



Overview of U.S. Department of Education Guidance on American Rescue Plan Act Homeless Children and Youth Funding: ARP-HCY I and ARP-HCY II

[UPDATED March 2, 2022]

This document summarizes the [July 6, 2021](#) and [the April 23, 2021](#) announcements from the U.S. Department of Education (ED) regarding funding from the American Rescue Plan Act for children and youth experiencing homelessness.

Note: Important new information is highlighted in blue.

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

\$799 million, of the total \$800 million appropriation, will go out to states. 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, Part A in fiscal year 2020. ED has listed state allocations [here](#).

3. Did all the funds go out at once?

No. \$199,750,000 (25% of the \$799 million) was made available to states on April 26, 2021. ED is calling this "ARP Homeless I." The remaining funds (\$599,250,000, which ED is calling "ARP Homeless II") will be disbursed to States following their submission of a [very brief application](#) that was announced on July 6, 2021. **The ARP Homeless II application is due within fourteen days of July 6, 2021.**

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

ARP Homeless I and II funds are supplemental to the supports and services provided with ESSER funds. The needs of students experiencing homelessness must be addressed through the use of the ARP ESSER funds at the state level, as well as through the required 20% local educational agency (LEA) reservation to address the disproportionate impact of the pandemic on specific student groups, including students experiencing homelessness.

5. Who will administer ARP Homeless I and II 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 ARP-HCY funds.

6. Will states have to submit an application or plan to ED regarding ARP Homeless funds?

Yes, both an application and a plan. First, each state educational agency (SEA) must submit to ED a very brief [Application for Funding under the American Rescue Plan Act Education for Homeless Children and Youth \(ARP-HCY\)](#) prior to receiving ARP Homeless II funds. The application consists of only a cover sheet and a series of assurances. **It is due within fourteen days of its July 6 publication date (which we calculate to be July 20, 2021).** In addition, one of the assurances in the application is that the SEA also will submit an ARP-HCY plan within sixty days of publication of the application (which we calculate to be September 7, 2021). The plan must contain the following information:

For ARP Homeless I:

- How the SEA has used or will use 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 in 2021. This must include how the SEA supported LEAs to plan for and provide wraparound services for immediate needs in the spring of 2021, and how it will support LEAs during the upcoming 2021-22 school year. It also should include the extent to which the SEA has built or plans to build capacity in LEAs that have not received an EHCY subgrant in the past, to ensure those LEAs are well-prepared to use the ARP-Homeless II funds they receive.
- How the SEA is using funds reserved at the state level to provide support to LEAs to increase access to summer programming and to plan for and provide wraparound services during the summer of 2021, in collaboration with state and local agencies and community-based organizations.
- How the SEA has or will distribute at least 75 percent of funds to LEAs according to EHCY requirements. This must include whether the SEA is supplementing existing EHCY grants to allow for faster fund distribution and whether the SEA analyzed where there are significant concentrations of students and families experiencing homelessness and has or will ensure that ARP Homeless I can reach them urgently.

For ARP Homeless II:

- How the SEA will use 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 plan for and provide wraparound services, in collaboration with state and local agencies, for the 2021-22 school year.
- How the SEA will distribute at least 75 percent of funds to LEAs according to the [final requirements](#). This must include a description of how the SEA will distribute the funds according to the required formula and whether the SEA has or will encourage the creation of consortia for LEAs that do not meet the minimum funding threshold under the formula.

For both ARP Homeless I and ARP Homeless II:

- How the SEA will ensure that ARP-HCY funds supplement the supports and services provided with ARP ESSER funds and do not replace ESSER funds to support students experiencing homelessness.
- The extent to which the SEA will use its state-level funds to 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.
- How the SEA will encourage LEAs to award contracts to community-based organizations to help identify and support historically underserved populations experiencing homelessness.

7. 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 through ARP-HCY funds and specific details about supports and services received by students.

8. Generally speaking, how can ARP Homeless I and II funds be used?

ARP-HCY funds are to be used to identify children and youth experiencing homelessness, provide them with assistance to attend school and participate fully in school activities, and provide them with wraparound services. ED has [stated](#) that both ARP Homeless I and II funds can be used for “any expenses necessary to facilitate the identification, enrollment, retention, or educational success of homeless children and youth in order to enable homeless children and youth to attend school and participate fully in school activities.”

Funds must be used to supplement McKinney-Vento Education for Homeless Children and Youth (EHCY) funds and to address urgent student needs, including academic, social, emotional, and mental health needs. Funds also can be used to allow states and LEAs to 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.

In explaining the expedited timeline and truncated process for issuing its [ARP Homeless II rules](#), ED noted that ARP-HCY funds are intended to support the specific and urgent needs of students experiencing homelessness, “including reduced identification of such students, decreased enrollment in school, interrupted classroom instruction, and challenges

navigating services for shelter/housing, clothing and school supplies, food, and child care.” ED also stated that ARP-HCY funds “will support the work of the designated Homeless Liaison in each LEA, as required by the McKinney-Vento Act, and build capacity in LEAs, which will help to identify greater numbers of students experiencing homelessness and better coordinate services for those students in LEAs receiving funding through this formula.”

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

States can reserve up to 25 percent of *both* the ARP Homeless I and ARP Homeless II funds they receive. ED has listed the maximum reservation amounts for each state under ARP Homeless I [here](#), and under ARP Homeless II [here](#).

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

In the [Application for Funding under the American Rescue Plan Act Education for Homeless Children and Youth \(ARP-HCY\)](#), ED noted that states should look at ways to use ARP Homeless funds systemically: “New ARP Act funding to support students experiencing homelessness has tremendous potential to expand the systems in your State to identify and support the needs of homeless children and youth.”

- Funds can be used for any state-level activities and purposes permitted by the EHCY program, most of which can be found in sections 722(f) and (g) of [the McKinney-Vento Act](#) (42 USC §11432(f)-(g)).
- ED has urged 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 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 LEAs with high populations of students known to be overrepresented among children and youth experiencing homelessness, including young children ages birth to five,

African-American, Latina/o, and Native American students, English learners, LGBTQ+ youth, and pregnant, parenting, or caregiving students; to non-grantee LEAs with high levels of poverty or homelessness; or to regional grantees (such as educational service centers/districts, county offices of education, and intermediate units) or consortia grantees.

- 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 must the state disburse ARP Homeless I and II funds to LEAs?

The rules for disbursing ARP Homeless I funds and ARP Homeless II funds are very different.

For ARP Homeless I, states must distribute to LEAs at least 75 percent of the funds the state receives, following EHCY requirements. This means that the funds must be distributed through a subgrant process that meets the minimum requirements of section 723 of the McKinney-Vento Act (42 U.S.C. §11433). SchoolHouse Connection has a sample, short subgrant application and scoring rubric available for State Coordinators [upon request](#). ED “strongly encourages” states to use the LEA portion of ARP Homeless I funding to supplement existing EHCY subgrants. The April 23 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.

For ARP Homeless II, ED has issued a [Notice of Final Requirements for the American Rescue Plan Homeless Children and Youth Program](#), which requires states to distribute at least 75 percent of ARP Homeless II funds to LEAs via a formula. The formula must consist of fifty percent in proportion to the amount the LEA received under Title I, Part A for the most recent fiscal year, and fifty percent in proportion to the number of homeless children and youth identified by the LEA relative to all LEAs in the state, using data from either the 2018-19 or 2019-20 school year, whichever is greater in each LEA. A state may not disburse funds to any LEA if the amount of the subgrant would be less than \$5,000 under the formula. However, states may combine such LEAs into one or more consortia, such that each consortium would receive at least \$5,000 under the formula. These rules are established in section (c) of the [Notice of Final Requirements](#) (pages 7-8).

12. How quickly must states get funds to LEAs?

ED has urged states to begin disbursing funds “quickly to meet the immediate needs of students experiencing homelessness.” ED did not provide any particular deadlines in their publications of April 23 or July 6.

13. How can LEAs use ARP Homeless I and II funds?

- ED urged states to use ARP Homeless I funds, in particular, to “encourage LEAs to use these funds 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 also encouraged LEAs to 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, or educational success of homeless children and youth in order to enable homeless children and youth to attend school and participate fully in school activities, 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., personal protective equipment, eyeglasses, school supplies, personal care items);
 - providing transportation to enable children and youth to attend school and participate fully in school activities;
 - purchasing cell phones or other technological devices for unaccompanied, homeless children and youth to enable such children and youth to attend school 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 children and 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 fully in school activities.”

Overall, costs must be “reasonable and necessary” and “align with the purpose of, and other requirements in, the McKinney-Vento Act.” ED also emphasized that LEAs should analyze the needs of students experiencing homelessness and use funds for “other extraordinary or emergency assistance needed to enable homeless children and youths to attend school and participate fully in school activities.”

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

Until [January 30, 2025](#). Initially, ARP-HCY funds are available through September 30, 2023. However, section 421(b) of the General Education Provisions Act extends this timeline until September 30, 2024. Ultimately, the deadline for drawing down or expending obligated funds is January 30, 2025.