

Office of Federal Programs: FY 2019 Important Update for the Title I, Part A Homeless Set Aside. Please review the letter from USDE regarding ESSA requirement for the Homeless reservation under Title I, Part A.

Dear McKinney-Vento and Title I, Part A State Coordinators:

This letter provides responses to the following questions that States have raised about changes that the Every Student Succeeds Act (ESSA) made to the requirements in section 1113(c)(3) of the Elementary and Secondary Education Act of 1965 (ESEA) applicable to the reservation of Title I, Part A (Title I) funds by a local educational agency (LEA) to serve homeless students:

- 1) Does the ESEA require an LEA to reserve Title I funds under section 1113(c)(3) if all schools in the LEA are Title I schools?
- 2) Does the ESEA require an LEA to reserve a specific amount of Title I funds to serve homeless students under section 1113(c)(3)?

Background

The ESSA made the following changes regarding the Title I homeless reservation (the exact statutory language is included in Attachment 1):

- Removed the language specifying that the reservation be used to serve homeless students who do not attend participating Title I schools;
- Made explicit that an LEA may determine the reservation amount based on a needs assessment that takes into consideration the numbers and needs of homeless children and youth in the LEA;
- Clarified that an LEA may use the reservation to provide homeless children and youth with services not ordinarily provided to other (housed) Title I students;
- Codified authority included in appropriations language since FY 2014 that permitted an LEA to use the reservation to fund a local homeless liaison's salary and expenses and to defray the excess cost of school of origin transportation; and
- Stipulated that an LEA must base the reservation (as well as the LEA's required reservation for children in facilities for neglected children, optional reservation for children in facilities for delinquent children, and calculation of the equitable share for services to eligible private school children) on its total allocation prior to any other allowable expenditures or transfers of funds.

The U.S. Department of Education (ED) previously addressed the changes that ESSA made to the homeless reservation under Title I in questions M-4 through M-6 of the Education for Homeless Children and Youth (EHCY) Program Non-Regulatory Guidance (Rev. March 2017) [available at: www2.ed.gov/policy/elsec/leg/essa/160240ehcyguidance072716updated0317.pdf]. Since that time, as noted above, ED has received questions about whether an LEA must reserve funds to serve homeless students if all schools in the LEA are Title I schools and the amount of funds to reserve. Responses to these new questions follow. **In addition, Attachment 2 shows a modified question M-5 and the addition of the new questions (M-5a and M-6a, respectively).**

Questions

1) Does the ESEA require an LEA to reserve Title I funds under section 1113(c)(3) if all schools in the LEA are Title I schools?

Yes. Regarding applicability of the homeless reservation to an LEA that has all Title I schools, prior to the changes made by the ESSA, the ESEA required that an LEA reserve funds necessary “to provide services comparable to those provided to children in [Title I schools] to serve homeless children and youths *who do not attend [Title I] schools*, including providing educationally related support services to children in shelters and other locations where children may live.” (Emphasis added.)

The ESSA amendments to this section removed the italicized language. As a result, the statute no longer speaks to using this reservation for homeless students who are not attending Title I schools. Instead, the ESEA now more generally requires an LEA to reserve Title I funds necessary to provide educationally related support services to homeless children and youths regardless of whether they attend a Title I school. In other words, this required reservation applies when all schools in an LEA are Title I schools (including Title I schoolwide schools) and when an LEA has Title I schools and non-Title I schools.

If an LEA has a mixture of Title I and non-Title I schools, an LEA may use this reservation to provide regular Title I services to homeless students attending non-Title I schools, as well as to provide homeless students with services not ordinarily provided to Title I students, regardless of whether the homeless students attend Title I or non-Title I schools (see ESEA section 1113(c)(3)(C)(ii)). Likewise, if an LEA has all Title I schools, it may use this reservation to provide its homeless students with services not ordinarily provided to other Title I students.

2) Does the ESEA require an LEA to reserve a specific amount of Title I funds to serve homeless students under section 1113(c)(3)?

No. The ESEA does not prescribe a specific amount. However, the ESEA requires that the amount be sufficient to provide services to homeless children as described above. Although not required, if only a small number of homeless students are identified in an LEA, an LEA may wish to use a districtwide per pupil amount for homeless students if this approach yields a reservation amount that is sufficient for the LEA to meet these requirements. When a greater number of students are identified as homeless, LEAs may find it helpful to use past years’ enrollment and cost data on expenditures to determine the next year’s reservation.

Additionally, as authorized under ESEA section 1113(c)(3)(C)(i) and described more fully in question M-6 of the EHCY guidance, an LEA may use a needs assessment to determine the reservation amount. Finally, as noted above, the homeless reservation may be used to provide homeless children and youths with services not ordinarily provided to other Title I students, including to fund a local liaison’s salary and expenses and to defray the excess cost of school of origin transportation. LEAs may therefore consider these costs as well when calculating the amount of the Title I homeless reservation.