



Statement of the

National Coalition
for Homeless Veterans

Before the

**Committee on Appropriations,
Subcommittee on Transportation and Housing and Urban
Development, and
Subcommittee on Military Construction and Veterans Affairs
United States Senate**

**Housing our Heroes: Addressing the
Issue of Homeless Veterans in America**

May 1, 2008

Chairman Murray, Chairman Johnson, Ranking Member Bond, Ranking Member Hutchison, and Members of the Subcommittees,

The National Coalition for Homeless Veterans (NCHV) appreciates the opportunity to submit testimony to the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development and the Subcommittee on Military Construction and Veterans Affairs, which includes comments on issues impacting our nation's homeless veterans.

The homeless veteran assistance movement NCHV represents began in earnest in 1990, but like a locomotive it took time to build the momentum that has turned the battle in our favor. In partnership with the Departments of Veterans Affairs (VA), Labor (DOL), and Housing and Urban Development (HUD) – and supported by funding measures the Senate Subcommittees on Veterans Affairs and on Housing and Urban Development have championed – our community veteran service providers have helped reduce the number of homeless veterans on any given night in America by 38% in the last six years.

This assessment is not based on the biases of advocates and service providers, but by the federal agencies charged with identifying and addressing the needs of the nation's most vulnerable citizens.

To its credit, the VA has presented to Congress an annual estimate of the number of homeless veterans every year since 1994. It is called the CHALENG project, which stands for Community Homelessness Assessment, and Local Education Networking Groups. In 2003 the VA CHALENG report estimate of the number of homeless veterans on any given day stood at more than 314,000; in 2006 that number had dropped to about 194,000. We have been advised the estimate in the soon-to-be published 2007 CHALENG Report shows a continued decline, to about 154,000.

Part of that reduction can be attributed to better data collection and efforts to avoid multiple counts of homeless clients who receive assistance from more than one service provider in a given service area. But in testimony before the House Committee on Veterans Affairs in the summer of 2005, VA officials affirmed the number of homeless veterans was on the decline, and credited the agency's partnership with community-based and faith-based organizations for making that downturn possible.

Though estimates are not as reliable as comprehensive "point-in-time" counts, the positive trends noted in the CHALENG reports since 2003 are impressive. The number of contacts reporting data included in the assessments is increasing, while the number of identified and estimated homeless veterans is decreasing.

Other federal assessments of veteran homelessness that support our testimony are found in HUD's 2007 "Annual Homelessness Assessment Report" (AHAR) – which reported that 18% of clients in HUD-funded homeless assistance programs are veterans – and the 2000 U.S. Census, which reported about 1.5 million veteran families are living below the

federal poverty level. Earlier this year, the National Alliance to End Homelessness (NAEH) published a report, based on information from these resources, that estimated approximately 46,000 veterans meet the criteria to be considered as “chronically homeless.”

According to the VA, in urban, suburban and rural communities throughout America, one of every three homeless adult males sleeping under bridges, in alleys and in abandoned buildings or living in shelters or other community based organizations has served our nation in the Armed Forces. Homeless veterans are mostly males (4 percent are females). 54 percent are people of color. The vast majority are single, although service providers are reporting an increased number of veterans, both women and men, with children seeking their assistance. 45 percent have a mental illness. 50 percent have an addiction.

Homeless Veteran Assistance Programs

There are only two non-government veteran-specific homeless assistance programs serving the men and women who represent nearly a quarter of the nation’s homeless population. The over-representation of veterans among the homeless that is well documented and continues to this day is the result of several influences, most notably limited resources in communities with a heavy demand for assistance by single parents and families with dependent children, the elderly and the disabled.

The DOL Homeless Veterans Reintegration Program (HVRP) and the VA Homeless Providers Grant and Per Diem (GPD) program were created in the late 1980s to provide access to services for veterans who were unable to get into local, federally funded, “mainstream” homeless assistance programs.

These programs are largely responsible for the downturn in veteran homelessness reported during the last six years, and must be advanced as essential components in any national strategy to prevent future veteran homelessness. We will touch on each separately, and briefly comment on how each may be enhanced.

Homeless Providers Grant and Per Diem Program (GPD)

Despite significant challenges and budgetary strains, the VA has quadrupled the capacity of community-based service providers to serve veterans in crisis since 2002, a noteworthy and commendable expansion that includes, at its very core, access to transitional housing, health care, mental health services and suicide prevention.

GPD is the foundation of the VA and community partnership, and currently funds nearly 10,000 service beds in non-VA facilities in every state. Under this program veterans receive a multitude of services that include housing, access to health care and dental services, substance abuse and mental health supports, personal and family counseling, education and employment assistance, and access to legal aid.

The purpose of the program is to provide the supportive services necessary to help homeless veterans achieve self sufficiency to the highest degree possible. Clients are eligible for this assistance for up to two years. Most veterans are able to move out of the program before the two-year threshold; some will need supportive housing long after they complete the eligibility period. Client progress and participant outcomes must be reported to the VA GPD office quarterly, and all programs are required to conduct financial and performance audits annually.

In September 2007, despite the commendable growth and success of this program and its role in reducing the incidence of veteran homelessness, the Government Accountability Office (GAO) reported the VA needs an additional 9,600 beds to adequately address the current need for assistance by the homeless veteran population. That finding was based on information provided by the VA, the GAO's in-depth review of the GPD program, and interviews with service providers. The VA concurred with the GAO findings.

Recommendation

Increase the annual appropriation of the GPD program to \$200 million – For FY 2008 Public Law 110-161 provided for \$130 million, the fully authorized level, to be expended for the GPD program. We greatly appreciated the leadership of the Senate VA Appropriations Subcommittee to ensure that amount was included in the FY 2008 budget. However, while it is true the projected \$137 million in the president's FY 2009 budget request will allow for expansion of the GPD program, it is not nearly enough to address the needs called for in the GAO report. While some VA officials may be concerned about the administrative capacity to handle such a large infusion of funds into the program, we believe the documented need to do so should drive the debate on this issue.

In 2006, the VA created the position of GPD Liaisons at each medical center to provide additional administrative support for the GPD office and grantees. The VA published a comprehensive program guide to better instruct grantees on funding and grant compliance issues, and expects to provide more intense training of GPD Liaisons. This represents a considerable and continual investment in the administrative oversight of the program that should translate into increased capacity to serve veterans in crisis.

Additional funding would increase the number of operational beds in the program, but under current law it could also enhance the level of other services that have been limited due to budget constraints. GPD funding for homeless veteran service centers – which has not been available in recent grant competitions – could be increased. These drop-in centers provide food, hygienic necessities, informal social supports and access to assistance that would otherwise be unavailable to men and women not yet ready to enter a residential program. They also could serve as the initial gateway for veterans in crisis who are threatened with homelessness or dealing with issues that may result in homelessness if not resolved. For Operation Iraqi Freedom and Enduring Freedom (OIF/OEF) veterans in particular, this is a critical opportunity to prevent future veteran homelessness.

Additional funding could also be used under current law to increase the number of special needs grants awarded under the GPD program. The program awards these grants to reflect the changing demographics of the homeless veteran population. One grant targets women veterans, including those with dependent children – the fastest growing segment of the homeless veteran population. Women now account for more than 14% of the forces deployed to Iraq and Afghanistan, yet there are only eight GPD programs receiving special needs grants for women in the country.

Other focuses include the frail elderly, increasingly important to serve aging Vietnam-era veterans – still the largest subgroup of homeless veterans; veterans who are terminally ill; and veterans with chronic mental illness. These grants provide transitional housing and supports for veteran clients as organizations work to find longer-term supportive housing options in their communities.

Homeless Veterans Reintegration Program (HVRP)

HVRP is a grant program that awards funding to government agencies, private service agencies and community-based nonprofits that provide employment preparation and placement assistance to homeless veterans. It is the only federal employment assistance program targeted to this special needs population. The grants are competitive, which means applicants must qualify for funding based on their proven record of success at helping clients with significant barriers to employment to enter the work force and to remain employed. In September 2007 this program was judged by the GAO as one of the most successful and efficient programs in the Department of Labor portfolio.

HVRP is unique and so highly successful because it doesn't fund employment services per se, rather it rewards organizations that guarantee job placement. DOL estimates HVRP will serve approximately 17,066 homeless veterans (\$1,500 average cost per participant) and approximately 10,240 homeless veterans will be placed into employment (\$2,500 average cost per placement) at the FY 2009 budgeted level of \$25.62 million. These costs represent a tiny investment for moving a veteran out of homelessness, and off of dependency on public programs. For Program Year 2006 (the most recent data available), the program's entered employment rate was 65.3 percent and the 90-day retained employment rate was 79.1 percent of the 65.3 percent who entered employment. Those numbers meet or exceed the results produced by most other DOL programs.

Recommendation

HVRP is authorized at \$50 million through FY 2009, yet the annual appropriation has been less than half that amount. For FY 2009, the proposed funding level of \$25.6 million would fund *only* eleven percent of the overall homeless veteran population. Based on the program's success and effectiveness in terms of employment outcomes for one of the most difficult populations to serve and its cost effectiveness as compared to other employment placement programs, NCHV believes **in FY 2009 HVRP should be funded at its full \$50 million authorization level.** We believe the proven outcomes and efficiency of HVRP warrants this consideration, and DOL-VETS has the administrative

capacity, will and desire to expand the program. Employment is the key to transition from homelessness to self sufficiency – this program is critical to the campaign to end and prevent veteran homelessness.

Addressing Prevention of Veteran Homelessness

The reduction in the number of homeless veterans on the streets of America each night proves the partnership of federal agencies and community organizations – with the leadership and oversight of Congress – has succeeded in building an intervention network that is effective and efficient. That network must continue its work for the foreseeable future, but its impact is commendable and offers hope that we can, indeed, triumph in the campaign to end veteran homelessness.

However, the lessons we have learned and the knowledge we have gained during the last two decades must also guide our nation’s leaders and policy makers in their efforts to prevent future homelessness among veterans who are still at risk due to health and economic pressures, and the newest generation of combat veterans returning from Operations Iraqi Freedom and Enduring Freedom.

Again, NCHV bases its recommendations in this regard to the published findings of the federal agencies already mentioned.

The lack of affordable permanent housing is cited as the No. 1 unmet need of America’s veterans, according to the VA CHALLENGE report. We want to express our sincere gratitude to the Senate Housing Appropriations Subcommittee for its leadership last year in the campaign to end and prevent homelessness among this nation’s military veterans. The Subcommittee’s approval of \$75 million in FY 2008 for the joint HUD-VA Supported Housing Program (HUD-VASH) allowed HUD and VA to make up to 10,000 HUD-VA supportive incremental housing vouchers available to veterans with chronic health and disability challenges. NCHV is pleased HUD has requested another increase in equal measure in FY 2009 and we urge the Subcommittee to support this amount in its legislation. Acquiring 20,000 new HUD-VASH vouchers in less than two years is a historic achievement.

The affordable housing crisis, however, extends far beyond the realm of the VA system and its community partners. Once veterans successfully complete their GPD programs, many formerly homeless veterans still cannot afford fair market rents, nor will most of them qualify for mortgages even with the VA home loan guarantee. They are, essentially, still at risk of homelessness. With another 1.5 million veteran families living below the federal poverty level (2000 U.S. Census), this is an issue that requires immediate attention and proactive engagement.

NCHV believes the issue of affordable permanent housing for veterans must be addressed on two levels – those veterans who need supportive services beyond the two-year eligibility for GPD; and those who are cost-burdened by fair market rents in their communities.

Veterans who graduate from GPD programs often need supportive services while they continue to build toward economic stability and social reintegration into mainstream society. Those who will need permanent supportive housing – the chronically mentally ill, those with functional disabilities, families impacted by poverty – may be served by the HUD-VASH program. But the majority of GPD graduates need access to affordable housing with some level of follow-up services for up to two to three years to ensure their success.

Many community-based organizations are already providing that kind of “bridge housing,” but resources for this purpose are scarce. NCHV supports three initiatives that would address this issue.

The first is a measure to provide grants to government and community agencies to **provide supportive services to low-income veterans in permanent housing**. Funds would be used to provide continuing case management, counseling, job training, transportation and child care needs. This is the intent of Section 406 of Title IV of Senate bill S. 1233, the Veterans Traumatic Brain Injury Rehabilitation Act of 2007. NCHV hopes the Senate will soon consider and pass this legislation.

The second measure calls for improving the disposition of VA real property to homeless veteran service providers. Congress has provided the VA the option to use “**enhanced use leases**” as a surplus property disposition method. The enhanced-use lease statute allows the VA to lease undeveloped or underutilized property for compensation in the form of cash or in-kind consideration. The law requires enhanced use leases “contribute to the VA’s mission, enhance the use of VA property, and provide VA with fair compensation.” Currently, VA may enter into space agreements with nonprofit organizations to utilize VA capital assets for services to homeless veterans. However, the rates the Department negotiates with nonprofit organizations may fluctuate greatly, and are sometimes above fair market rental rates or at rates that are cost-prohibitive to nonprofit organizations. NCHV recommends the two Subcommittees consider introducing legislation to require VA to enter into lease agreements to rent space to homeless providers at no charge.

The third measure would make funds available to government agencies, community organizations and developers to increase the availability of affordable housing units for low-income veterans and their families. The “**Homes for Heroes Act**” – introduced in both the Senate (S. 1084) and the House (H.R. 3329) – addresses this issue and NCHV has worked with staff in both houses in recognition and support of Congressional action on this historic veteran homelessness prevention initiative.

With respect to implementing a homelessness preventive strategy targeted to veterans returning from OIF/OEF, NCHV believes the first line of engagement is a strong **partnership between the VA and community health centers** in areas underserved by the Veterans Health Administration. While current practice allows a veteran to access services at non-VA facilities, the process is often frustrating and problematic, particularly

for a veteran in crisis. Protocols should be developed to allow VA and community clinics to process a veteran's request for assistance directly and immediately without requiring the patient to first go to a VA medical facility.

Beyond that, we believe VA Readjustment Counseling Centers, known as VA Vet Centers, must serve as the clearinghouse for information that steers combat veterans in crisis to appropriate assistance in their communities, not just to VA services. Housing assistance referrals, financial counseling, access to legal aid, family counseling, identifying educational and employment opportunities – all of these are critical in any campaign to prevent homelessness. We know that is the goal of VA Vet Centers, but some serve better than others. This is where the battle to prevent homelessness among OIF/OEF veterans will be won, and we encourage the VA and Congress to ensure adequate funding and training to guarantee their success.

In Summation:

The homeless veteran assistance movement is now 20 years old, but most of the historic achievements of the broad coalition now engaged in the campaign to end veteran homelessness have occurred in just the last six years. The partnership between the VA, DOL, HUD, and the community-based organizations we represent has exceeded the most ambitious expectations of our founders, many of whom are still serving military veterans in crisis.

NCHV believes it is now time to take the next step in the campaign to end veteran homelessness. Developing a strategy that addresses the health and economic challenges of OIF/OEF veterans – before they are threatened with homelessness – and providing the necessary funding should be a national priority. Never before in U.S. history has this nation, during a time of war, concerned itself with preventing veteran homelessness. For all our collective accomplishments, this may yet be our finest moment.