

Part I of KDE's Informational Packet for ARP-HCY Funds:



Kentucky Department of
EDUCATION

ARP-HCY II Frequently Asked Questions

The COVID-19 pandemic brought unprecedented challenges for educators and sometimes severe hardships for populations such as students experiencing homelessness. Many districts have shared with the Kentucky Department of Education (KDE) that identification of students experiencing homelessness became especially difficult. During the COVID-19 pandemic the percentage of students identified as experiencing homelessness decreased in Kentucky from approximately 4% to 3.1%. With social distancing and many sheltering options unavailable, in many cases homeless youth have been extremely transient and difficult to find. This document is intended to answer frequently asked questions about a new funding source to support the additional needs of students experiencing homelessness due to the COVID-19 pandemic.

1. What is ARP-HCY?

ANSWER: On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARP) into law. In recognition of the extraordinary impacts of the COVID-19 pandemic on students experiencing homelessness, the ARP included an unprecedented \$800 million to support the specific needs of homeless children and youth via the American Rescue Plan Elementary and Secondary School Emergency Relief – Homeless Children and Youth (ARP-HCY) Fund (separate from ARP ESSER funds).

State educational agencies (SEAs) and local educational agencies (LEAs) must use ARP-HCY funds to identify homeless children and youth, to provide homeless children and youth with wrap-around services to address the challenges of COVID-19, and to enable homeless children and youth to attend school and fully participate in school activities. The U.S. Department of Education (USED) released ARP-HCY funds in two separate disbursements (ARP- HCY I and ARP-HCYII).

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

ANSWER: 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 using the ARP ESSER funds at the state level, as well as through the required 20% LEA reservation to address the disproportionate impact of the pandemic on specific student groups, including students experiencing homelessness.

3. What should ARP-HCY II funding address?

ANSWER: The ARP homeless funds are for the purposes of identifying homeless children and youth, providing wraparound services in light of the impact of the COVID-19 pandemic, and providing assistance needed to enable homeless children and youth to attend school and participate fully in school activities, including in-person instruction and summer learning and enrichment programs. LEAs may use funds for any of the 16 uses permitted by the [McKinney-Vento Act](#) (see 42 U.S.C. 11433(d)). Allowable activities may include any expenses necessary to facilitate the identification, enrollment, retention and educational success of homeless children and youth.

4. How much funding did Kentucky receive for ARP Homeless II?

ANSWER: Kentucky received \$9,867,723 ARP Homeless II funds and must distribute at least 75% of the total award to LEAs.

5. Do districts have to use funds at particular schools?

ANSWER: No. The funds are to address the needs of homeless students across the district.

6. Are all districts eligible to receive ARP Homeless II funds?

ANSWER: Yes. However, 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. Five thousand dollars was chosen as the threshold as the smallest amount reasonable to sufficiently implement a local program. If an LEA's allocation is going to be 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.

7. If our district does not generate \$5,000 or more in funding, what are our options?

ANSWER: The SEA is required to permit LEAs to form consortia for the purposes of receiving ARP Homeless II subgrants. If a consortium of LEAs with a combined allocation of at least \$5,000 requests a subgrant, the SEA does not have authority to deny this request.

The [Notice of Final Requirements](#) (NFR) issued on July 9, 2021, emphasizes the importance of serving homeless students in communities that have not historically participated in the Education for Homeless Children and Youth (EHCY) program (i.e., LEAs that do not typically receive McKinney-Vento funds). The NFR also indicates that a purpose of the ARP Homeless II formula is to ensure that most LEAs will be able to receive ARP Homeless II subgrants. To ensure that as many LEAs as possible can receive subgrants, a SEA should encourage and support the formation of consortia by those LEAs whose individual formula allocations would otherwise be under \$5,000 and who would therefore be ineligible for an ARP Homeless II subgrant.

8. How do we get started if we are interested in joining a consortium?

ANSWER: You will want to contact the other district(s) to gauge their interest in forming a consortium. Interested districts should meet to discuss the ARP-HCY requirements and the terms of a Memorandum of Understanding (MOU) between member districts. Please refer to Part III of KDE's Informational Packet for ARP-HCY Funds, "[Recommendations for ARP-HCY II Consortia](#)," for more information about consortia.

9. Q: Can we form a consortium with another district even if we receive an allocation of over \$5,000?

ANSWER: Yes. Districts may form consortia even if they receive more than the \$5,000 minimum allocation.

10. How much ARP Homeless II funding will districts receive?

ANSWER: The USED issued a Notice of Final Requirements for the ARP-HCY Program , which requires states to distribute at least 75% of the state’s allocation of ARP Homeless II funds to LEAs via a formula. The formula must consist of 50% in proportion to the amount the LEA received under Title I, Part A for the most recent fiscal year, and 50% 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 (NFR) (pages 7-8).

11. What do districts have to do in order to receive ARP Homeless II funds?

ANSWER: Districts must complete an application and district assurances in the Grant Management Application and Planning (GMAP) system. The application must be approved by KDE.

12. When will our district be able to apply for ARP Homeless II funds?

ANSWER: Districts will be able to apply for ARP Homeless II funds in January 2022. KDE will alert districts when the application opens.

13. How can ARP Homeless I and II funds be used?

ANSWER: 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. The USED 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.” – [McKinney-Vento Act Allowable Activities](#)

14. What are the guidelines for determining whether an expense is allowable?

ANSWER: LEAs must ensure that all costs are reasonable and necessary and that these uses of funds align with the purpose of the EHCY program.

When considering whether a use of funds is allowable under [section 723\(d\)\(16\)](#) of the McKinney-Vento Act, LEAs should analyze the needs of students experiencing homelessness in light of the COVID-19 pandemic and its extraordinary impact.

Funds can be used for any expense necessary to facilitate the identification, enrollment, retention and educational success of homeless children and youth including the following:

- Ensuring participation in summer programs, remediation, acceleration, enrichment and other planned activities (eliminate all barriers possible)
- Outreach
- Contracted services
- Staffing - time, expertise, capacity
- “Defray the excess cost” of providing transportation to students experiencing homelessness [42 U.S.C. § 11433(d)(5)]

15. What are wraparound services?

ANSWER: Because wraparound services are only generally defined, these interventions can be considered “extraordinary” and unique to the ARP-HCY funding. Wraparound services could include the following:

- Trauma-informed care; mental health services; social-emotional supports
- Additional transportation costs due to the pandemic
- Technology and cell phones
- Access to reliable high-speed internet, devices/equipment; service plans; installation of community hot spots (ex: at shelters)
- “Short-term emergency housing” that ensures COVID-safe environment to remain engaged in school related activities
 - **Caution:** This option is most appropriate for UHY (unaccompanied homeless youth) or unsheltered families in order to access immediate safety AND connection with housing intervention. See Part II of KDE’s Informational Packet on Best Practices for more information about using ARP-HCY funds for short-term emergency housing.
- “Purchasing store cards / pre-paid debit cards” for student needs
 - **Caution:** Pre-paid cards that families can redeem at stores or gas stations can be a convenient way to meet student needs. However, they also present increased opportunity for fraud, theft, misuse and difficulty with accountability. They may be used in emergency situations but most of the time, instead of providing pre-paid cards consider the following options: The overall needs as a result of the pandemic have increased and evolved but consider “what works” in your process to assist students with needed resources.
- Direct donors to help in the following ways:
 - Make a tax-deductible donation by sending a check to your district homeless education program
 - Buy gift cards in any amount that enable parents and guardians to select their own items for their children and buy groceries
 - Donate department store and grocery store gift cards in the amounts of \$25 or \$50
 - Consider having the homeless program coordinator or homeless program staff use on-line ordering for basic needs
 - Remember - budgets can be amended, if necessary, to adjust for initial category requests
- Contracted Services
 - Tutoring - extra time and help through professional partners
 - Staffing - extra time / help; short-term staffing (“paid internship”)
 - Consider building and sustaining long term capacity support using McKinney-Vento subgrant funds. If a district is using ARP-HCY funds to build capacity for its homeless

program, it also might consider applying for a McKinney-Vento subgrant. If awarded, these funds could be used along with the Title I-A homeless set aside funds to sustain capacity-building efforts and continue to improve the program in the long term.

- Community partnerships and collaboration with community-based organizations may be very beneficial in planning for services outside of school
- Think big...what would level the playing field?

16. What are community-based organizations?

ANSWER: The term “community-based organization” (CBO) means a public or private nonprofit organization of demonstrated effectiveness that—

- (A) is representative of a community or significant segments of a community; and
- (B) provides educational or related services to individuals in the community. - [20 U.S. Code § 7801 - Definitions](#)

17. What are some examples of CBOs that might be available in my community?

ANSWER: See the KDE document “[Community Based Organizations](#)” for a list of CBOs that you might find in your community.

18. What are the benefits of working with a CBO?

ANSWER: Collaborating with a CBO can help support identification of students experiencing homelessness and improve services in the short-run and long-term by building capacity of LEAs. CBOs may be able to help LEAs to better provide wrap-around services to underserved groups of students experiencing homelessness.

19. What are some considerations if a district is interested in partnering with a CBO?

ANSWER: Since you may use some of your ARP-HCY funds to contract with a CBO, it is important to make sure the services the CBO will provide are needed. The need for the services should be documented through a needs assessment. Ensure the CBO has the capacity to complete the work (as FAQ #16 above states, the organization should have “demonstrated effectiveness”). Once the work begins, monitor the services the CBO is providing to ensure they meet the agreed-upon provisions in the contract.

20. What is the timeline for obligating ARP Homeless II funds?

ANSWER: Funds appropriated under section 2001 of the ARP are available through Sept. 30, 2024.

21. Can ARP-HCY funds be used for pre-award costs?

ANSWER: The Uniform Guidance at 2 C.F.R. § 200.458 defines pre-award costs as follows:

Pre-award costs are those incurred prior to the effective date of the federal award or subaward directly pursuant to the negotiation and in anticipation of the federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the federal award and only with the written approval of the federal awarding agency. If charged to the award, these costs must be charged to the initial

budget period of the award, unless otherwise specified by the federal awarding agency or pass-through entity.

As one of the purposes of the ARP-HCY program is to provide wrap-around services considering the challenges of COVID-19, ARP-HCY funds may be used for pre-award costs dating back to March 13, 2020, when the national emergency was declared.

22. What about groceries for a homeless family? Is this allowable?

ANSWER: Food (groceries) is an allowable expense for “extraordinary or emergency” situations only. Districts should collaborate with other community agencies or organizations to address student needs or expenses that are not allowable uses of educational funds. – [McKinney-Vento Act Allowable Activities](#)

23. Will KDE monitor ARP-HCY I and ARP-HCY II funds?

ANSWER: Yes. One of the responsibilities of the SEA (state education agency) under the federal Code of Regulations (CFR) [2 CFR § 200.332\(d\)](#) is to monitor district program implementation. For districts receiving ARP-HCY I funds, monitoring will be conducted along with the McKinney-Vento monitoring. For districts and consortiums receiving ARP-HCY II funds, KDE staff will conduct a risk assessment (as required under [2 CFR § 200.332\(b\)](#)). Those districts and consortiums with the highest scores on the risk assessment will be selected for monitoring and will receive a notification by email. KDE will issue monitoring reports which will include, as applicable, strengths, recommendations for improvement and findings for areas of noncompliance. Any and all findings must be satisfied in a timeframe that will be specified in the report (the same process as for standalone districts). The monitoring form which lists the specific ARP-HCY indicators KDE will be shared with districts before the monitoring. To prepare for any potential monitoring, districts (including fiscal agents of consortiums) should keep documentation on identified needs, program finances and financial processes, the effectiveness of the strategies being used, and requirements that cut across federal programs, such as time and effort documentation.

24. What communication will we receive from KDE about the application process, the allocations, award notifications, etc.?

ANSWER: KDE will communicate via email to district homeless coordinators and through other modes such as the Commissioner’s Monday Message, the GMAP homepage, Title I webcasts and the Title I newsletter. KDE staff will also host a live or recorded technical assistance webinar to ensure all aspects of the application process are relayed to districts.