

Frequently Asked Questions (FAQs)

2024 Grant Funding: Expending and Extensions

Texas Education for Homeless Children and Youth (TEHCY) grant funding helps LEA and ESC grantees with increasing their capacity to address unique needs of homeless children and youth, remove barriers and enable homeless children and youths to attend school and participate fully in school activities.

[New Federal legislative action](#) through the Further Consolidated Appropriations Act (2024) under Title III, Protection, Preparedness, Response and Recovery, Federal Emergency Management Agency, has extended the obligation period of federal fiscal year 2023 Education for Homeless Children and Youth (EHCY) program funds.

Key Takeaways:

1. Funding for the 2023-24 EHCY grants have been extended to September 30, 2026.
2. All ARP funds must be obligated by Monday, September 30, 2024.
 - a. All expenditures must be reported in TEA's Expenditure Reporting (ER) system by Sunday, December 29, 2024.
3. Liquidation periods for ARP grants will likely be extended to 2026 (based on USDE approval of TEA request, which is expected to occur in Fall 2024).
 - a. Please refer to the [ESSER III Closeout, ARP Liquidation Extension, and Pre-Payment Flexibility TAA letter](#) dated 6/27/2024 for additional information regarding applying for a liquidation extension and specific parameters for qualifying services.
4. Best practice: LEAs should first expend all ARP funding sources before expending EHCY funds.

The Grants that are impacted and related to content in this FAQ include:

1. 2021-2024 ARP Homeless I – TEHCY Supplemental Grant
2. 2021-2024 ARP Homeless I – ESC Capacity Building Supplemental Grant
3. 2021-2024 ARP Homeless II – Federal Grant
4. 2023-2024 ARP Homeless II – ESC COVID Recovery Reallocation Grant
5. 2023-24 TEHCY Continuation Grant
6. 2023-24 ESC Capacity Building Grant

TEA's TEHCY Program has received several questions related to these changes and have provided answers to commonly asked questions below. Additionally, the FAQ includes some foundational information to support LEAs and McKinney-Vento Liaisons with grant planning, in light of these changes.

General and Foundational Questions

1. What does it mean to “Obligate” funds?

Obligating funds means to commit funds to an activity in accordance with the grant’s program guidelines. Once obligated, funds are then available for drawdown, that is, disbursement of the funds. All grant expenses must be obligated by the grant deadline. Please review [34 CFR 76.70](#) (When an Obligation is Made) from EDGAR.

2. What does it mean to “Liquidate” funds?

To liquidate funds is the drawing down and expenditure of funds by a grantee for obligations incurred during the grant’s legal obligation period. Timely liquidation occurs during the project performance period and through the first 120 days after (90 for LEAs; 30 for TEA) the final day of that period or an extension of that period authorized by ED, pursuant to [2 C.F.R. §200.344\(b\)](#).

3. What does it mean to “Reclassify” funds?

Reclassification is most known as the process of changing, reassigning, or moving an amount from one funding source to another. For LEAs who are not going to expend their full award within the grant period, reclassifying expenditures help to prevent lapsing of those funds.

Funding and Extensions Questions

4. Which grants will be ending on 9/30/24?

The grants ending Monday, September 30, 2024, are:

- a) 2021-2024 ARP Homeless I-TEHCY Supplemental Grant
- b) 2021-2024 ARP Homeless I-ESC Capacity Building Supplemental Grant
- c) 2021-2024 ARP Homeless II Federal Grant
- d) 2023-2024 ARP Homeless II ESC COVID Recovery Reallocation Grant

The Department of Education (USDE) is encouraging SEAs and LEAs to expend all ARP funds first, before utilizing 23-24 TEHCY funds. There is no supplement and supplant issue with TEHCY and ARP Grants. All eligible activities that can be (in alignment with the appropriate program guidelines), should be billed towards ARP grants to encourage the spending of remaining ARP funding, which ends on 9/30/24. This also includes, being able to reimburse and re-charge, previously spent TEHCY funds to ARP grants (that are in alignment with the grants activities). Please see questions #14 for more information on this.

5. Which grants will be extended?

The grants that will be extended are the 2023-24 TEHCY Continuation Grant and 2023-24 ESC Capacity Building Grant that comes out of SEA set-aside from regular USDE McKinney-Vento funding.

6. If an LEA has already expended their 23-24 TEHCY Continuation Grant funds, is there anything special that they need to do, in relationship to the updated guidance regarding the 23-24 TEHCY Continuation grant extensions?

No. If the LEA has expended their 23-24 TEHCY Continuation Grant funds there is nothing else that they need to do.

7. Will the 23-24 TEHCY Continuation Grant extension affect the LEAs review process for the 2024-25 TEHCY Competitive Grant?

No. The grants are separate from one another and the 23-24 TEHCY Continuation Grant extension does not affect the 24-25 TEHCY Competitive Grant review process.

8. Will there be another ARP grant available for school districts to apply for since the ARP II grant is almost over?

No. The ARP I and ARP II funding were one-time COVID-19 funding provided from the American Rescue Plan. There will not be any more ARP grants.

9. Can allowable 23-24 TEHCY Continuation funds be coded to ARP I and ARP II?

Yes. Any 23-24 TEHCY Continuation Grant funds that are in alignment with ARP I and ARP II grant spending can be coded to ARP. It is important to note that with ARP, there is no supplement or supplant issue. These expenditures can date back to the start of the 23-24 TEHCY sub-grant. Grantees will need to amend by 7/2/24.

Business Office and Amendment Questions

10. How do grantees access the funds allocated through ARP II e-grants?

ARP Homeless II grantees will need to submit their amendments to access the funds allocated through ARP II e-Grant by 7/2/2024. Please reach out to your [Grant Negotiator](#) if you need additional time for an amendment. All LEAs and ESCs have received notifications about the amount and need to amend for all outstanding ARP funding. Please review the Erratum for ARP I and ARP II, posted on December 13, 2023, that expanded the use of ARP funds, per USDE guidance.

11. Regarding the amendments of additional ARP funds, is it correct that LEAs have until 2026 to spend these additional funds? And can the LEA continue the same services they had for the ARP Homeless Grant?

No, all costs under ARP must be fully obligated for allowable grant uses by Monday, September 30, 2024. USDE has offered a 14-month extension in addition to the standard 120-day liquidation period. LEAs may request a liquidation extension for certain obligated contracted services costs. Approval would allow the contracted service to continue to be received and paid during the liquidation period extension. Please note that the liquidation extension does not cover all types of costs (e.g., indirect costs, staff salary, or travel) due to the federal rules defining when an obligation was made. Please refer to the [ESSER III Closeout, ARP Liquidation Extension, and Pre-Payment Flexibility TAA letter](#) dated 6/27/2024. It will provide more information regarding the liquidation extension process.

12. When the LEA tried to do an amendment to the ARP I grant, the forms page in the TEA page says, 'page not found'. Where can the LEA find the forms to do the amendment?

The user should refresh their browser. Instructions on how to amend an application can be found on the TEA website link [HERE](#). All forms for TEHCY-ARP I amendments are located on the [TEA Grants Opportunity Page](#). Amendments must be submitted by 7/2/24. Please reach out to your [Grant Negotiator](#) if you need any assistance or additional time when completing an amendment.

13. In proceeding with the guidance received regarding the ESC 23-24 Capacity Building Grant and reclassifying those expenditures to ARP, can TEA provide additional information regarding expenditure reporting? Since some of the monies have already been drawn down, the ESC is concerned that the General Ledger does not match what is reported by TEA Grants department.

If expenses have already been drawn down on TEHCY NOGAs in the Expenditure Reporting (ER) System:

- Grantees must submit a refund for their TEHCY NOGA, then enter a draw down on the TEHCY-ARP NOGA for the same amount of expenditures.
- This will ensure both NOGA balances are updated in the ER System.
- Be sure to update any internal accounting books to reflect the changes.
- Information about the Expenditure Reporting system, including instructions on how to submit a refund, can be found on the [TEA Expenditure Reporting webpage](#).

If expenses have not been drawn down on the TEHCY NOGAs:

- Expenses can be claimed on TEHCY-ARP NOGAs as allowed.
- Be sure to make notes in your accounting books/system indicating per TEA grantees can claim expenses here.

14. Regarding the transfer of TEHCY Expenditures to ARP: Might an LEA be allowed to do this even if they have already drawn down their reimbursements through TEA for the TEHCY grant? The LEA would like to take 23-24 TEHCY expenditures (Aug 23 - April 24) and apply them to ARP. This would allow the LEA to have the TEHCY funds to extend some staff positions through the end of the 24-25 SY.

Yes, LEA can reclassify their funding from TEHCY to ARP.

- If expenses have already been claimed in the TEHCY NOGAs and grantees want to reclaim/reclassify to ARP Homeless NOGAs, they might have to submit a refund of 23-24 TEHCY funds due to this reclassification, or they could identify allowable local expenditures and charge those to the 23-24 TEHCY grant which would not generate a refund. LEAs will need to update their local accounting records to reflect these changes.
- If expenses haven't been claimed in the TEHCY NOGAs, then they can claim their expenses in TEHCY ARP III NOGAs and make notes in their accounting books/system indicating the charges to the ARP Homeless grant.

15. Is there a process that a business office would understand to help with re-allocation of funds without possible flags from USDE?

Yes. Please see response to FAQ Question #14.

16. The LEA is trying to purchase a vehicle with the remaining APR II funds. Is an amendment required?

Yes. An amendment is needed to request approval for Capital Outlay items. Vehicles would fall under Capital Outlay (6600). Please refer to the [amendments page of the TEA website](#) for further assistance, referencing the "When to Amend the Application document".

17. The LEA's Business Office had questions about the purchase of a vehicle to be used to transport MV students to school and to appointments for needed services and community resources.

a. What type of documentation would be needed to be kept on file to demonstrate how the vehicle is being utilized to support MV students?

The LEA must ensure that they maintain documentation that the activity is reasonable, necessary, and allocable to the program, and tie it back to the intent of the program and must justify the allowability of the cost in alignment with the program guidelines. Grantees should also review the program guidelines document found on the [TEA Grant Opportunities](#) page for additional allowable use of funds inquiries

b. Once the grant has ended, are we allowed to keep the vehicle?

If the vehicle is no longer needed for its original intended purpose (the purpose it was purchased for using these funds), LEAs are required to submit an Inventory Disposition form in the [EDGAR Connect WorkApp](#). This form will identify the various means of disposal of the vehicle depending upon the current fair market value (CFMV) of the vehicle.

c. If so, do we continue to document how the vehicle is being used to support MV students?

Please reference Question #16 for the allowability for the purchase of a vehicle using grant funds. Grantees could also contact their auditor or the Division of Federal Fiscal Monitoring for what would be needed as documentation for the vehicle.

Expending and Reclassification Questions

18. Will carryover be allowed from the 23-24 SY to the 24-25 SY if funds aren't expended?

No. There is never carryover with TEHCY grants. Rather, there will be an extension of TEHCY subgrant funds for additional years.

19. We are wanting the ESC Capacity Building Grant (TEHCY) to be reclassified to ARP I Capacity Building Supplement & the ESC's TEHCY SSA reclassified to the TEHCY ARP I Supplement?

Yes, you can make the reclassification from TEHCY to any of your ARP I and ARP II ESC grants. Be mindful of SSA considerations. Please reference the Reclassification Question #14 above.

20. For SSAs, in thinking about the reclass, the ESC has different members in their TEHCY SSA versus their ARP II SSA. Can the ESC reclass those if the members from TEHCY were not in the ARP II?

No. ESCs must ensure LEAs are current SSA member districts in both the grants they are reclassifying costs to and from.

21. Due to the short timeline, spending the amount has been difficult. There's a real need for emergency hotel stays. The LEA would like to purchase the \$5000 in vouchers [for emergency hotel stays] and the LEA will utilize them with their students. If it is allowable, what is the ending date these vouchers can be used?

The emergency hotel stays under the USDE Dear Colleague Letter is to be used when the family needs the stay. This would not be an appropriate use of the funds.

22. Can you please clarify what liquidation looks like? For example, can a district purchase pre-paid cards before September 30, 2024, and use them by the end of the liquidation period, Sunday, December 29, 2024?

Yes, liquidation is the draw-down and expenditure of funds by the subgrantee (the LEA) for obligations legally incurred during the grant's obligation period. Please reference Question #26 below.

Yes, a district can purchase gift cards before 9/30/2024, but the gift card does not have to be used up by the 12/29/2024 end of liquidation period. Rather, the grantee has until the 12/29/2024 to report that expenditure. For gift cards, the cost is the gift card itself and not the items that will be purchased with the gift card.

23. Are LEAs still able to purchase supplies and clothes for students to start school this year (FY25)? The LEA wants to avoid raising a red flag while giving the opportunity to assist one more group of homeless students.

Yes, this is an allowable use of your ARP funding. The start of the school year falls within this timeline the funds will need to be obligated by the 9/30/24 deadline and liquidated by 12/29/24.

24. The ESC has a district that wants to pay an invoice from their transportation department from last school year (2022-23) for transporting McKinney Vento students to their school of origin. Somehow that invoice was not received by their department. Is the district able to reimburse their transportation department this school year?

If this is for one of the ARP Homeless grants, and that's an allowable expense, the district should confirm the invoice is within the beginning and ending dates of the grant. If that activity occurred during the grant period, this may be allowable. Please check with the district's local policy to see if they can make that change in their own books first.

- 25. The LEA is attempting to procure a two-year subscription for devices for students. However, the ISD's procurement department declined approval, citing grant guidelines. Can TEA provide clarification on whether this is an allowable expenditure?**

In the grant guidelines, the district can purchase devices, but a two-year subscription would be outside the scope of the grant period for ARP II. Other TEHCY funds such as the 23-24 Continuation will have a grant extension and would meet having a one-year subscription.

Liquidation & Pre-Payment Costs Flexibility Questions

- 26. Will TEA be applying for an extension of ARP grants per guidance provided by USDE in early April 2024?**

Yes, TEA will apply for the extension for LEAs and ESCs who request the liquidation extension for the respective ARP funded program in December of 2024, pursuant with USDE timelines. Please reference the [ESSER III Closeout, ARP Liquidation Extension, and Pre-Payment Flexibility TAA](#), properly obligated contracted services are applicable.

- 27. How does an LEA access and submit the ESSER Pre-Payment Costs Flexibility Prior Approval Form?**

This prior approval form can be accessed through the [ESSER Compliance WorkApp](#). LEAs are strongly encouraged to submit these prior approval requests by September 15, 2024, to receive appropriate approval before the obligation deadline and end of performance period on September 30, 2024.

Relevant Resources

- [ESSER Compliance WorkApp](#)
- [ESSER III Closeout, ARP Liquidation Extension, and Pre-Payment Flexibility TAA](#)
- [Federal legislative action through the Further Consolidated Appropriations Act \(2024\)](#)
- [Federal and State Monthly Drawdown Interactive Dashboards](#)
- [Grant Negotiator Directory](#)
- [TEA Amending an Application Page](#)
- [TEA Entitlements Page](#)
- [TEA Expenditure Reporting Page](#)
- [TEA Grants Opportunity Page](#)

Contact Information

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