

**U.S. Department of Education Monitoring Report  
Education for Homeless Children and Youth Program,  
American Rescue Plan – Homeless Children and Youth Program,  
and Title I, Part A LEA Homeless Reservation Requirement  
for the Arizona Department of Education  
March 15, 2023**

**Scope of Review**

On November 15 and 16, 2022, a review team from the U.S. Department of Education’s (the Department’s) Office of Elementary and Secondary Education (OESE), Office of School Support and Accountability (SSA) monitored the Arizona Department of Education’s (ADE’s) administration of the Education for Homeless Children and Youth (EHCY) program authorized by Subtitle VII-B of the McKinney-Vento Homeless Assistance Act (McKinney-Vento Act), the Homeless Children and Youth funding authorized under section 2001(b) of the American Rescue Plan Act of 2021 (ARP-HCY), and the reservation for homeless children under section 1113(c)(3)(A) of Title I, Part A of the Elementary and Secondary Education Act of 1965 (ESEA).

**Previous Monitoring**

The Department last reviewed ADE’s EHCY program and its reservation for homeless children under ESEA section 1113(c)(3)(A) in March 2015. This is the first time that the Department has monitored ADE’s implementation of the ARP-HCY program.

**Current Review**

The Department’s monitoring plan and protocol (see: <https://oese.ed.gov/files/2022/09/SSA-EHCY-ARP-HCY-Monitoring-Plan-FY-23.pdf>) includes a State educational agency (SEA) self-assessment and interview protocols for the SEA and a few selected local educational agencies (LEAs). The plan and protocol incorporate questions related to ARP-HCY.

In its review of the ADE’s implementation of its programs for students experiencing homelessness, the Department examined ADE’s:

- Procedures and guidance for the identification, enrollment, and retention of students experiencing homelessness, including the focus in using ARP-HCY funds to increase identification of children and youth experiencing homelessness in historically underserved populations and to connect them to educational support and wrap-around services;
- Self-assessment instrument and supporting documentation;
- Technical assistance provided to LEAs with and without subgrants;
- EHCY section of the State’s consolidated State Plan;
- ARP-HCY State plan;
- LEA applications for ARP-HCY subgrants; and
- Local evaluations of projects in Baboquivari, Chandler and Tucson Unified School Districts and the American Charter Schools Foundation (Leona Group) LEAs.

The Department interviewed the local liaisons for these four LEAs as well as the EHCY State Coordinator and other SEA staff with duties assigned to the EHCY or ARP-HCY programs.

Based on the review, the Department determined a result for each of the seven areas of the review. For any area with a commendation, with a recommendation for improvement, or where further action is needed, the report provides a synopsis of what was observed and a description of the finding. The report rates implementation of each area based on four levels:

- “Met Requirements with Commendation” represents high quality implementation where the SEA is exceeding expectations;
- “Met Requirements” indicates that work is of an acceptable quality, and no instances of noncompliance were identified;
- “Met Requirements with Recommendations” indicates there are quality implementation concerns and some improvements could be made to ensure the SEA continues to meet expectations; and
- “Action Required” indicates there are significant compliance or quality concerns that require attention by the SEA and will be revisited until the State has remedied the issue. For items listed as “Action Required,” the report outlines the current practice, the nature of noncompliance, and the required action.

**Table 1. Summary of Monitoring Results for the EHCY and ARP-HCY Programs and Title I, Part A LEA Homeless Reservation Requirement**

<b>Topic Number</b>	<b>Description</b>	<b>Status</b>
1	SEA Monitoring and Evaluation	<ul style="list-style-type: none"> <li>• Action Required</li> <li>• Recommendation</li> </ul>
2	SEA and LEA Performance Evaluation	<ul style="list-style-type: none"> <li>• Met Requirements with Recommendation</li> </ul>
3	SEA Policy and Coordination	<ul style="list-style-type: none"> <li>• Met Requirements</li> </ul>
4	SEA Professional Development and Technical Assistance	<ul style="list-style-type: none"> <li>• Met Requirements</li> </ul>
5	SEA Fiscal Oversight of LEA Subgrants for EHCY and ARP-HCY	<ul style="list-style-type: none"> <li>• Action Required</li> <li>• Recommendation</li> </ul>
6	SEA Set-Aside Oversight for EHCY and ARP-HCY	<ul style="list-style-type: none"> <li>• Met Requirements</li> </ul>
7	SEA Fiscal Oversight of the Title I, Part A LEA Homeless Set-Aside	<ul style="list-style-type: none"> <li>• Met Requirements with Recommendation</li> </ul>

Based on the review, Department staff made the following observations, commendations, recommendations, and/or noted actions that are required.

## **1. SEA Monitoring and Evaluation**

### **Process for monitoring all LEAs for McKinney-Vento and subgrant requirements**

#### Requirement

Section 722(f)(5) of the McKinney-Vento Act requires an SEA to “provide technical assistance to and conduct monitoring of local educational agencies in coordination with local educational agency liaisons designated under subsection (g)(1)(J)(ii), to ensure that local educational agencies comply with the requirements of subsection (e)(3) and paragraphs (3) through (7) of subsection (g).” Furthermore, 2 C.F.R. § 200.329 of the Uniform Guidance, pertaining to “monitoring and reporting program performance,” requires an SEA (i.e., the non-Federal entity) to be “responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity.”

#### Observations

ADE did not have a plan or protocol for programmatic monitoring of McKinney-Vento and ARP Homeless I and II subgrantees at the time of the interviews. It provided evidence of monitoring of LEAs for compliance with the McKinney-Vento requirements applicable to all LEAs, although it did not have a sample report of this monitoring. There was also no program-specific monitoring of subgrant programs such as of the needs assessment and program evaluation plan to improve program performance or education outcomes for students experiencing homelessness. ADE has a risk assessment across Federal programs that is used to select LEAs for Title I monitoring, but there was no evidence the homeless education fiscal and performance data are used in that general monitoring or in the monitoring of EHCY or ARP-HCY homeless education subgrant programs.

#### Action required

Within 60 business days of receiving this report, ADE must submit:

1. A monitoring plan for conducting interviews, reviewing documents, and performance data, and also addressing corrective actions for McKinney-Vento EHCY and ARP-HCY subgrantees for FY 2023.
2. Evidence of programmatic monitoring, such as written reports provided to an LEA, both to an LEA with and an LEA without any EHCY or ARP-HCY subgrant.

#### Recommendation

With the increase of LEAs receiving homeless education grants through ARP Homeless II formula allocations, the Department recommends that ADE include questions about homeless education data in interview protocols and in performance risk assessment or desk audits of LEAs. These performance indicators may include data on students experiencing homelessness such as potential under-identification, chronic absenteeism, or adjusted cohort graduation rates.

## **2. SEA and LEA Performance Evaluation**

### **Use of LEA enrollment and performance data to improve outcomes for students experiencing homelessness**

#### Requirement

Sections 722(f)(1) and (3), 722(g)(2)(A) and (B), 723(b)(6), 723(c)(3)(E) and (I), and 724(d) and (f) of the McKinney-Vento Act detail the requirements of SEAs and LEAs to collect, report, and use homeless student enrollment and performance data to improve programs and outcomes for students experiencing homelessness.

#### Observation

ADE has not reviewed LEA-level data to identify patterns of potential under-identification of children and youth experiencing homelessness, which would help improve identification and ensure accurate subgroup data reporting required by the Department. For example, many LEAs in the State had low rates of identification of students experiencing homelessness despite the State having high poverty rates or many LEAs being located in historically underserved communities such as rural or tribal communities.

In addition, according to interviews with ADE and the LEAs, subgrantee LEAs have not been provided any technical assistance on how to improve student and program performance by analyzing and using outcome data on students experiencing homelessness, such as data on achievement on state assessments in reading/language arts, mathematics, science, adjusted cohort graduation rates (ACGR), and chronic absenteeism.

#### Recommendation

The Department recommends that ADE work with the National Center for Homeless Education to develop a process to review the EHCY data submitted by LEAs to identify LEAs that may be most at risk of under-identifying students experiencing homelessness or where homeless student subgroups are performing significantly below State and national averages on national program outcome measures such as ACGR and chronic absenteeism. As part of this process, the Department recommends that ADE specify statewide goals for EHCY program improvement and have EHCY and ARP-HCY subgrantees track and improve performance on some key measures decided by ADE.

The Department also recommends that ADE develop a plan or procedure to provide technical assistance to all LEAs, and in particular ARP-HCY grantees, to improve each LEA's ability to analyze and use outcome data on students experiencing homelessness—such as achievement on State assessments in reading/language arts, mathematics, and science; ACGR; and chronic absenteeism data—to improve outcomes.

## **5. SEA Fiscal Oversight of LEA Subgrants for EHCY and ARP-HCY**

### **SEA fiscal oversight – ARP Homeless II allocations**

#### Requirement

On July 9, 2021, the Department promulgated a [rule for ARP-HCY](#) that specified the formula for distributing ARP Homeless II funds to LEAs. Under this rule, SEAs must allocate at least 75 percent of ARP-Homeless II funds to LEAs following the required formula. If eligible LEAs choose not to participate in ARP Homeless I, either as direct grantees or members of consortia, the SEA must reallocate the funds to the remaining LEAs following the same formula.

#### Observation

At the time of the SEA interview, ADE had not finalized its ARP Homeless II allocations to LEAs because not all LEAs had submitted applications for the funds or had their applications approved.

#### Action required

Within 30 business days of receipt of this report, ADE must provide the Department with its final allocations to LEAs for ARP Homeless II. These allocations must be based on the formula specified in the emergency rule, including any funds that needed to be reallocated because some eligible LEAs chose not to participate.

### **Title I Coordination with EHCY Subgrants**

#### Requirement

Section 723(c)(3)(H) of the McKinney-Vento Act requires SEAs to consider “[h]ow the local educational agency will use funds to serve homeless children and youths under section 1113(c)(3) of the [ESEA]” when evaluating the quality criteria of LEA subgrant applications.

#### Observation

ADE’s subgrant application templates for EHCY and ARP Homeless I subgrants do not ask for the Title I homeless set-aside amount, a description of the services to be provided, or a description of how these services are coordinated with homeless education grants. Moreover, none of the EHCY LEA subgrant applications submitted for review had a description of the set-aside amount and services funded by it. ADE could obtain this data through the Title I, Part A LEA application, but ADE is not doing so as part of its Title I, Part A application reviews. Furthermore, some LEA liaisons reported in their interviews that they were not consulted in determining the Title I set-aside amount and did not have information on the set-aside to be used to coordinate services provided to students by both the set-aside and the EHCY subgrant program.

#### Recommendation

For clarity and efficiency, the Department recommends that the SEA require the LEA, in its EHCY subgrant application, to indicate the amount of the Title I, Part A homeless set-aside, a description of how it was determined, and how the LEA will use the funds in that fiscal year. Actions taken based on this recommendation should also be coordinated with the

recommendation in Topic Seven (below). The Department further recommends that the SEA provide technical assistance to LEAs to understand how to consult with the homeless liaison both to determine an appropriate set-aside amount and to determine the needs of students to be served with those funds.

## **7. SEA Fiscal Oversight of the Title I, Part A LEA Homeless Set-Aside**

### **SEA review and approval process**

#### Requirement

Section 1113(c)(3)(A) of the ESEA requires LEAs that receive Title I, Part A grants and have students experiencing homelessness enrolled in the LEA to reserve “such funds as are necessary under this part, determined in accordance with subparagraphs (B) and (C), to provide services comparable to those provided to children in schools funded under this part to serve—(i) homeless children and youths, including providing educationally related support services to children in shelters and other locations where children may live[.]” Section 1113(c)(3)(C) of the ESEA offers criteria on which the amount of reserved funds may be determined, which include a needs assessment and other allowable expenses such as the excess cost of school of origin transportation and salaries for local liaisons based on their duties. Furthermore, Section 1111(a)(1)(B) requires the Title I, Part A program to be coordinated within State educational agencies with the McKinney-Vento Homeless Assistance Act.

#### Observation

ADE reported that it requires a minimum LEA homeless set-aside of \$100 for all LEAs that receive Title I funds and that enroll students experiencing homelessness. Furthermore, all LEAs receiving more than \$50,000 in Title I must set aside at least 0.5 percent of funds for students experiencing homelessness. However, ADE does not review the set-aside amount for sufficiency based on need. Therefore, the per-pupil amount varies widely across the LEAs that reserve Title I funds to serve students experiencing homelessness.

#### Recommendation

The Department recommends that ADE develop a thorough review process for EHCY and Title I staff to analyze the Title I homeless set-aside amounts proposed by LEAs for adequacy. ADE could evaluate the set-aside by examining prior monitoring findings, calculating a per-pupil amount of the LEA homeless set-aside, or linking amounts to homeless student outcomes, such as student achievement in reading/language arts, mathematics, and science; the ACGR; and chronic absenteeism rates.

The Department further recommends that ADE provide guidance to all LEAs on how to determine the amount to set aside for services to students experiencing homelessness, which should be determined based on a needs assessment which considers both the number of students identified and the needs of those students as required in section 1113(c)(3)(C) of the ESEA. The SEA should provide technical assistance (e.g., presentations or written documentation) to LEAs on determining sufficient set-aside amounts and evaluating the effectiveness of the set-aside

amount and uses of funds based on LEA data such as achievement in reading/language arts, mathematics, and science, the ACGR, and chronic absenteeism rates.