

**STATEMENT OF
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NEW JERSEY HEALTH CARE SYSTEM
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES**

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Mr. Chairman and Members of the Committee:

I am pleased to appear before the committee to discuss homeless services for veterans within the Department of Veterans Affairs (VA) New York/New Jersey Network, specifically, at the VA New Jersey Health Care System.

I would like to express to you my gratitude for having us here today. The proposals you are now considering offer the promise of making a very real difference in the lives of homeless veterans. First, let me provide you with some background on what is available to these men and women.

Currently, the VA New Jersey Health Care System is able to offer homeless veterans a wide range of services including outreach, treatment (for substance abuse, mental illness, and other medical issues), jobs, and transitional housing. This expansive range of services is possible largely because of James Farsetta's, VISN 3's Network Director, unstinting support. This support has enabled New Jersey to expand services despite significant budget reductions. Specific program elements are the result of VA leadership from people like Ms. M. Gay Koerber, Associate Chief Consultant, Health Care for Homeless Veterans. Her vision and that of Dr. Paul Errera, formerly Director, Mental Health and Behavioral Sciences Service, have made VA a national leader in the provision of progressive services to the homeless.

We have also derived enormous benefit from community partnerships. Let me give you one example of such a partnership and how partnerships can give rise to additional, unforeseen opportunities. Through a partnership with the Middlesex County Economic Opportunity Corporation, the VA New Jersey Health Care System's Veterans Industries program has been able to open Rainbow Collectibles. Rainbow Collectibles is a store that sells used and antique furniture, jewelry, and artwork. This store now employs five veterans from our program. The store is a source of pride for these veterans and has, in its small way, contributed to the economic renewal of Bound Brook, a town devastated by floods caused by Hurricane Floyd. This store is self-supporting, managed, and run by graduates of our program. No taxpayer assistance is needed to create or maintain these jobs.

As for the unforeseen opportunities I mentioned, revenues from this store and other businesses we operate have generated sufficient funds for us to rehabilitate a home in Middlesex County. In exchange, the house has been pledged as affordable housing to homeless veterans for the next 15 years. Four formerly homeless veterans now live in that house.

The benefit does not end there though. Half a dozen formerly homeless veterans rehabilitated that house in Middlesex County. These veterans became the nucleus of yet another community-based enterprise, the Veterans Construction Team. This team has now worked on eight significant projects, including the construction of our latest business—a greenhouse.

Within the next six months, we will be opening four more community-based businesses. All told these enterprises will employ up to 70 formerly homeless veterans. Employed, these veterans will become productive, tax-paying members of the community.

This experience has shown me the enormous potential of the business model in the delivery of social services. Sensible investment can generate training and jobs for the unemployed, benefiting the veterans we serve and the communities where we help start businesses. In addition to the obvious implications for self-support and independent living, jobs and decent housing offer veterans a sense of purpose and self-respect that most have lost. As they regain this sense of self-worth, research indicates they are less likely to relapse, spend fewer days homeless, and less time in the criminal justice system. Furthermore, they are more able to take on positive parental roles within their families—in turn, helping their children break the cycle of drug use and poverty.

With all of these positive developments, we have much to be cheered about. However, these programs are focused on the beginning and middle stages of recovery. We have no permanent, affordable housing to offer veterans. This is an enormous problem in the metropolitan New York City area, where soaring real estate costs have priced out those we serve. Your proposal to offer Section 8 vouchers to veterans would be a boon to those who have worked hard to rebuild their lives.

Additionally, I would like to suggest that vocational rehabilitation funds be made available for business start-ups that serve homeless veterans. One-year only funds could be offered to VA's Veterans Industries to generate such opportunities. The businesses I described are only available because Veterans Industries was willing to share costs and partner with other agencies. However, because we were willing to take this step, hundreds of veterans will receive help, when none might have been available. Furthermore, our investment will result in self-sustaining businesses that require no taxpayer support. These businesses will continue to provide needed employment for formerly homeless veterans, including those suffering from psychiatric disabilities, for many years.

These opportunities are so important because without the prospect of jobs and affordable housing, many of the veterans we serve feel they have little hope in reentering the community. Even though they all have honorably served their country, many in combat, these veterans have significant gaps in their work history. Although now drug-free, many have criminal records related to their prior drug use that impede their reentry into the job market. Poor credit histories also make it difficult to secure housing.

Finally, the substance abuse and mental illness that lead to homelessness are chronic, lifelong disorders that require continued treatment. Support for outpatient mental health services is vital to supporting continued recovery.

Thank you, again, for this opportunity to discuss the VA New Jersey Health Care System's services for homeless veterans.

This concludes my remarks. I will be happy to respond to the Committee's questions.