

**Statement of
Gordon Mansfield
Deputy Secretary for Veterans Affairs
Department of Veterans Affairs
Before the
House of Representatives
Committee on Veterans' Affairs

May 18, 2004

Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss the Department of Veterans Affairs' (VA's) programs and services for homeless veterans. I will focus on the progress VA has made in implementing programs authorized by the Homeless Veterans Comprehensive Assistance Act of 2001, Public Law 107-95, since we last appeared before this Committee to testify on these programs in May 2003. I will also discuss our implementation of the Loan Guaranty for Multifamily Transitional Housing for Homeless Veterans Program.

First, I would like to thank Congressman Renzi and the co-sponsors of HR 4057, the Samaritan Initiative, which would establish an inter-agency grant program designed to help end chronic homelessness through the coordinated provision of housing, health care, mental health and substance abuse treatment, supportive, and other services to disabled persons who have been living long term on the streets and in shelters, including veterans. This bill incorporates a proposal submitted to the Congress in the President's FY 2005 budget which calls for \$70 million in new funds - \$50 million for HUD for housing, \$10 million for HHS for primary and behavioral health care and \$10 million for VA for case management and outreach – to support collaborative community projects that combine clinical outreach, housing and the supportive services necessary to sustain the tenancies. The Samaritan Initiative supports the President's goal of ending chronic homelessness by 2012.

would also like to underscore VA's continuing commitment to the goal of ending homelessness, especially for veterans. VA has allocated significant resources to programs directly related to provide services and benefits to homeless veterans. The total obligations for specialized programs for homeless veterans was over \$153 million for FY 2003, and the total costs of "treatment" for homeless veterans was \$1.27 billion. The total costs of "treatment" for homeless veterans are currently projected to grow to \$1.37 billion in FY 2004 and \$1.47 billion in FY 2005. On top of this are the compensation and pension and other benefit payments made to homeless veterans. As I testified last week, serving homeless veterans is a priority for both Secretary Principi and me.

It is our mission to do all we can to eradicate homelessness among veterans. We work in a variety of venues with many partners at the Federal, State, and local levels and with faith-based and other community providers. Only through such effective and extensive collaborations, combined with innovation, can we maximize our opportunities for success.

VA's Advisory Committee on Homeless Veterans

In our efforts to identify the best way to serve homeless veterans, we have relied heavily on VA's Advisory Committee on Homeless Veterans. As you know, the members of this Advisory Committee possess special expertise and vast experience in serving homeless veterans. We have implemented many of the recommendations made in the Advisory Committee's first report and are working towards implementation of many others. We look forward to delivering the Advisory Committee's Second Annual Report in mid-summer.

Interagency Council on Homelessness / Federal and Local Relationships

To further our inter-agency collaborative efforts to assist homeless veterans, we continue to actively participate in the United States Interagency Council on Homelessness (ICH). Secretary Principi has led the Department in participation attending each of the cabinet-secretary level meetings. He is now the Chair of the

Council. Mr. Peter H. Dougherty, VA's director of Homeless Veterans Programs, continues to serve as VA's representative to the Council's Senior Policy Working Group.

In the last year we have worked closely with the Departments of Housing and Urban Development (HUD) and Health and Human Services (HHS) on an initiative to assist the chronically homeless with housing, health care and benefits coordination. Under this initiative, \$35 million has been provided to eleven communities that developed quality plans to house and serve many of our nation's most needy. This effort is based on the premise that housing and treating the chronically homeless will decrease the total costs for health care, emergency housing, related social services and justice system costs. VA is pleased to be a partner in this effort.

We also continue to make important strides at the local level. The local level is our front line: the point at which we meet and provide needed services to veterans. VA continues to collaborate with local communities across the United States in Project CHALENG (Community Homelessness Assessment, Local Education and Networking Groups) for Veterans. At regularly scheduled CHALENG meetings, VA works with non-VA homeless service providers and local homeless veterans to identify outstanding service needs of homeless veterans and to develop action plans to address those needs.

CHALENG is integral in enabling VA medical centers to strengthen their partnerships with community service providers. This leads to better coordination of VA services as well as the development of innovative, cost-effective strategies to address the needs of homeless veterans at the local level.

VA Involvement in Stand-Downs

Another avenue by which we continue to coordinate our programs and outreach efforts at the local level is through our significant and integral involvement in stand-downs. Last year, VA joined in more than 100 stand-down events in 39 states and the District of Columbia. Along with hundreds of veteran service organizations, community

homeless service providers, state and local governments, faith-based organizations, and health and social service providers, VA provided assistance to homeless veterans. More than 20,000 veterans came to the stand-downs to acquire services (a 12% increase from the previous year), including more than 1,400 women veterans (a 40% increase). Over 2,700 spouses (an 18% increase) and over 1,800 children of veterans (a 14% increase) also attended these events. While providing services to more than thousands of veterans and family members is impressive, it is the kind of care and active community involvement that makes these events truly impressive. More than 13,500 volunteers and VA employees participated in these events during the past year and more than 150,000 volunteers and VA employees have participated since we began tracking these events in 1994.

Homeless Providers Grant and Per Diem Program

VA's most significant program involving local communities continues to be our Homeless Providers Grant and Per Diem Program. As you are aware, this highly successful program allows VA to assist state and local governments, and faith-based and other non profit organizations in developing supportive transitional housing programs and supportive service centers for homeless veterans. These organizations may also use VA funds to purchase vans to conduct outreach and provide transportation for homeless veterans.

During this past year, we achieved one of our key goals: to authorize funding for at least one transitional housing program in each state. We also targeted funding to States that had no or limited veteran-specific transitional housing program. Since the program was authorized in 1992, VA has obligated \$76 million to the grant component of the program. These funds are helping both to develop more than 6,400 transitional housing beds (of which 65 percent are operational) and 17 independent service centers and to purchase 128 vans.

We also offer limited grants for three-year cycles under our "Per Diem Only" funding option. Currently, 76 existing community based programs with 1,854 beds are

receiving per diem payments. This represents 49% of the almost 3,800 total beds that have been authorized for per diem only payments through per diem only rounds of funding. We expect that all per diem only funded beds will be operational within a year.

Technical Assistance Grants

With enactment of Public Law 107-95, VA was authorized to provide grants to entities with expertise in preparing grant applications. Under the program, these entities are to provide technical assistance to non-profit community-based groups that have experience in providing assistance to homeless veterans and seek VA grants or other grants relating to serving homeless veterans. Recently, we awarded the first of such grants to the National Coalition for Homeless Veterans (NCHV).

Grants for Homeless Veterans with Special Needs

Public Law 107-95 also authorized VA to provide grants to VA health care facilities and to existing grant and per diem recipients to assist them in serving homeless veterans with special needs (including veterans who have care of dependent children, chronically mentally ill, frail elderly and terminally ill). We will be moving forward with this worthwhile initiative.

Grants to Meet National Fire and Safety Codes

VA has also awarded grants to existing grant recipients to assist them in meeting national fire and safety codes. Because there are still more grantees that could benefit from this special assistance, we intend to publish a Notice of Funding Availability (NOFA) to announce continuation of this program at the \$2 million funding level. The grants will be open to all existing transitional housing providers previously funded under the Grant and Per Diem program. VA medical centers' Fire and Safety Engineers will work with existing grant recipients to identify any code violations and estimate the cost of correcting any such deficiencies.

Coordination of Outreach Services for Veterans At-Risk of Homelessness

VA, together with the Department of Labor (DOL) and the Department of Justice (DOJ), has helped to develop a Demonstration Program to determine the costs and benefits of providing referral and counseling services to eligible veterans who are at risk of homelessness upon their release from penal institutions or institutions that provide long-term care for mental illness. One of the demonstration sites will be a penal institution under the jurisdiction of DOJ.

Last year, we addressed the specific steps taken by DOJ, the Department of Labor (DOL), and VA in designing the program component for incarcerated veterans. At this stage, DOL has contracted with entities to carry out the demonstration program, and VA has helped DOL to provide necessary training to those organizations. Representatives from both Veterans Health Administration and the Veterans Benefits Administration will ensure that veterans served at each of the demonstration sites receive information about available VA benefits and services.

Our commitment to this program is strong. We believe that many of these veterans will, with assistance, return to productive lives. While the number of incarcerated veterans is comparatively small (approximately 10-15 percent of the prison population), it is expected that these joint Federal efforts will assist many veterans who would be at risk for homelessness upon their release. Moreover, after their release, we will seek to provide a continuum of services to these veterans, chiefly through the provision of transitional housing made available through the Homeless Providers Grant and Per Diem Program. DOL will also provide funding under its Homeless Veterans Reintegration Programs (HVRP).

VA's Health Care for Homeless Veterans Programs staff continue to conduct outreach to mentally ill veterans who are at risk for homelessness upon discharge from institutional care.

Residential Rehabilitation and Treatment Programs (RRTPs)

VA's Domiciliary Care for Homeless Veterans (DCHV) Program, which has recently been renamed as the "Residential Rehabilitation and Treatment Program," provides a full range of treatment services to many homeless veterans. Over the past 15 years, VA has established 35 DCHV programs with a total of 1,873 beds. In FY 2003, 5,156 homeless veterans were treated in DCHV programs. At present, VA is considering ways to improve the delivery of services in these programs. In particular, we recognize the need to better integrate the provision of mental health and geriatric services.

HUD-VASH

We also want to recognize HUD's long-standing support of the HUD-VASH program. This is a very successful partnership that links the provision of VA clinical care with permanent housing to assist the recovery of homeless chronically mentally ill veterans. HUD and VA have agreed to continue this valuable program, subject to the availability of resources.

Veterans Benefits Administration (VBA) Staffing at Regional Offices

Homeless veterans outreach coordinators (HVOCs) at all VA regional offices work in their communities to identify homeless veterans, advise them of VA benefits and services, and assist them with claims. The coordinators also network with other VA entities, local government, social service agencies and other service providers to the homeless to inform homeless veterans about other benefits and services available to them. In FY 2003, VBA employees assisted homeless veterans in 25,367 instances. They contacted 2,988 shelters, made 3,669 referrals to community agencies, and made 7,793 referrals to VHA and the DOL Homeless Veterans Reintegration programs.

Since the beginning of fiscal year 2003, all regional offices have begun maintaining an active record of all compensation and pension claims received from homeless veterans. Procedures for the special handling and processing of these claims are in place. In FY 2003, VBA received 3,761 claims for compensation and pension

from homeless veterans. Out of this total number, 55 percent were claims for compensation and 45 percent were for pension. Of the compensation claims processed, 45 percent were granted, with an average disability rating of 50 percent. Seven percent were rated at 100 percent disabling. Of the total claims denied, 79 percent were due to the veteran's disability not being service connected. The average processing time for all compensation claims of homeless veterans was 116 days.

Of the pension claims processed, 75 percent were granted. Of the total claims denied, 40 percent were due to the veteran's disability not being permanent and total. The average processing time for all pension claims of homeless veterans was 73 days.

Loan Guaranty for Multifamily Housing for Homeless Veterans Program

This innovative program to provide long-term transitional housing with supportive services for formerly homeless veterans was authorized by Public Law 105-368. Many complex issues, often varying from jurisdiction to jurisdiction, surround implementation of this program. In September 2002, Secretary Principi asked Claude Hutchinson, Director of VA's Asset Enterprise Management Office, to take the lead for the Department in implementing the Loan Guaranty for Multifamily Transitional Housing for Homeless Veterans Program. Implementation has involved working closely with veteran service organizations, veteran-specific housing providers, faith-based organizations, clinical support service programs, VA medical care staff, state, city and county agencies, homeless service providers, and finance and housing experts. We are also using consultants to assist us with our evaluation of potential sites and providers of housing services.

VA has issued conditional commitments for four guaranteed loans for transitional housing projects that would, when completed, provide over 800 new beds for homeless veterans. The sponsors, locations, and projected beds for these projects are:

- Catholic Charities of Chicago, Chicago, Illinois, 141 beds,
- Vietnam Veterans of San Diego, San Diego, California, 144 beds,
- Volunteers of America, Miami, Florida, 116 beds,
- Cloudbreak Houston, Houston, Texas, 440 beds.

VA is continuing to work with these organizations and governmental and private entities that may be providing support for those projects to ensure all conditions for the loans can be met and final financing approved in the near future.

Summary

Since Public Law 107-95 was enacted, VA has made significant progress. Each year we share with you our annual report to the Congress that outlines our activities for homeless veterans. VA is collaborating closely with other Federal agencies, state and local governments and faith-based and other community-based organizations to assure that homeless veterans have access to a full range of health care, benefits and support services. We still have much to do to end chronic homelessness among veterans in America, and we are eager to work with you to meet that challenge.

Mr. Chairman, this concludes my statement, I will now be happy to answer any questions that you or members of the Subcommittee may have.