



Overview of U.S. Department of Education Guidance on American Rescue Plan Act Funds for Children and Youth Experiencing Homelessness

[May 5, 2021]

This document summarizes [the April 23, 2021 letter to Chief State School Officers](#) from the U.S. Department of Education (ED) regarding funding from the American Rescue Plan Act for children and youth experiencing homelessness.

1. What is the total amount of funds that will go out to states specifically to support the identification, enrollment, attendance, and school participation of children and youth experiencing homelessness, including through wrap-around services?

\$799 million. ED is reserving \$1 million for national activities including technical assistance.

2. How much will each state get?

State allocations are based on the proportion of funds that each state received under Title I in fiscal year 2020. ED has listed state allocations [here](#).

3. Will all the funds go out at once?

No. \$199,750,000 (25% of the \$799 million) will be made available to states on April 23, 2021. ED is calling this “ARP Homeless I.” The remaining funds (\$599,250,000, which ED is calling “ARP Homeless II”) will be made available after ED implements regulations. That could happen as soon as June of this year.

4. How do these funds relate to other Elementary and Secondary School Emergency Relief (ESSER) funds?

ARP Homeless funds are supplemental to the supports and services provided with ESSER funds. ESSER funds to address the academic impact of lost instructional time, summer learning and enrichment, and comprehensive afterschool programming, and the required local educational agency (LEA) reservation of ESSER funds to address the academic impact of lost instructional time also must be used to meet the needs of students experiencing homelessness. As an example, ED suggests using ARP homeless funds to launch an outreach campaign and to support students experiencing homelessness in enrolling in ESSER summer learning and enrichment programs.

5. Who will administer ARP Homeless funds at the state level?

ED is specifically requiring that the Office of the State Coordinator for the Education of Homeless Children and Youth administer the funds.

6. Generally speaking, how can ARP Homeless I funds be used?

ARP Homeless I funds can be used for any expenses that are reasonable and necessary to facilitate the identification, enrollment, retention, and educational success of children and youth experiencing homelessness. Funds must be used to supplement McKinney-Vento Education for Homeless Children and Youth (EHCY) funds, so that states can address urgent student needs, including academic, social, emotional, and mental health needs, and so states and LEAs can increase capacity by hiring staff, dedicating resources, and planning partnerships with community-based organizations, among other strategies. Funds must be “administered in a manner consistent with all of the requirements of the Education for Homeless Children and Youths program.” Specific, allowable state and local uses are detailed in questions 10 and 13, below.

7. Will states have to submit a plan to ED regarding ARP Homeless funds?

Yes. The state educational agency (SEA) will have to submit a plan to ED prior to receiving ARP Homeless II funds (the second installment) this summer. The plan must describe:

- how the SEA is using funds reserved at the state level to provide training, technical assistance, capacity-building, and engagement at the state and LEA levels, including support to LEAs to increase access to summer programming and to plan for and provide wrap-around services;
- the extent to which the SEA is building capacity in LEAs that have not received an EHCY subgrant in the past;
- how the SEA is disbursing funds to LEAs;
- the extent to which the SEA used ARP Homeless I funds to supplement existing EHCY subgrants and ensured ARP Homeless I funds reached areas where there are significant concentrations of student and family homelessness quickly;
- how the SEA is ensuring that ARP Homeless funds supplement the supports and services provided with ESSER funds and are not replacing ESSER funds to support students experiencing homelessness;
- how the SEA is using its state-level funds to compete and award subgrants or contracts to community-based organizations that are well-positioned to identify children and youth experiencing homelessness in historically underserved populations such as rural children and youth, Tribal children and youth, students of color, children and youth with disabilities, English learners, LGBTQ+ youth, and pregnant, parenting, or caregiving students, and connect them to educationally-related support and wraparound services; and
- how the SEA is encouraging LEAs to compete and award contracts to community-based organizations to help identify and support historically underserved populations.

8. Will there be requirements to report on these funds?

SEAs and LEAs will have to comply with reporting requirements established by ED, including those outlined in the EHCY program, as well as the numbers of students experiencing homelessness identified and supported with ARP Homeless funds and the specific details of supports and services received by students.

9. How much funding can states reserve for state-level activities?

States can reserve up to 25 percent of the funds they receive. ED has listed the maximum reservation amounts for each state [here](#).

10. Specifically, how can states use the ARP Homeless I funds they reserve for state-level activities?

- Funds can be used for [any purposes permitted by the EHCY program](#).
- ED urges states “to reserve sufficient funding to support training, technical assistance, capacity-building, and engagement at the State and LEA levels. These funds should specifically be used to help LEAs identify and support students experiencing homelessness.”
- ED also encourages states to compete and award subgrants or contracts to community-based organizations that are well-positioned to identify historically underserved populations such as rural children and youth, Tribal children and youth, students of color, children and youth with disabilities, English learners, LGBTQ+ youth, and pregnant, parenting, or caregiving students, and to connect them to educationally related support and wraparound services.
- States should use funds to provide technical assistance and training to LEAs that do not have an EHCY subgrant, to ensure that these LEAs are well-prepared to utilize ARP Homeless II funds.
- ED encourages states to analyze where there are significant concentrations of students and families experiencing homelessness (including in LEAs that are not existing EHCY subgrantees), and how they will ensure that supports from ARP Homeless I can reach them. Although the letter does not specify methods to provide those supports, states may wish to direct some reserved funds to non-grantee LEAs with high levels of poverty or homelessness, provide extra funding to regional grantees (such as educational service centers/districts, county offices of education, and intermediate units) or consortia grantees, or encourage existing grantees to provide support to districts with which they commonly share students, particularly through inter-district identification, transportation, and engagement activities.
- ED urges states to use funds to support LEAs to increase access to summer programming.
- ED urges states to help LEAs plan for and provide wraparound services to children and youth experiencing homelessness, in collaboration with state and local agencies and other community-based organizations.

11. How quickly must states get funds to LEAs?

ED urges states to begin disbursing funds “quickly to meet the immediate needs of students experiencing homelessness.”

12. How must the state disburse ARP Homeless I funds to LEAs?

States must distribute the funds to LEAs following EHCY requirements. ED “strongly encourages” states to use the LEA portion of funding to supplement existing EHCY subgrants. The letter does not require awards to existing grantees to be proportionate to grantees’ current awards. The letter also does not prohibit a state from holding an expedited competition that meets the minimum EHCY subgrant requirements for LEAs that are not current grantees, or doing some combination of a competition and supplementing existing grants.

13. How can LEAs use ARP Homeless I funds?

- ED’s letter urges states to “encourage LEAs to use these funds to focus on identifying students *this spring* and to connect students experiencing homelessness and their families to summer learning and enrichment programs this summer (summer 2021), and to engage students and their families in preparation for this fall.”
- ED encourages LEAs to compete and award contracts to community-based organizations that are well-positioned to identify historically underserved populations such as rural children and youth, Tribal children and youth, students of color, children and youth with disabilities, English learners, and LGBTQ+ youth, and connect them to educationally related support and wraparound services.
- LEAs may use funds for [any of the sixteen uses permitted by the McKinney-Vento Act \(see 42 U.S.C. 11433\(d\)\)](#). In addition, funds may be used for “any expenses necessary to facilitate the identification, enrollment, retention, and educational success of homeless children and youth, such as:
 - providing wraparound services (which could be provided in collaboration with and/or through contracts with community-based organizations, and could include academic supports, trauma-informed care, social-emotional support, and mental health services);
 - purchasing needed supplies (e.g., PPE, eyeglasses, school supplies, personal care items);
 - providing transportation to enable children and youth to attend classes and participate fully in school activities;
 - purchasing cell phones or other technological devices for unaccompanied youth to enable the youth to attend and fully participate in school activities;
 - providing access to reliable, high-speed internet for students through the purchase of internet-connected devices/equipment, mobile hotspots, wireless service plans, or installation of Community Wi-Fi Hotspots (e.g., at homeless shelters), especially in underserved communities;

- paying for short-term, temporary housing (e.g., a few days in a motel) when such emergency housing is the only reasonable option for COVID-safe temporary housing and when necessary to enable the homeless child or youth to attend school and participate fully in school activities (including summer school); and
- providing store cards/prepaid debit cards to purchase materials necessary for students to participate in school activities.”

Overall, costs must be “reasonable and necessary” and “align with the purpose of, and other requirements in, the EHCY statute.” LEAs also should consider the extraordinary impact of the pandemic on students experiencing homelessness when making decisions about how to use funds.

14. Will states disburse the ARP Homeless II funds to LEAs the same way?

Regulations to change EHCY’s required competitive subgrant process for ARP Homeless II funds will be forthcoming this summer. At this time, ED expects to require states to distribute ARP Homeless II funds to LEAs by a formula that considers both the LEA’s Title I, Part A allocation and the number of children and youth experiencing homelessness identified by the LEA in the 2018-19 school year.

15. How long do states and LEAs have to spend these funds?

ED’s letter does not discuss timelines. We expect ED to issue clear guidance on this question soon. However, based on existing legal parameters, states and LEAs should have until at least September 30, 2024 to obligate funds. The performance period for ARP-HCY funds extends until September 30, 2023. However, the Tydings amendment, Section 421(b) of the General Education Provisions Act (20 U.S.C. 1225(B)), provides that any funds that are not obligated at the end of the specified performance period remain available for obligation for an additional twelve months. That extends the timeframe to obligate funds until September 30, 2024. The timeline to spend the funds will extend even further, and ED also has no carryover restrictions for McKinney-Vento funds or ARP-HCY funds.