

ARP-HCY Sustainability:

Assessing Funding Sources and Strategies for Moving Forward

(This resource was created in partnership with Pearl Strategies)

As the September 30, 2024 deadline for obligating American Rescue Plan-Homeless Children and Youth (ARP-HCY) dollars approaches, local educational agencies (LEAs) are considering the future of ARP-HCY-funded efforts. This resource provides an overview of possible funding sources and strategies to help LEAs assess approaches for moving forward as ARP-HCY funds sunset.

ARP-HCY Basics

The American Rescue Plan Act was passed into law in March 2021 as the third major federal stimulus bill aimed at addressing the continued impact of the COVID-19 pandemic on the U.S. economy, public health, state and local governments, individuals, and businesses. The Act appropriated \$800 million to support the identification, enrollment, and school participation of children and youth experiencing homelessness, including through the provision of wrap-around services.

New York state received approximately \$59 million in ARP-HCY funds, most of which were [distributed to NY local educational agencies \(LEAs\) through various allocations](#) to increase LEA capacity to serve children and youth experiencing homelessness. Learn more about ARP-HCY from the [U.S. Department of Education \(ED\)](#), the [New York State Education Department \(NYSED\)](#), or the [New York ARP-HCY Technical Assistance Center](#).

Allowable Uses of ARP-HCY Funds

LEAs may use ARP-HCY funds for any expenses necessary to facilitate the identification, enrollment, retention, and educational success of homeless children and youth, including the [16 authorized uses of McKinney-Vento subgrant funds](#) and additional funding uses articulated in ED's [April 2021](#) and [September 2023 ARP-HCY guidance](#). LEAs also must consider the following general guidelines:

- ARP-HCY funding is supplemental in nature. If a support is already provided to a broad group of (non-homeless) students, or if a need can be met easily through other sources, ARP-HCY funds should not be used.

- ARP-HCY funding usages must align with the purposes and requirements of the McKinney-Vento and American Rescue Plan Acts.
- ARP-HCY funding usages must be reasonable and necessary, which may need to be evaluated on a case-by-case basis.
- ARP-HCY funds must be obligated by September 30, 2024 and drawn down by January 30, 2025.¹

Learn more about ARP-HCY spending guidelines and strategies in SchoolHouse Connection's [*Allowable and Strategic Uses of American Rescue Plan-Homeless Children and Youth \(ARP-HCY\) Funds*](#).

Sustainability Considerations and Next Steps

When thinking through continuing ARP-HCY programming, LEAs may want to consider the following considerations and next steps:

Making the case with data:



- What kind of quantitative or qualitative data can your LEA collect to paint a picture of the programming being provided using ARP-HCY funds and the programming's impact on the children, youth, and families experiencing homelessness in the LEA?
- How can the LEA collect and leverage data to "make the case" for the importance of continuing ARP-HCY programming in the future?
- Helpful metrics may include data on the type(s) of services offered, the number and demographics of programming recipients, and any improved educational or other outcome(s) for programming recipients, such as increased school attendance, higher graduation rates, or increased access to key housing or wraparound services.

What programming should continue?:



- What programming was included in the LEA's ARP-HCY budget?
- Which of those ARP-HCY programs does the LEA wish to continue? In planning for a post-ARP-HCY landscape, LEAs should consider the full array of programming proposed in its ARP-HCY budget and what programming the LEA wishes to continue.

¹ In February 2024, ED announced that [SEAs would be able to apply for extended liquidation of ARP-HCY funds](#). If NYSED applies and is approved for ARP-HCY extended liquidation, New York LEAs would still need to obligate ARP-HCY funds by September 30, 2024, but would have until March 28, 2026 to draw down or liquidate them. NYSED and SchoolHouse will be monitoring this opportunity and share additional information as it becomes available.

- What data and other programming insights does the LEA have? This could include programming that was implemented most successfully, was most accessed by students and families, and/or was most beneficial to recipients.
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What funding source(s) and partner(s) can support?:



- Are there particular funding sources that may be more appropriate because the source's objectives align closely with the nature of the services and supports to be provided or the source's budget has the capacity to address the continuing need? See the *Funding Sources* section below for more information.
 - Which school or community partners might be a good fit for continuing programming originally funded under ARP-HCY? Are there partners that may be a better fit for supporting continued programming given their program or organizational mission and capacity (including staffing and budget)? Many LEAs have noted that programming begun under ARP-HCY would not be prohibitively expensive to continue funding under another source.
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What next steps can you take right now?:

In consideration of the sustainability strategies and considerations above, LEA homeless liaisons in partnership with other LEA staff and leadership will want to:



1. Gather summary data about ARP-HCY-funded programming and its effectiveness.
2. Based on outcome data and related considerations, decide which ARP-HCY-funded programming the LEA wants to prioritize for continuation.
3. Convene LEA program and funding source leads (see the *Funding Sources* section below) to make the case for continuing ARP-HCY-funded programming with other LEA programs and funding sources, keeping in mind natural partnerships across program focus areas, staff capacity, budget capacity, and allowable uses of funds.
4. Convene community partners to make the case for continuing ARP-HCY funded programming via school-community partnerships, keeping in mind natural partnerships across school and community partners, staff capacity, budget capacity, and allowable uses of funds.
5. Submit any necessary budget proposal changes to the state educational agency (SEA), LEA, or community partner leadership, as needed, ensuring to meet any required funding obligation deadlines.

Funding Sources to Support Children and Youth Experiencing Homelessness 💰

As LEAs think about how to support children and youth experiencing homelessness in a post-ARP-HCY landscape, they may want to consider the following funding sources:

General LEA Funds	Title I, Part A Funds	McKinney-Vento Subgrant Funds	Federal and State Grants	Philanthropic and Private Funds
<p>LEAs establish a general fund to account for all financial operations of the LEA except those required to be accounted for in another fund.</p> <p>In general, unless a specific spending limitation has been placed on an LEA's general fund, an LEA may use these funds to perform any function of its operation in the interests of public elementary and/or secondary education, including supporting the education of students experiencing homelessness.</p>	<p>Title I, Part A (hereafter <i>Title I</i>) of the Elementary and Secondary Education Act, as amended, provides federal financial assistance to LEAs and schools with the highest levels of poverty to help high-poverty schools meet the educational needs of low-achieving students.</p> <p>Students experiencing homelessness are automatically eligible for Title I services, whether or not they attend a Title I school or meet the academic standards required of other students for eligibility for Title I assistance [20 U.S.C. § 6315(c)(2)(E)]. The needs</p>	<p>Each year, Congress appropriates funding for the Education for Homeless Children and Youth (EHCY) program, which is authorized and governed by the education subtitle of the McKinney-Vento Act. LEAs can apply for McKinney-Vento subgrant funds from their State Education Agency (SEAs) through a competitive application process.</p> <p><i>Note: The current McKinney-Vento subgrant cycle began in 2022 and will run until 2025.</i></p>	<p>There are several Grants Administered by the New York State Education Department that may be used to serve pre-kindergarten through Grade 12 students. These grants often have specific eligibility requirements and are administered to LEAs for specific purposes such as supporting special populations or building and expanding certain programs. Similarly, the U.S. Department of Education offers grant opportunities.</p>	<p>Many LEA homeless education programs receive private funding support, whether from individual, philanthropic, or corporate donors or via private grant funding. A unique benefit of private dollars is that they may be used in a more flexible manner than public dollars, which often have prescribed allowable uses. The way private funds are handled may be LEA-specific, with some LEAs receiving donations directly into their homeless education program fund and other LEAs preferring private donations to be administered through the</p>

	<p>of students experiencing homelessness may be addressed using Title I schoolwide program, targeted assistance program, or homeless set-aside funds. Learn more in the National Center for Homeless Education's <i>Serving Students Experiencing Homelessness Under Title I, Part A</i> brief and <i>New York State Education Department's TITLE I, Part A: Homeless Set-aside Guidance on Allowable and Unallowable Expenditures</i></p>			<p>LEA's foundation or another channel.</p>
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In addition to the above funding sources, SEAs and LEAs will want to remain informed about future federal and state budget appropriations, given the possibility of increased homeless education appropriations in future fiscal years. Join [SchoolHouse Connection's Advocacy Network](#) to stay up to date with state and federal policy advocacy.