

Important Clarifications about ARP-HCY, EHCY, and Title I Part A Funds To Support Students Experiencing Homelessness



In response to questions from state and local educational agencies, the U.S. Department of Education (ED) has provided clarifications about the use of American Rescue Plan – Homeless Children and Youth (ARP-HCY) funds; Education for Homeless Children and Youth Act (EHCY) funds; and Title I Part A funds. These answers can help state and local educational agencies maximize their remaining ARP-HCY funds, and help to sustain services and programming with EHCY and Title I Part A funds. A list of [all ARP-HCY LEA grantees](#) is available from the U.S. Department of Education (ED).

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May items such as prepaid debit cards/store cards, gas cards, bus tickets, and laundry tokens that are purchased with ARP-HCY funds before the obligation deadline of September 30, 2024 continue to be used after the liquidation deadline of January 30, 2025¹?

- Yes. Per ED’s response to states, items such as prepaid/store cards, gas cards, bus tickets, and laundry tokens that have been purchased by September 30, 2024 may continue to be used and distributed after the liquidation period, consistent with parameters included in [previous guidance on ESSER/GEER \(question 3-E.d\)](#).
- ED advises that a local educational agency (LEA) should 1) be mindful of purchasing a necessary and reasonable amount of these items, based on recent homelessness trends; and 2) implement strong internal controls to ensure appropriate use.
 - Sample forms and trackers:
 - [California’s Homeless Education Technical Assistance Center](#)
 - [Store Card Tracker](#) from Clifton Public Schools, NJ
 - [Sample agreement for gas cards](#) (Stockton Unified School District, CA)
 - SHC’s [archived webinars on using store cards](#).

¹ Some states may require ARP-HCY funds to be liquidated prior to January 2025.

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May LEAs that purchase supplies and equipment (clothing, shoes, school supplies, hygiene products, devices, etc.) with ARP-HCY funds before the obligation deadline September 30, 2024 continue to use those supplies after the liquidation period?

- Yes, consistent with the parameters in [ED's guidance on ARP ESSER or GEER](#) (question A-23). In essence, if the equipment or supplies are no longer needed for the purposes of ARP-HCY, a State or LEA may continue to use the equipment or supplies to the extent that they are needed for another federal education program (such as McKinney-Vento Act or Title I Part A).

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May LEAs and SEAs use services provided by licenses or subscriptions during and after the liquidation period?

- Yes, provided that a contract is signed by 9/30/24, the invoice may be paid with ARP-HCY funds during the liquidation period, and the license or subscription may extend beyond the liquidation period.
- Samples of subscriptions or licenses that might be helpful in serving families and youth experiencing homelessness might include cell phone contracts or telehealth services.

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May LEAs and SEAs use ARP-HCY to pay for motel rooms/short term housing placement during the liquidation period?

- Per ED's responses to states, an SEA or LEA may contract with a community-based organization or another LEA to provide short-term housing placement services (e.g., placement of students in hotel/motel rooms) for students experiencing homelessness during the liquidation period if a binding written commitment is signed by 9/30/24, services could continue during the liquidation period, because the contract is for the provision of services.
- However, an SEA or LEA may not contract with a motel to prepay rooms after 9/30/24, because under 34 CFR 76.707(g), funds for rental of real or personal property are not obligated until the property is used.



May LEAs use ARP-HCY funds to contract with another LEA to provide services, including motel room placements and staff capacity, past the obligation deadline of 9/30/24?

- Yes, per ED's responses to states, pursuant to SEA/LEA procedures. For example, in states with regional LEA grantees serving many smaller LEAs, it may be easier for a regional LEA to provide services to students experiencing homelessness. These services may include motel room placements and staff capacity.



May SEA and LEA salaries be drawn down during the liquidation period?

- No. Per ED's responses to states, SEA and LEA staff salaries may not be drawn down during the liquidation period.
 - However, contracted services, including contractor salaries, may be provided during the liquidation period, as well as by SEAs and LEAs while awaiting liquidation extension approval.



May ARP-HCY funds be used to attend conferences or trainings after 9/30/2024?

- ARP-HCY may not be used for travel expenses - airfare and lodging - after 9/30/2024. However, ARP-HCY funds may be used to pay conference registration fees for conferences that occur after 9/30/2024.



May LEAs use ARP-HCY funds for internet access or devices?

- Yes. Per ED's guidance to states, allowable uses include the following:
 - Internet service provider start-up and monthly fees for doubled-up household, shelter study room, etc.
 - Purchase of wifi extenders, MyFi or hotspot devices, etc.
 - Additional devices or equipment such as headphones or earbuds if LEAs do not provide them to all students.
 - On-site support by a tutor for online classwork or homework.

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May LEAs use their Education for Homeless Children and Youth (EHCY) subgrant funds for the same activities and services as are allowable with ARP-HCY funds?

- All uses of ARP-HCY funds are allowable with EHCY funds, except for short-term motel stays, which cannot be paid for with EHCY funds ([see slide 6](#)). SHC will continue to advocate for the limited use of EHCY for short-term emergency motel stays, as we have heard about the tremendous impact of this use of funds from so many state and local educators.
- As a reminder, ARP-HCY funds may be used for a wide range of activities to remove barriers to identification, enrollment, attendance, and success that are caused by homelessness. These activities (described in [ED's September 2023 guidance](#)) include prepaid debit cards/store cards, gas cards, limited car repairs, and housing/system navigators.

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May LEAs use Title I Part A homeless setaside funds for some of the same activities and services as are allowable with ARP-HCY funds?

- Per ED's response to states, Title I Part A funds may be used for some of the allowable ARP-HCY activities, such as store cards, gas cards, and limited car repairs, subject to two principles: 1) services must be "reasonable and necessary to assist homeless students to take advantage of educational opportunities," and 2) "as a last resort when funds or services are not available from other public or private sources."
- [ED guidance](#) (Question M-4) includes a comprehensive list of how Title I Part A may be used to support students experiencing homelessness.
- See SHC's [Title I Part A page](#) for more information on requirements and opportunities to serve students experiencing homelessness with Title I Part A funds.



May SEAs apply for an extension of ARP-HCY funds on behalf of themselves and their LEAs?

- Yes. State education agencies may apply for [extended liquidation of ARP-HCY funds](#). If a state education agency applies and is approved for ARP-HCY extended liquidation, local educational agencies (LEAs) would have up to 14 additional months to draw down or liquidate ARP-HCY funds, if those funds were obligated by the September 30, 2024 deadline. Homeless liaisons should direct questions about their state's extended liquidation process to [their state homeless education coordinator](#).



What is the deadline for using FY2023 and FY2024 Education for Homeless Children and Youth (EHCY) funds?

- Congress provided an additional year for SEAs and LEAs to use their FY2023 and FY2024 funds in [the FY2024 final appropriations bill, H.R. 2882](#).
- This means that LEAs that have received both ARP-HCY and EHCY funds can use their ARP-HCY funds to cover EHCY activities. This can help LEAs prioritize spending ARP-HCY funds before the September 30, 2024 deadline.