

Chapter Fourteen: Subgrants



Section 14.1 Overview of McKinney-Vento Subgrants

The McKinney-Vento Act requires most states to allocate at least 75% of their annual federal award to local educational agencies (LEAs) in the form of subgrants. Minimally funded states, those that only receive \$150,000, are required to allocate at least 50% of their annual federal award to LEAs. The purpose of the subgrants is to facilitate the enrollment, attendance, and success in school of homeless children and youth. These subgrants are competitive, and awarded on the basis of both need and quality of the application.

The state educational agency (SEA) determines the time period for the grant cycle, the number of grants awarded, and the size of grants. An LEA may receive a grant for up to three years before it must re-compete to receive further grant funds. Many SEAs award regional subgrants that cover several LEAs. LEAs must be the fiscal agents for the subgrants and accountable for their implementation.

LEAs and local homeless liaisons should receive information from the State Coordinator on the subgrant competition. Each state is responsible for implementing a grant process, including the development of an application that meets federal requirements, for use by LEAs. State Coordinators also typically provide technical assistance to help liaisons completing applications with the process.

Section 14.2 Requirements for Subgrants in the McKinney-Vento Act

The McKinney-Vento Act requires that each application include

- an assessment of the educational and related needs of homeless children and youth;
- a description of services and programs that will be provided through the grant;

- an assurance that the LEA’s fiscal effort in providing a public education was maintained;
- an assurance that the applicant complies with or will use requested funds to comply with the Act; and
- a description of policies and procedures to ensure that activities will not isolate or stigmatize homeless children and youth [42 U.S.C. § 11433 (3)(b)].

The LEA’s need for funding and the quality of the application submitted by the LEA form the basis of awards made by the state. In determining the need for funding, the McKinney-Vento Act requires SEAs to consider

- the number of homeless children and youth enrolled in preschool, elementary, and secondary schools within the area served by the LEA;
- the needs of homeless children and youth enrolled in the LEA; and
- the ability of the LEA to meet the identified needs [42 U.S.C § 11433(c)(2)].

The SEA may also consider

- the extent to which the proposed activities will facilitate enrollment, retention, and educational success of homeless children and youth;
- the extent to which the application reflects coordination with other local and state agencies that serve homeless children and youth and describes how the applicant will meet the general requirements of the McKinney-Vento Act;
- the extent to which a commitment to the education of all homeless children and youth is demonstrated, both in the application and in current practice; and
- other criteria established by the SEA [42 U.S.C. § 11433 (3)(c)(2)].

In determining the quality of the application, the McKinney-Vento Act requires SEAs to consider

- the needs assessment and the likelihood that the proposed project will meet the needs identified;
- the types, intensity, and coordination of services to be provided through the proposed project;
- the involvement of parents or guardians in the education of their children;
- the extent to which homeless children and youth will be integrated within the regular education program;

- the quality of the project’s evaluation plan;
- the extent to which proposed services will be coordinated with other services available to homeless children and youth and their families; and
- other measures, such as the extent to which the LEA will provide case management or related services to unaccompanied homeless youth, that the SEA considers indicative of a high-quality program [42 U.S.C. § 11433 (b)(c)(3)].

Section 14.3 Allowable Uses of Subgrant Funds

Coordinators for the McKinney-Vento subgrant program should be familiar with the allowable uses of funds that are listed in Section 11433(d) of the McKinney-Vento Act. Appendix 14.A McKinney-Vento Subgrant Authorized Activities includes the list of allowable activities.

Section 14.4 Guiding Questions for Use of Subgrant Funds

Table 14.1 Guiding Questions for McKinney-Vento Subgrant Expenses will help liaisons determine the appropriateness of expenditures. If at any time you are unsure if an expense is allowable, you should contact your State Coordinator for clarification. LEAs should also contact their State Coordinators before making any substantial changes to an approved budget to ensure the changes are also approved.

Table 14.1. Guiding Questions for McKinney-Vento Subgrant Expenses

Foundation	Questions to Consider
The Law: Subgrants	<ol style="list-style-type: none"> 1. Does the expense meet the intent of the law? That is, does the expense facilitate the school enrollment, attendance, or success of homeless children and youth? Moreover, is it <i>critical</i> to maintaining the enrollment, attendance, or success of homeless students or even just one homeless student? 2. Can the expense be categorized as one of the authorized activities in Section 11433(d) of the law? 3. Does this expense cover services that apply only to the homeless education program? Is it connected to the educational needs of homeless children and youth specifically? (The exception would

Foundation	Questions to Consider
	be for services provided on school grounds; these services may include a small percentage of other at-risk students.)
The Subgrant Proposal	<ol style="list-style-type: none"> 1. Does the expense fit within goals articulated and approved in the subgrant proposal? 2. Does the expense meet a need identified as a priority, based on a comprehensive needs assessment? 3. Was the expense included and approved in the subgrant budget? 4. Is the expense necessary for efficient operation of the homeless education program? 5. Is the expense reasonable in proportion to the rest of the program budget and in proportion to the amount spent per student? Or, if this is an expense for one student, is it proportional to other program or students' needs? 6. Is the cost for this service reasonable?
The Law: Coordination and Collaboration	<ol style="list-style-type: none"> 1. Is this expense for supplemental services and not for services that the LEA should pay for as a part of the regular academic program? 2. Is the expense for services comparable to services the LEA provides to non-homeless students and should provide to homeless students? 3. Is there evidence of coordination with Title I for use of the Title I, Part A set-aside to serve homeless students? 4. Did the LEAs make an effort to obtain this service from another source, such as business partners and service agencies? 5. Is this expense beyond the scope of the McKinney-Vento program and more appropriately covered by a community service agency?

Section 14.4 State and Local Policies for Subgrant Administration

LEAs must follow state and local policies related to grant administration, including fiscal accountability and record keeping. The subgrant proposal, once the grant is awarded, is considered a contract, and LEAs are bound to carry out the activities as proposed. If a change in the activities is needed, local liaisons (or the subgrant coordinator) must contact the State Coordinator for approval of the change and budget amendment.

As noted earlier, LEAs are accountable for the implementation of the projects proposed in the subgrant application. To that end, LEAs are required to submit end-of-year reports or program evaluation summaries. States also review subgrant activities and request evidence of adequate fiscal controls within the LEA during monitoring visits and desk-monitoring. Therefore, keeping good records of activities and expenses is of paramount importance.

14.5 Resources and Tools for Chapter Fourteen

Appendix 14.A McKinney-Vento Subgrant Authorized Activities