

**STATEMENT OF
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BEFORE THE
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS AND
RELATED AGENCIES, AND SUBCOMMITTEE ON TRANSPORTATION, HOUSING
AND URBAN DEVELOPMENT AND RELATED AGENCIES
UNITED STATES SENATE**

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Chairman Johnson and Chairman Murray; Ranking Member Hutchison and Ranking Member Bond; distinguished Members of the Senate Committee on Appropriations: Thank you for this opportunity to appear with Secretary Donovan to discuss the Department of Veterans Affairs' (VA) efforts and our good works together to end homelessness among our Nation's Veterans. I am proud to sit with Secretary Donovan, whose leadership has been critical in helping thousands of Americans secure permanent housing—many of them Veterans.

Homelessness among our Veterans is a tragedy. While there has been progress over the last several decades to address this critical problem, some Veterans still sleep on the streets. Over the past 23 years, the number and percentage of our Veterans in the homeless population has gone down dramatically, but our job is far from finished. Data suggest that the number of homeless Veterans continues to decline because of the aggressive efforts by VA and its partners, including local and community organizations as well as state and federal programs. Six years ago, on any given night, there were 195,000 homeless Veterans; today, there are approximately 107,000. We recognize that VA and HUD provide different estimates of the number of homeless Veterans. The disparity between our estimates is based on methods of data collection and the timeframe in which the data was reported. Our departments are in the process of finalizing a plan to produce a single national estimate of homeless Veterans, and we expect to implement that plan in fiscal year 2011.

VA has a strong track record in decreasing the number of homeless Veterans. A study completed several years ago found approximately 80 percent of Veterans who complete a VA program are appropriately housed, many with employment or income support, just 1 year after treatment. This year, we are investing \$500 million on specific homeless housing programs. We are also investing an additional \$50 million in our 2010 minor construction program, with funds specifically provided by this Committee, to renovate VA properties and to provide housing and supportive services for homeless Veterans. We are moving in the right direction, but, again, we have more work to do.

This statement describes VA's programs to end homelessness, including VA's work with HUD to provide permanent supportive housing to Veterans, identifies some of the

challenges we have encountered in combating Veteran homelessness and our proposals to address them, and concludes by defining the way ahead.

VA'S PROGRAMS

Effectively addressing homelessness requires breaking the downward spiral that leads Veterans into homelessness. VA programs constitute the country's largest integrated network of homeless treatment and critical assistance services for Veterans. These programs provide a continuum of care including treatment, rehabilitation, and supportive services that assist homeless Veterans in addressing health, mental health and psychosocial issues. VA also offers a full range of support necessary to end the cycle of homelessness by providing education, claims assistance, jobs, and health care, in addition to safe housing.

Additionally, VA works with a full range of partners to support a diverse number of programs, including the Grant and Per Diem (GPD) Program, the Health Care for Homeless Veterans Program, the Health Care for Re-Entry Veterans Program, and the Mental Health Residential Rehabilitation Treatment Programs.

Our strategy for ending homelessness is to create a collaborative approach to treatment and care while ensuring there is "no wrong door" for any Veteran seeking service—all Veterans seeking to avoid or escape from homelessness must have easy access to programs and services. Any door a Veteran seeks—a medical center, a regional office, or a community organization—must be capable of offering them assistance.

VA is expanding programs and developing new initiatives to help prevent Veterans from becoming homeless and to aggressively help those who are by providing housing, increasing access to health care and benefits, enhancing employment opportunities, and creating greater residential stability. Specifically, we will:

- Increase all types of housing options— permanent, transitional, contracted, community-operated, and VA-operated;
- Develop more partnerships to prevent homelessness, improve employability, and increase independent living for Veterans; and
- Improve access to VA and community based mental health, substance abuse, and support services.

VA is determined to end Veterans' homelessness in the next five years while weighing the cost of our homeless initiatives against other priorities in 2012 and in the out years. Our plan to end Veterans' homelessness is built on six strategic pillars:

- 1. Reaching out to and educating homeless Veterans and those at risk about our programs;**
- 2. Ensuring treatment options are available for primary, specialty, and mental health care, including care for substance use disorders;**
- 3. Strengthening our strategy for preventing homelessness, key to our longterm efforts;**

- 4. Increasing housing opportunities and providing appropriate supportive services tailored to Veterans' needs;**
- 5. Providing greater financial and employment support to Veterans, as well as improved benefits delivery;**
- 6. And, finally, expanding our critical community partnerships—success in this venture is impossible without them.**

VA-HUD COOPERATION TO END VETERAN HOMELESSNESS

While VA has many options for providing Veterans with housing assistance, a critical piece of these efforts is the innovative HUD-VA Supportive Housing (HUD-VASH) program. This program is the Nation's largest permanent housing initiative for Veterans. It is critical to our efforts to end Veteran homelessness.

The HUD-VASH program began in 1992 at 19 VA medical centers (VAMC); nearly 600 vouchers were issued. In 1994, 10 additional sites were added, and 8 of the original program sites received approximately 600 more vouchers. In 1995, six new sites were added and nine existing programs were given an additional 600 vouchers. Through the end of 1995, 34 HUD-VASH programs were funded. Over time, the HUD-VASH program continued to operate and the number of original HUD-VASH program vouchers dwindled.

In 2008, Congress created a new version of HUD-VASH that was more responsive to the needs of chronically homeless Veterans. The funding was available in March 2008 to begin the hiring process for VA case managers. Ten thousand vouchers were available in June of that year. In 2009, Congress funded another 10,000 vouchers and HUD distributed these to PHAs between September and November, 2009. In 2010, Congress funded an additional 10,000 vouchers. We expect these vouchers will be available to PHAs in June 2010.

In September 2008, 929 Veterans had been issued vouchers and 321 of them were under lease. Currently, approximately 19,000 Veterans have been issued vouchers and nearly 13,000 Veterans have been housed through the HUD-VASH program. The remaining 6,000 are in the housing search process. Over 20,000 Veterans are actively engaged in HUD-VASH and are receiving case management services. VA and HUD monitor the placement of Veterans into HUD-VASH on a monthly basis. The current placement rate for fiscal year (FY) 2010 averages 812 Veterans per month. VA now provides case management services at one or more HUD-VASH programs in all 50 states, the District of Columbia, Puerto Rico and Guam.

Voucher Distribution

VA and HUD utilize a collaborative process to determine voucher distribution. We distribute vouchers based on data-driven, population and need-based information, as well as on the past performance of VA medical centers and Public Housing Authorities (PHA). Data used include the Community Homeless Assessment, Local Education and

Networking Group (CHALENG) report, the Northeast Program Evaluation Center (NEPEC) reports, and, predominately, HUD's Continuum of Care data from its "Point in Time" surveys. We also take rural sites into consideration where homelessness is harder to detect and fewer resources are available. The Departments meet frequently to determine the optimal voucher distribution, and we endeavor to speed the delivery of vouchers for Veterans' use.

Once HUD has made the final determination related to the allocation of the vouchers, VA works to make them available to homeless Veterans and focuses on hiring clinical staff to support them. VA staff and community partners conduct outreach to Veterans through community homeless service providers, shelters, and other groups who know how to reach Veterans who may need HUD-VASH. Homeless Veterans are screened to determine Veteran status and eligibility for VA health care. To participate in the HUD-VASH program, our Veterans must: (1) be homeless, (2) be eligible for VA health care, (3) require and agree to receive case management services, and (4) be able to live independently in the community, as defined by proficiency at activities of daily living (ADLs)—such as the ability to dress, pay bills, obtain food, cook, and complete other activities of daily living. Veterans that meet the VA's eligibility criteria are then referred to the PHA for a determination of eligibility for the voucher program. The PHA screens only for income eligibility and listing on a lifetime listing on a state sex offender registration program. If found eligible, the PHA issues a voucher to the veteran and the veteran has at least 120 days to find a suitable unit. Veterans who meet these criteria are admitted to the program. Once a voucher is issued, Veterans have 120 days to obtain a lease. The PHA can grant an extension, if needed.

VA case managers work with Veterans accepted into the program to begin completing requirements for the PHA application while ensuring the Veteran is connected to VA health care and other VA and non-VA services. Veterans may need help for a variety of different issues. Barriers to placement include limited or no income, which impacts the Veteran's ability to pay security deposits, utility deposits and other up-front costs not covered by the housing voucher. Additionally, case managers assist Veterans who suffer from poor credit histories, issues involving child support obligations, and those who come from communities with a shortage of available housing.

Comprehensive Care Management Services

The HUD-VASH comprehensive case management program provides a wide range of supportive services, including emotional support, substance abuse counseling, housing search assistance, money management services, and referrals to appropriate mental health and medical care. Once a Veteran has been admitted to HUD-VASH, his or her case manager provides a psychosocial assessment and a case management and housing service plan.

Case managers work closely with Veterans to assist them with preparation for their meeting with the PHA. This includes ensuring that the Veterans fill out the PHA application correctly, that they have the required documentation and a confirmed PHA appointment, and accompanying Veterans to the appointments.

Case managers assist our Veterans in moving into their new units by coordinating the planning process and providing referrals for furniture and other needs. The needs of the Veteran determine the role of a case manager, but a typical case manager's duties will require him or her to:

- Maintain frequent contact with Veterans and families after they move into their housing, often a difficult transition; the case manager provides a bridge of support from homelessness to housing and works to sustain Veterans in their housing.
- Encourage those Veterans who have been resistant to mental health, substance abuse, or health care treatment to reconsider entering an outpatient program, to see a health care provider, or to establish goals that will help them stay in housing.
- Work with the Veteran on recovery goals—developing meaningful social connections and reconnecting with family and friends to aide in social engagement and prevent isolation.
- Provide regular home visits to check on the Veteran's stability—physical and mental health status, payment of bills, household responsibilities, and overall adaptation to the new environment.
- Meet and assist the Veteran at other places in the community, such as the Veteran's place of employment or a benefits office.
- Provide problem solving strategies.
- Provide crisis management for Veterans and families.
- Accompany the Veteran to court, when necessary.
- Assist with resolving child support issues.

Case managers assist Veterans who do not have income by helping with applications for appropriate benefits, job training or other employment assistance programs. For our Veterans with no income, the case manager assists by locating funding sources that may provide temporary assistance for critical needs. After employment, case managers assist with establishing a bank account and financial responsibility.

Some homeless Veterans have immediate family members who are also homeless or living with family or friends. Case managers help the family to reunite and assist with resources to support the family—referring family members to community providers who can assist with schools, child care, and mental health services.

HUD-VASH serves many Veterans with families and children. Nearly 11 percent of all housing provided by HUD-VASH are provided to women Veterans. And if current trends continue, by the time the first 20,000 vouchers are occupied, nearly 4,000 children will be safely housed and living with their Veteran parents, keeping families connected and intact.

CHALLENGES IN COMBATting VETERAN HOMELESSNESS

HUD-VASH limitations: The HUD-VASH Section 8 voucher provides for rent, it only provides for shelter rent plus the tenant-paid utilities, except for telephone, cable and

satellite television service, internet service. However, there are necessary living expenses for deposits, furniture, and food that Veterans need when they are initially housed. The solution to this challenge is to have shallow subsidies for initial housing start-up costs, provide employment or rapid job training programs, or provide streamlined benefits processes (both Social Security and VA benefits) for homeless Veterans. Section 604 of the Veterans' Mental Health and Other Care Improvements Act of 2008, Public Law 110-387, authorizes VA to develop the Supported Services for Veteran Families (SSVF) Program, which will provide supportive services to very low-income Veteran families in or transitioning to permanent housing, giving VA a mechanism to provide these important, shallow subsidies through private, non-profit organizations and consumer cooperatives which provide a range of support services designed to promote housing stability. The proposed regulation for this program was sent out for public comment, and input is due in June. We will publish the final regulation after staffing all input, and offer a notice of funding availability in 2011. The President's FY 2011 budget request includes \$50 million to administer this program. Once implemented, the SSVF program will address Veteran families' needs—including, where appropriate, costs associated with new housing.

Through the SSVF Program, VA also works to prevent Veterans with a high risk of becoming homeless from losing their housing. We work with grant receiving non-profits and consumer cooperatives to secure VA and other benefits including:

- Health care services;
- Daily living services;
- Personal financial planning services;
- Transportation services;
- Fiduciary and payee services;
- Legal services;
- Child care services;
- And, housing counseling services

In addition, grantees may also provide time-limited payments to third parties (landlords, utility companies, moving companies, and licensed child care providers) if these payments help Veterans' families stay in or acquire sustainable, permanent housing.

Poor Credit Histories: Veterans with poor credit histories are often automatically turned away by landlords. Case managers frequently assist Veterans with the process of credit restoration services and work with them during the initial contacts to begin addressing their poor credit.

Substance Abuse and Mental Health Issues: Homeless Veterans often have serious substance use or mental health disorders. Both of these conditions compound or create significant health problems. Case managers can assist these Veterans in entering treatment programs, and in developing strategies to find or retain housing if they choose not to enter treatment.

Criminal Histories: Many landlords refuse to rent to Veterans with criminal records, a problem compounded when the record involves sex offenses. VA is committed to serving homeless and at-risk for homeless Veterans, including those with criminal records. We demonstrated this commitment by supporting HUD's successful effort to reduce the number of justice-related disqualifiers for Veterans seeking Section 8 vouchers through the HUD-VASH program. Also, VA's Health Care for Reentry Veterans and Veterans Justice Outreach programs provide outreach and linkage to clinical and other VA services for our Veterans who have been subjects of the criminal justice system.

Lack of available Housing: Some communities simply have a lack of affordable housing. Increasing mixed use developments and income-dependent rents would greatly improve the ability of homeless persons to obtain affordable units, as would greater access to Section 8 subsidies. Section 8 subsidies will not impact the availability of affordable housing units as these vouchers will go unused if there is no housing that qualifies for such programs.

THE WAY AHEAD

VA is transforming its culture and attitudes to fit our programs to Veterans, rather than trying to fit Veterans into existing programs. Chronically homeless Veterans are those who have been continuously homeless for at least 1 year or have experienced four or more episodes of homelessness in the past 3 years, and have a disability. Among these Veterans are those with more serious mental illnesses, substance use disorders, or other disqualifying factors that may have labeled them "non-compliant" with treatment protocols or "hard to serve" in times past. They may have a history of refusing care, entering programs but failing to stay, being difficult to place in treatment due to disruptive behaviors, or not fitting models of care provided by existing programs. VA will serve these Veterans, as well, by achieving our goal of ending homelessness.

We have greatly expanded the participation of homeless and formerly homeless Veterans in our strategic planning through the Community Homelessness Assessment, Local Education and Networking Group (CHALENG) Program. In the past year, 10,701 homeless and formerly homeless Veterans—a ten-fold increase from 3 years ago—participated in CHALENG, sharing their experiences and perceptions of what VA needs to change in the delivery of effective homeless services.

At every level, we are focusing on individualized treatment plans and allowing Veterans who can do so effectively to prioritize goals for themselves. VA is working toward being a treatment partner rather than a treatment prescriber.

The HUD-VASH program is a prime example of this reorientation, as indicated by its movement toward targeting chronically homeless, vulnerable Veterans who are "hard to serve" and utilizing case management models with best practice outcomes. These approaches provide a low demand, low barrier strategy to engage the "hard to serve" population, allow the Veteran to be the driver of care goals and to provide for basic needs while engaging them in strategies to sustain permanent housing.

Substance use disorder treatment has also undergone significant change. VA national policy no longer requires a period of sobriety prior to entry to any of the VA programs, with the possible exception of Grant and Per Diem Programs, which follow the community providers' guidelines. However, VA continues to work to educate providers on this policy change. HUD-VASH is providing Substance Use Disorder Specialists to HUD-VASH teams to give support to Veterans with substance use disorders. Addition of these specialists to the team enables the Veteran to make changes toward sobriety in the environment in which they live. These specialists will also provide a link between Substance Use Treatment Programs and HUD-VASH to support transitioning Veterans with a consistent, therapeutic relationship.

The newly established Center on Homelessness Among Veterans is working with community providers and university affiliates to develop new treatment models to address both the causes and effects of homelessness and explore best-practices for specific homeless Veteran populations, including those "hard to serve." Additionally, the Center has developed training for VA staff as well as community provider staff to address the unique issues of working with this difficult to reach homeless Veteran population. Some VAMCs have developed specialized clinics for "hard to serve" homeless Veterans. These clinics are low-demand, low-barrier programs to deliver health care, mental health evaluations and social work strategies to begin to meet the basic and most important needs of these Veterans - food, shelter and safety.

Developing contracts with the critical community partners who have developed national models to rapidly house vulnerable, chronically homeless Veterans provides another route to more quickly and efficiently move our target population into housing with supportive services, but also provides new system designs VA can replicate. Dialogue with communities about their best practice methods provides VA with more strategies and fosters development of these important potential partnerships with the common goal of ending homelessness among Veterans.

One of VA's strongest traditional community partnerships has been its transitional housing program, the Grant and Per Diem (GPD) Program. This program currently has approximately 11,500 transitional housing beds. Since 2007, approximately 15.6 percent of projects receiving VA funds and 14.5 percent of the total funding through the GPD program were designed to help rural Veterans, providing an additional 397 beds for homeless Veterans. VA is currently reviewing two "notices of funding availability" that we expect will add more than 2,200 new units—including targets to increase opportunities for women and those residing on tribal lands. The application deadline was March 31, 2010. This program has served almost 100,000 Veterans since it began, and we expect as many as 20,000 Veterans will benefit from transitional housing in FY 2010.

The U.S. Interagency Council on Homelessness (USICH), of which VA is a principal partner, is currently building a plan to address a wide range of barriers to ending homelessness. This plan highlights interagency collaboration that is built on the

understanding that mainstream housing, health, and human service programs must be fully engaged and coordinated to prevent future homelessness. It will incorporate clear and focused priorities and strategies that are applicable for federal, state, local, and private sector use. USICH will provide leadership to harness public resources and the enormous wellspring of human capital in this country in order to provide every citizen the opportunity to reach their full potential. This interagency collaboration will show how we can work together in new ways so that we can end homelessness, not only among our Veterans but in the general population, and inspire citizens, nonprofits, philanthropy, and businesses to join in the effort.

CONCLUSION

Our Nation's Veterans experience higher than average rates of depression, substance abuse, and unemployment—conditions that combine to form a downward spiral that all too often ends in homelessness, and sometimes in suicide. But the President's FY 2011 budget and FY 2012 advanced appropriation request positions VA to continue transforming into a 21st Century organization and to ensure we provide timely access to benefits and high quality care to our Veterans. Nowhere is this more important than in our efforts to end homelessness in the next five years and break the downward spiral that all too often results in homelessness. The time to end homelessness among our Veterans is now. With your help, we will do it for all Veterans who seek and accept services from us. We owe every man and woman, who wore our Nation's military uniforms, no less.

Chairman Johnson, Chairman Murray and Ranking Members—this concludes my testimony. I am happy to respond to any questions you or the Committee may wish to ask.