

**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 Minnesota Department of Education
July 21, 2023**

Scope of Review

On March 14, 21, and 22, 2023 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 Minnesota Department of Education’s (MDE’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 MDE’s EHCY program and its reservation for homeless children under ESEA section 1113(c)(3)(A) in December of 2015. This is the first time that the Department has monitored MDE’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 MDE’s implementation of its programs for students experiencing homelessness, the Department examined MDE’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 the Bemidji Public School District, Minneapolis Public School District, Paladin Career and Tech High School, and Rosemount-Apple Valley-Eagan Public School District.

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 monitoring. 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;
- “Recommendation” 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 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

Topic Number	Description	Status
1	SEA Monitoring and Evaluation	• Action Required
2	SEA and LEA Performance Evaluation	• Action Required with Recommendation
3	SEA Policy and Coordination	• Met Requirements
4	SEA Professional Development and Technical Assistance	• Met Requirements
5	SEA Fiscal Oversight of LEA Subgrants	• Met Requirements
6	SEA Set-Aside Oversight	• Met Requirements
7	SEA Fiscal Oversight of the Title I, Part A LEA Homeless Set-Aside	• Action Required with Recommendation

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

1. SEA Monitoring and Evaluation

Subtopics

- Process for Monitoring all LEAs for McKinney-Vento subgrant requirements

Requirement

The State Coordinator must, in coordination with the local liaison, provide technical assistance to and conduct monitoring of LEAs to ensure compliance with statutory requirements.

McKinney-Vento Act: § 722(f)(5); § 722(g)(3)-(7); Uniform Guidance: 2 C.F.R. § 200.329 and § 200.331

Observations

While MDE has monitoring processes in place for the review of LEAs that receive Title I, Part A funds, including those LEAs that are EHCY and ARP-HCY subgrantees and non-subgrantees, it does not monitor charter LEAs that do not receive Title I, Part A funds. Thus, there are approximately 30 LEAs that are not in the monitoring plan and do not receive monitoring to ensure their compliance with the McKinney-Vento Act requirements applicable to all LEAs.

Action Required

Within 60 business days of the receipt of this report, the MDE must submit a monitoring plan that includes those LEAs and charter LEAs that do not receive Title I, Part A funds, in the annual monitoring process for McKinney-Vento requirements that apply to all LEAs in a State.

2. SEA and LEA Performance Evaluation

Subtopics

- Communication to LEAs
- Annual goals, plan or workplan
- Reducing chronic absenteeism
- Improving graduation rates

Requirements

The State Coordinator must gather and make publicly available reliable, valid, and comprehensive information on the number of homeless children and youth in the State; barriers homeless children and youth face in accessing public education; difficulties in identifying special needs and barriers to achievement; progress made by the SEA and LEAs in addressing these challenges; and the success of EHCY programs in identifying homeless children and youth and allowing these children and youth to enroll in, attend, and succeed in school.

McKinney-Vento Act: § 722(f)(1).

The State Coordinator must collect data for a report containing information necessary to assess the educational needs of homeless children and youth and transmit this report to the Secretary, at such time and in such manner as the Secretary may reasonably require.

McKinney-Vento Act § 722(f)(3), § 723(b)(6);

Observations

MDE currently collects data through an electronic student information system and through surveys submitted by each LEA homeless liaison. The data are reviewed by the State

Coordinator and MDE's data specialists for accuracy. Data reports are published and made available to LEA homeless liaisons. However, the data are not currently being used to conduct program evaluations for program planning or improvement.

In addition, during a follow-up discussion on April 18, 2023, to discuss the Title I, Part A set-aside, MDE staff explained that the data submitted to ED via the *EDFacts* Initiative was not the same as the data that LEAs submitted to MDE, because there were two different data collection systems for LEAs to submit data on students experiencing homelessness to MDE. Some LEAs with zero counts of homeless children and youth submitted to *EDFacts* had counts of more than 100 students identified as experiencing homelessness in data submitted to MDE through its homeless data collection survey.

Action Required

Within 60 business days of receiving this report, MDE must submit documentation that:

1. MDE has reviewed for correctness data submitted to *EDFacts* for both the 2020-2021 and 2021-2022 school years regarding students experiencing homelessness by LEAs, and revised such data as appropriate, including *EDFacts* files for homeless student enrollment (FS 118); young homeless children served (FS 194); Title I, Part A schoolwide and targeted assistance program participation (FS 037); chronic absenteeism (FS 195); adjusted cohort graduation rates and cohort counts (FS 150 and 151); and assessment participation and academic achievement for reading/language arts, mathematics and science (FS 175, 178, 179, 185, 188 and 189). If any data are revised, MDE must include comments explaining the changes.
2. MDE must submit documentation that it has updated policies and procedures regarding the collection of required program data to eliminate discrepancies between the data that MDE collects and the data that MDE submits to the Department.

Recommendation

The Department recommends that MDE's EHCY program staff use LEA student data to create program goals and evaluate the effectiveness of the program to improve student outcomes. Such goals may include increasing identification of children and youth experiencing homelessness in LEAs with no or low identification rates compared to child poverty rates or average rates of identification in the region, a focus on improving graduation rates for students experiencing homeless across Minnesota, or a focus on decreasing rates of chronic absenteeism. The Department further recommends that MDE's EHCY program staff provide guidance and technical assistance to LEAs to assist them in understanding their own program data and how to use that data to drive and evaluate program improvement, including partnering with other programs focused on increasing student attendance and graduation rates.

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

Subtopics

- Guidance and TA to LEAs

- SEA review and approval process
- Expenditure of funds
- Assessment of effectiveness of set-aside amount

Requirements

Each LEA that receives a Title I, Part A grant shall include how the LEA will reserve funds to provide services to homeless children and youths as required in § 1113(c)(3)(A) and how those services will be coordinated with services provided under the McKinney-Vento Homeless Assistance Act.

ESEA: § 1111(a)(1)(B); § 1112(b)(6); and § 1113(c)(3)(A).

Observations

MDE requires each LEA that receives Title I, Part A funds to set aside an amount equivalent to one per pupil funding amount to support students experiencing homelessness. This set-aside amount includes both a budget category and additional information that is reviewed by MDE staff. In the documentation submitted by MDE, there were 208 LEAs that identified at least one student experiencing homelessness and set funds aside. However, these set-aside amounts varied from over \$8,000 per identified student to less than \$7 per identified student and MDE could not explain how they check them for sufficiency. Of those LEAs that set funds aside, 74 set aside less than \$100 per identified student. MDE does not have an internal method for determining if the LEA has set-aside enough funds to meet the needs of students experiencing homelessness nor does it provide any guidance or technical assistance to LEAs on how to meet this requirement. Moreover, through FY 2023, MDE has not shared LEA level counts of identified homeless students for the most recent school year with staff reviewing the Title I, Part A set-aside budget. MDE managers said that they would do so for the SY 23-24 grant year application review.

The Department noted that several LEAs reported in their Title I, Part A budget justification that funds set aside for the support of students experiencing homelessness were also being used to support students in foster care, which is not a permissible use of the Title I, Part A homeless set-aside. (See Question 30 in the Department’s [Foster Care Guidance](#).) MDE staff explained that the confusion is due to a combined category code used for summary sheets but that most LEAs do not use this code. MDE reported that this can lead to confusion about how homeless set-aside funds are being used. In addition, one LEA budgeted funds to pay for “lunch balance to support homeless students” when students experiencing homelessness automatically qualify for free school meals. Another LEA budgeted funds for “homeless rent assistance,” which is not an allowable expense for Title I, Part A set-aside funds. One LEA budgeted its entire set aside amount (\$52,158) for “Non-Instructional Supplies and Materials” and then noted that these funds would be used for “meals, school supplies, clothing, and emergent mental health supports.” Some of these expenses, such as meals, are not allowable. In addition, it is not clear that MDE or the LEA are evaluating the expenses to determine if they are reasonable and necessary.

Action Required

Within 60 business days of the receipt of this report, MDE must submit:

1. Documentation that all LEAs with students who were identified as homeless during the 2023-2024 school year have set aside a sufficient amount of Title I, Part A funds to support

students experiencing homelessness based on the guidance provided by MDE. This documentation can include a per pupil analysis or other means to determine sufficiency.

2. Documentation that shows how MDE has implemented policies and procedures through monitoring and the review of Title I, Part A applications to verify the sufficiency of the set-aside amount to consistently ensure that LEAs have met the requirements of 1113(c)(3)(C) of the ESEA to reserve such funds as are necessary to provide services to students experiencing homelessness that are comparable to other children receiving funded Title I, Part A services. Such documentation may include information that may be used in a needs assessment for homeless education services or programming such as data on the number of students the LEA has identified in previous school years, their achievement in reading/language arts, mathematics, and science, the adjusted cohort graduation rate (ACGR), and chronic absenteeism rates.
3. Evidence of guidance and training for all LEAs on the allowable uses of the Title I, Part A LEA reservation for students experiencing homelessness. This guidance and training should include types of expenditures that are not allowable, such as using funds to pay for the transportation of foster care students to their school of origin, school meals, and rent assistance.