being able to obligate**
 - SEAs can ask the remaining subgrantee LEAs if they wish to receive a supplemental grant
 - This supplement can be based on current need or data such as counts of enrolled students experiencing homelessness or other criteria (e.g., a preference for LEAs in rural areas, experiencing a newcomer surge)
 - SEAs may follow their own processes to award supplemental grant funds, but they should approve an amended budget to ensure funds are on track to be obligated properly



Maximizing Unobligated ARP Homeless II SEA Set-Aside Funds

- If the SEA determines it may not be able to obligate its reserved funds, the funds can be reallocated to current ARP Homeless II subgrantees **using the ARP Homeless II formula.**
- Conversely, if an SEA has not reserved 25% for its ARP Homeless II set-aside for statewide coordination activities, **it can use funds that have been voluntarily relinquished by LEAs** if it can obligate those funds by 9/30/24
- Note that SEAs can use funds reserved for state-level activities for activities that carry out the state plan, which could include entering into contracts with vendors or making grants to LEAs to address **specific needs of homeless children and youth** (e.g., due to natural disasters or newcomer surges).



Maximizing Unobligated ARP Homeless II LEA Subgrant Funds

- SEAs may ask the ARP Homeless II subgrantees to relinquish voluntarily funds they are not able to obligate by 9/30/24.
 - An SEA must not prohibit any ARP Homeless II subgrantee from obligating funds through 9/30/24.
- SEAs can then award supplemental grant funds to eligible LEAs who wish to receive a supplement and affirm they have the ability to obligate by Sept. 30, 2024
 - SEAs may set a window for eligible LEAs to opt in for a supplemental grant.
 - Once the pool of participating LEAs is known, the formula in the emergency rule must be applied.
 - SEAs may follow their own processes to award supplemental funds, but they should request an amended budget to ensure funds are on track to be obligated properly.



Reminder of Liquidation Extension Opportunity

- A contract with an organization or agency for items or services is considered a timely obligation of funds **if a binding written commitment** has been signed by 9/30/24, even if the items or services will not be provided until after 9/30 (i.e., during the liquidation period).
 - Under 34 CFR 76.707(g), funds for the rental of real or personal property are **not** obligated until the property is used so a contract with a motel prepaying for rooms, for example, would not be a timely obligation of funds.
 - An SEA or LEA **may** contract with a CBO to provide short-term housing placement services (e.g., placement of students in hotel/motel rooms) for students experiencing homelessness. If a binding written commitment (i.e., contract) is signed by 9/30/24, this would be a valid obligation because the contract is for the provision of services.



Tydings: Consolidating State Administrative Expenses

- On April 25, the Department announced that an SEA can consolidate its ARP-HCY state administrative funds with ARP ESSER, ARP EANS, and ESEA formula administrative funds
 - This does not apply to EHCY state administrative funds
- An SEA may request a Tydings waiver to extend the obligation period for its consolidated state **administrative** funds (including ARP HCY, ARP ESSER, ARP EANS, and FY 22 ESEA formula grant funds) until March 2026
- For ARP-HCY, the SEA may not use all its State set-aside for program administration; the SEA may only use an amount that is necessary and reasonable to administer the program.
 - State direct administrative costs generally are for the salaries and fringe benefits of staff administering the program
 - The SEA should determine the necessary and reasonable amount used to administer the ARP-HCY program



DISCUSSION WITH STATES



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Questions?