No Child Left Behind
FINANCIAL COMPLIANCE INSIDER

FREE SAMPLE ISSUE

Four Methods for Determining New Mandatory Title I, Part A Set-Aside for Homeless Children

NCLB has made big changes in the way school districts address the needs of homeless students. Because the McKinney-Vento Homeless Education Assistance Act was reauthorized as part of NCLB, districts that receive Title I, Part A funds must now comply with new requirements, including a mandatory set-aside of those funds to serve homeless children. And districts must use the McKinney-Vento definition of "homeless" when determining which students are eligible for services under the mandatory set-aside. But districts throughout the country are struggling to comply with the law because NCLB leaves it up to districts to decide how to determine the amount of this set-aside.

NCLB Section 1113(c)(3)(A) says that a district "shall reserve such funds as are necessary" to provide services to homeless children and that these services must be comparable to the services the district provides to children in Title I, Part A schools. And Section 200.77(a)(1) of the Title I regulations says that districts "must reserve funds as are reasonable and necessary" to serve homeless children. Before NCLB, Title I, Part A said that districts needed to reserve funds only "where appropriate" to serve homeless children. This language gave districts the option to reserve funds, rather than make the set-aside mandatory, explains Dona Bolt, Oregon State Coordinator for Homeless Education. And NCLB expanded the federal definition of homeless so that many more students are now covered by this definition than districts may have previously identified.

To help you comply with the new mandatory set-aside requirement, we'll explain the definition of homeless you must apply to determine who's covered by the set-aside. And because NCLB doesn't tell you how to determine the set-aside, we'll give you expert advice on four methods you can consider using in your district to determine how much of your Title I, Part A funds to reserve.

Which Children Are Homeless?

Before you can determine how much of your Title I, Part A funds you need to set aside to serve homeless students in your district, you need to understand which students are homeless. The definition appears in Section 725(2) of the McKinney-Vento Act, located in Title X, Part C of NCLB. According to this definition, homeless children are those "who lack a fixed, regular, and adequate nighttime residence." This includes not only those who live in shelters, abandoned buildings, cars, and public spaces but also children who share housing with other families because of economic hardship or live in motels, hotels, trailer parks, or campgrounds. This definition of homeless is much broader than the one districts receiving Title I, Part A funds typically used before NCLB, warns Bolt.

***Insider* Says:** To successfully serve homeless students, make sure that your district's "homeless liaison," as well as school staff, such as registrars, secretaries, and counselors, who are involved with enrolling new students, understand the broad scope of the law's definition of homeless, says Barbara James, project director for the Texas Homeless Education Office. McKinney-Vento requires every school district to designate a local liaison whose responsibilities include ensuring that homeless children are identified, enrolled in and attend school, and have opportunities for academic success, explains James.

How to Determine Set-Aside

Section 1113(c)(3)(A) requires districts to reserve funds to serve homeless students, but it doesn't tell them how to figure out what the right amount should be or give districts a formula to use. Section M-2 of the U.S. Department of Education's (ED's) Draft Guidance on the Education for Homeless Children and Youth Program says that districts can develop their own formulas for complying with the set-aside requirement. Based on discussions with state coordinators for homeless education programs, we've identified four methods you might be able to use to determine your set-aside for homeless students. Before you use one of these methods, be sure to discuss it with your state educational agency.

Method #1: Identify homeless students' needs, and fund accordingly. The best way to determine the set-aside is to figure out how much it costs to pay for the

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services that homeless children in your district need and reserve that amount of Title I, Part A funds to pay for them, explain Bolt and James. To make this determination, you should look at how much it cost last year to have your homeless liaison fulfill the requirements set out in Section 722(g)(6) of McKinney-Vento, Bolt explains. In addition to coordinating the identification and school enrollment of homeless children, this provision of the law requires liaisons to inform parents of homeless children about "educational and related opportunities available to their children," assist parents of homeless children in accessing school transportation, and provide public notice of the educational rights of homeless children at places like soup kitchens and family shelters. Based on last year's cost data, you can allocate your Title I, Part A set-aside, taking into account any changes you anticipate in your population of homeless students.

Method #2: Obtain count of homeless students, and multiply by Title I, Part A per-pupil allocation. Suppose your district hasn't been us-ing NCLB's expanded definition of homeless to provide services or you just don't have available the kind of cost information described in Method #1. In that case, you'll need to use a formula to calculate your set-aside. One way to calculate the set-aside is to do a thorough count of homeless students in your district and multiply the number of homeless students you identify by your district's Title I, Part A per-pupil allocation, says James.

Example: Your district identifies 10 children as homeless, using the McKinney-Vento definition. Your Title I, Part A per-pupil allocation is $600. You could comply with the set-aside requirement by reserving $6,000 ($600 per-pupil allocation x 10 students).

But getting an accurate count of homeless students can be challenging. One way to do a count is to survey your staff about their knowledge of which students in your schools meet the definition of homeless. But if you do this, the surveyors must thoroughly understand the law's definition of homeless and how to apply this definition to the survey data they gather, Bolt explains. And because Section E-1 of the draft guidance bars segregating or stigmatizing homeless students, you must be careful that your surveying methods identify homeless students without doing that, James adds.

If you can't get an accurate count of homeless students through surveys, you may be able to rely on other available data on homeless students in your district as the basis for calculating your set-aside. For example, your state's housing agency or statewide homeless coalition may have data on homeless people, says James. But some homeless count methods produce more reliable data than others. For instance, a shelter count may include information about only those individuals who are in shelters and may not count individuals who don't use them, such as those who share housing with relatives or friends because of economic hardship, explains James.

Method #3: Reserve an amount of funds greater than or equal to the amount of your McKinney-Vento subgrant request. If you're applying for a McKinney-Vento subgrant, consider using an amount equal to or greater than your subgrant request as your Title I, Part A set-aside, advises Bolt. For example, if your district applies for a $20,000 McKinney-Vento subgrant, reserve at least $20,000 in Title I, Part A funds to serve homeless children. Not only may this satisfy the set-aside requirement in Section 1113(c) (3)(A), but because states award McKinney-Vento subgrants to districts on a competitive basis, a larger Title I, Part A set-aside makes your subgrant application more competitive, says Bolt. Matching your subgrant request with Title I, Part A funds also ensures that you don't violate "supplement, not supplant" rules about the use of federal funds, she adds.

Some states require a district to at least match its McKinney-Vento subgrant request with Title I, Part A funds, so make sure you consult your state educational agency's Coordinator for Homeless Education to learn your state's application requirements for McKinney-Vento subgrants, advises Bolt.

Method #4: Reserve a specific percentage based on your district's poverty level or total Title I, Part A allocation. If you don't have the time or resources available to get an accurate count of homeless students and aren't applying for a McKinney-Vento subgrant, consider setting aside an amount of Title I, Part A funds that's tied to either your Title I, Part A allocation or your district's poverty level data. Some districts set aside a specific percentage of their Title I, Part A funds to comply with the requirements of Section 1113(c)(3)(A). For example, a district might set aside between 1 percent and 5 percent of its total allocation, depending on the district's poverty level, says James. Higher-poverty districts might want to reserve more funds for the set- aside because there are generally more homeless students in higher-poverty areas, she explains.

***Insider* Says:** Because this last method is the most arbitrary, it's a good idea to look at some comparison data to see whether your set-aside is appropriate, recommends Bolt. For example, you might look at your district's student mobility rates or U.S. census poverty rates for your district. If these numbers are high, this might correlate to a high number of homeless students in your district, she says, so you should make sure that your Title I, Part A set-aside accounts for this by raising the amount of your set-aside. Or you may want to count the students in your district who participate in free and reduced-priced lunch programs. Because homeless children are automatically eligible for these programs, a high count of participating students may indicate a high number of homeless students, Bolt explains. ■

INSIDER SOURCES

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