



Funding for Kentucky School Districts from the Homeless Children and Youth program (ARP-HCY), Under Section 2001(b)(1) of the American Rescue Plan Act of 2021 (ARP Act)

Purpose of the Program

The ARP-HCY program provides a total of \$800 million for the purposes of:

- Identifying homeless children and youth;
- Providing homeless children and youth with wrap-around services in light of the challenges of the COVID-19 pandemic; and
- Providing the assistance needed to enable homeless children and youth to attend school and participate fully in school activities.

These funds may be used by states to address urgent needs of children and youth experiencing homelessness, including academic, social, emotional and mental health needs. The funds also will be used by states and local educational agencies (LEAs) to increase capacity by hiring staff, dedicating resources and planning partnerships with community-based organizations, among other strategies.

Allocation of Funds

ARP-HCY funds were allocated to states in two disbursements. The first disbursement (**ARP Homeless I**) is designed to provide funding to states immediately as a supplement to their McKinney-Vento Education for Homeless Children and Youth (EHCY) funds. In accordance with guidance from the U.S. Department of Education, the Kentucky Department of Education (KDE) is using ARP Homeless I funds reserved for LEAs to supplement existing EHCY LEA subgrants. All allowable EHCY uses apply to these funds, and activities may include any expenses necessary to facilitate the identification, enrollment, retention and educational success of homeless children and youth.

KDE is required to distribute the **ARP Homeless II funds** to LEAs by formula rather than competition. Requiring SEAs to distribute the ARP Homeless II funds to LEAs by formula will ensure that the majority of LEAs will be able to receive subgrants. The formula is based equally on the proportional share of an LEA's allocation under Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA) for the most recent fiscal year, and the LEA's proportional share of the number of homeless children and youth identified by each LEA relative to all LEAs in the states, using the greater of the number of homeless children and youth in either the 2018-19 or 2019-20 school year in each LEA.

An LEA must have an allocation of at least \$5,000 under the formula to be eligible for an ARP Homeless II subgrant on its own. This \$5,000 minimum will enable each subgrantee to have sufficient ARP Homeless II funds to address the needs of homeless children and youth. If an LEA's allocation is less than \$5,000, in order to receive an ARP Homeless II subgrant, the LEA must join a consortium of LEAs in which the sum of its members' allocations meets the

\$5,000 threshold. For LEAs with an allocation less than \$5,000, the rule encourages the use of consortia to create favorable economies of scale (Federal Register, July 2021).

Uses of Funds

Funding under this program must be used 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. LEAs must ensure that all costs are reasonable and necessary and these uses of funds align with the purpose of, and other requirements in, the McKinney-Vento Act. In addition, LEAs should analyze the needs of students experiencing homelessness due to the COVID-19 pandemic and its extraordinary impact.

ARP-HCY funds must be used to supplement the support and services provided with ARP ESSER funds and cannot replace (supplant) the use of ARP ESSER funds to support the needs of students experiencing homelessness.

LEAs that receive sufficient ARP-HCY funds are encouraged to partner with community-based organizations to identify students from historically underserved populations and provide wraparound services to them. The term “community-based organization” means a public or private nonprofit organization of demonstrated effectiveness that”

- Is representative of a community or significant segments of a community; and
- Provides educational or related services to individuals in the community.

Moving forward, KDE will provide further information about the ARP-HCY program, including the application process for ARP-Homeless II funds. Contact Kentucky’s Coordinator for Education of Homeless Children and Youths, [Melissa Ferrell](#), by email or phone at 502-564-3791, Ext. 4020, with any questions.

References

- [American Rescue Plan Act of 2021](#)
- [Letter to Chief State School Officers Announcing Grant Award](#) (4-23-21)
- [Final Requirements: American Rescue Plan Act Homeless Children and Youth Program](#), July 9, 2021, Federal Register
- [McKinney-Vento Homeless Assistance Act](#)
- [20 U.S. Code § 7801 - Definitions](#)