

STATEMENT

of

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of the



National Coalition
for Homeless Veterans

before the

Committee on Veterans Affairs
United States House of Representatives

The Honorable Christopher Smith
Chairman

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Chairman Smith and Committee members:

The National Coalition for Homeless Veterans (NCHV) is a nonprofit 501(c)(3) corporation, established in 1990 by a group of community based veteran service providers to educate America's people about the extraordinarily high percentage of veterans among the homeless and to place homeless veterans on the national public policy agenda.

These providers, all former military men, were concerned that policy makers did not understand the unique reasons why veterans become homeless and the fact that these veterans, men and women who defended America's freedom, were being dramatically under served in a time of personal crisis.

In the years since its founding, NCHV's membership has grown to almost 225 organizations in 42 states and the District of Columbia.

The majority of NCHV's members provide front line housing and supportive services to homeless veterans and their families. Services fall within the full continuum of care system including drop-in centers, emergency shelters, transitional supportive housing, and permanent housing.

The mission of NCHV is to end homelessness among veterans by shaping public policy, promoting collaboration, and building the capacity of service providers.

The National Coalition for Homeless Veterans (NCHV) is committed to assisting the men and women who have served our Nation well to have decent shelter, adequate nutrition, and acute medical care when needed. NCHV is committed to doing all we can to help ensure that the organizations, agencies, and groups who assist veterans with these most fundamental human needs receive the resources adequate to provide these services to perform this task. Our veterans served us faithfully, often heroically. Each of us can do no less than to do our part to ensure that these men and women are treated with dignity and respect.

NCHV believes that "homeless veterans" is not a generic and separate group of people who are homeless as a permanent characteristic. Rather, NCHV takes the position that there are veterans who have problems that have become so acute that a veteran becomes homeless for a time. In a great many cases these problems and difficulties are directly traceable to that individual's experience in military service or his or her return to civilian society.

The specific sequences of events that led to these American veterans being in the state of homelessness are as varied as there are veterans who find themselves in this condition.

It is clear that the present way of organizing the delivery of vitally needed services has failed to assist the veterans who are so overwhelmed by their problems and difficulties that they find themselves homeless for at least part of the year.

Mr. Chairman, on behalf of the National Coalition for Homeless Veterans, I thank you for the opportunity to present our views here today. NCHV salutes your vision and leadership in enacting and monitoring the progress of legislation to support our nation's veterans. For veteran advocates it can be frustrating to see legislation enacted but never implemented, but with your oversight leadership we are confident many of our concerns will be addressed.

Veterans' Transitional Housing Opportunities Act of 1998-PL105-368

The National Coalition for Homeless Veterans was intimately involved with the development of HR3039, Veterans' Transitional Housing Opportunities Act of 1998, which became PL105-368 on November 11, 1998. Several members of our Board of Directors worked with the staff of this committee on the concept, details and the advocacy to garner support for enactment.

It is with NCHV's great disappointment that this law has not been implemented by the Department of Veterans Affairs. On Veterans Day it will be four years since this law was passed and this nation has **missed the opportunity to offer assistance to hundreds of homeless veterans**. NCHV's expectation was that this law would create an additional 5,000 beds in long term transitional housing for homeless veterans. There continues to be a need for a significant number of new units of transitional housing for veterans, NCHV believes that the need is clear, apparent, and pressing in most areas of the country. There are 275,000 veterans who are homeless on any given night, with double that number during the course of a given year. NCHV members and others express the need for safe, clean, sober housing for veterans as being one of the most pressing needs in their efforts to assist veterans, if indeed not the most pressing need.

In the original hearing for this legislation on December 18, 1997 held by this committee in Buffalo, NY the VA declined to present official views and during a February 24, 1998 hearing declined to support the bill citing a lack of experience in multifamily housing. From NCHV's perspective the VA has continued to drag its feet in the process to implement the law mandated by Congress. During NCHV's annual conferences over the last four years our membership has been inquisitive about the progress and availability of this approved loan guarantee. To which the VA consistently reports that the process is being developed or is in review. It is our feeling that the VA is trying to provide "death by review" for this law.

NCHV understands this is a complicated process and there is supportive VA staff but the VA hired experts to provide advice and still not to have an implementation plan after four years appears morally wrong and flaunts defiance of Congressional mandates.

NCHV is hopeful that VA Secretary Principi, who inherited this situation, will show strong unwavering leadership by mandating to his staff to implement the requirements of Veterans' Transitional Housing Opportunities Act of 1998.

IMPLEMENTATION OF PL107-95 HOMELESS VETERANS ASSISTANCE ACT

The President signed this law on December 21, 2001 and it is NCHV and Congress' expectations this will be implemented. The Department of Veterans Affairs has the primary role in the responsibilities for provisions in this law. While it has been nine months since the law was enacted NCHV has not been advised of a development plan to implement the provisions of the law.

From our viewpoint, as the only national organization with the mission of ending homelessness among veterans, we would expect to be included in development of planning and briefings from the VA on homeless issues. This occurs infrequently and informally. It is our impression the VA tends to believe they are the "supreme being" when it comes to all issues concerning veterans and do not enter into partnerships well unless they have the superior role. They use the list of VA Homeless Providers Grant and Per Diem grantees as a list of their "partners" in the homeless issue but this is a subservient role that the grantees play and are not true partners.

The VA has expressed concern that PL107-95 is an unfunded mandate and they do not have the resources to implement its provisions. In reviewing the history of VHA budget requests compared to Congressional appropriations since 1997, each year Congress has **provided VHA more funding than they requested**. So what is the real issue? Perhaps the internal priorities of the VA need adjustment. Since VHA resists having special purpose funding requirements made on the Department in order for them to have maximum flexibility to determine internal and local VISN priorities, even if funds were appropriated by Congress specific for homeless programs how would the money be internally allocated?

NCHV is pleased that Secretary Principi has implemented one piece of the legislation dealing with the establishment of an advisory committee on homeless veterans. He has assembled a knowledgeable committee and they are about to have their second full meeting. NCHV was somewhat surprised that NCHV was not asked for a representative to serve on this committee. While many of the committee members have membership in NCHV, no one represents the only national organization with the mission of ending homelessness among veterans.

Here we are highlighting sections of the law that are critical to community based homeless veteran providers and our comments.

Section 5 Improvement and consolidation of provisions of law relating to homeless veterans.

2013 Transitional Housing Funding Homeless Providers Grant and Per Diem Program appropriation authorizing: \$60m FY02, \$75m FY03, \$75m FY04, \$75m FY05 in

expenditures. *The VA Secretary needs to allocate these amounts in the internal budget priorities.*

Approximately 5,000 transitional housing beds will be available funded through the Homeless Providers Grant and Per Diem program for veterans of which 2,076 are currently activated. The need for increased funding for beds through this program has never diminished since its inception. There is an un-addressed need for housing that is safe, clean, sober and has responsible staff to ensure that it stays that way, and that supportive services are regularly provided as to be sufficient to help veterans fully recover as much independence and autonomy as possible.

In FY02 the most recent “notice of funds available” the VA only offered \$13.5 for new per diem grantees and no funds were made available for the “grant” piece of bricks and mortar for new or expansion of programs. Approximately \$32 million will be allocated for continuation funding of previous per diem grantees.

VHA has made a policy decision to terminate contracts with community-based providers under a “per diem” process that had provided operating expenses, outside the Homeless Providers Grant and Per Diem Program, which was approximately \$15 million annually. These contracts were to provide services that were similar to the Grant and Per Diem Program, but often more intensive for veterans that often are sicker and employment is not a realistic outcome expectation. The “per diem” rate average was approximately \$39 per day, compared to the anticipated per diem rate in FY03 of approximately \$27. The contract “per diem” providers must now compete within the Homeless Providers Grant and Per Diem Program process which focuses on employment as an expected outcome.

The melding of the contract “per diem” with the Homeless Providers Grant and Per Diem Program has created an illusion of sorts that the VA is allocating more resources to the Homeless Providers Grant and Per Diem Program, when actually total resources for homeless veteran grants to community based organizations has decreased.

As NCHV predicted in our testimony before this committee in September 2001, that when the new per diem rate became effective that was part of this bill, that there would be a decrease in the beds funded if the VA did not allocate the full authorized amount to this program.

2021 Homeless Veterans Reintegration Programs

Authorization of appropriations: FY02 through FY05, \$50million

The Homeless Veteran Reintegration Program (HVRP) managed through the US Department of Labor, Veterans Employment and Training Service is virtually the only program that focuses on employment of veterans who are homeless. Since other resources that should be available to

our member organizations to fund activities that result in gainful employment are not generally available, HVRP takes on an importance far beyond the very small dollar amounts involved.

Work is the key to helping homeless veterans rejoin American society. As important as quality clinical care, other supportive services, and transitional housing may be, the fact remains that helping veterans get and keep a job can be the most essential element in their recovery and reintegration for those that work is a realistic outcome.

The Homeless Veteran Reintegration Program is a job placement program begun in 1989 to provide grants to community-based organizations that employ flexible and innovative approaches to assist homeless, unemployed veterans reenter the workforce. Local programs offer employment and job-readiness services to place these veterans directly into paying jobs. HVRP provides the key element often missing from most homeless programming.....job placement.

Through HVRP funds veterans gain access to civilian assistance, veteran benefits and entitlements, education and training opportunities, legal assistance, whatever is needed to begin the rebuilding process towards employment.

HVRP programs work with veterans who have special needs and are shunned by other programs and services, veterans who have hit the very bottom, including those with long histories of substance abuse, severe PTSD, serious social problems, those who have legal issues, and those who are HIV positive. These veterans require more time consuming, specialized, intensive assessment, referrals, and counseling than is possible in other programs that work with other veterans seeking employment.

This program has suffered since its inception because it is small and an easy target for elimination or reduced appropriations. **DOL does not ask for the full appropriation for HVRP in the budget they submit to OMB.** The reason they have given is that they do not have the capacity to manage an increased grant activity. **Leaving money on the table that could translate into decreasing the number of homeless veterans across our nation is unconscionable in NCHV's viewpoint.** There are a myriad of solutions to the capacity issue for DOL VETS and NCHV believes the Department lacks a sense of leadership, understanding and urgency for their role in ending homelessness among veterans.

NCHV would also ask members of this committee to appeal to their fellow Representatives on the House Appropriations Committee to appropriate the amount you recommended.

2022 Coordination of outreach services for veterans at risk of homelessness. Focus on discharge from mental health programs, substance abuse and penal institutions. Development of plan from Readjustment Counseling Services and Mental Health Services calling for coordination of services with other entities and an annual report to Congress. *VA needs to*

develop the plan working with community based organizations, and fund this through internal budget priorities.

2023 Demonstration program relating to referral and counseling for veterans transitioning from certain institutions who are at risk for homelessness. Authorizes “at least six locations” one which shall be Federal penal institution over 4 year period. *VA needs to develop a plan working with community based organizations and fund this from internal money.*

Requirements of sections 2022 and 2023 are prime opportunities to work on **prevention** of homelessness among veterans that has long been ignored. It we are to reach the goal of ending homelessness among veterans resources need to be focused on prevention efforts.

2061 Grant program for homeless veterans with special needs.

Grants (\$5m, FY03-05) to health care facilities and grant and per diem providers for programs that target: women; frail elderly, terminally ill, chronically mentally ill. *The VA Secretary needs to allocate these amounts in the internal budget priorities.*

2062 Dental Care

Adds criteria for care to homeless veterans.

The VA does not now provide dental care for all eligible veterans because they do not direct resources to fund. It is unlikely that homeless veterans will ever receive services unless the VA directs resources to comply with this Congressional mandate.

2064 Technical Assistance

Competitive grant to provide technical assistance to community based groups applying for grant and per diem grants. \$750,000 per FY02-05. *The VA Secretary needs to allocate these amounts in the internal budget priorities.*

It is very clear that it takes a network of partnerships to be able to provide a full range of services to homeless veterans. No one entity can provide this complex set of requirements without developing relationships with others in the community.

Community-based nonprofit organizations are most often the coordinator of services because they house the veterans during their transition. These community-based organizations ***must orchestrate a complex set of funding and service delivery streams with multiple agencies*** in which each one plays a key critical role.

There is a wide variety of Federal, state and private funds that veteran service providers are eligible for in the course of serving homeless veterans. The challenge is in accessing them. Many veteran specific providers lose several years before being able to position themselves to successfully compete and receive ANY federal, state or local agency funds.

The veteran community-based organization system faces a capacity gap around managing this complexity in order to respond successfully to the distribution system for accessing funds and then if awarded the resources to pay for management and financial reporting systems to properly service those funds.

The goal for this technical assistance allocation, for community based homeless veteran service providers, is to significantly increase their ability to access federal, state and private funding streams and to enhance the efficiency of utilization of these funds and their organizations.

Section 8 Programmatic Expansions

(a) Access to Mental Health Services – VA to develop standards to ensure mental health services available to veterans in a manner similar to primary care.

The VA needs to make this a priority.

Public Law 104-262 enacted in October 1996, required the VA to “maintain capacity to provide for specialized treatment and rehabilitative needs of disabled veterans (including veterans with spinal cord dysfunction, blindness, amputations, and mental illness) within distinct programs or facilities of the Department....”

However the VA has not maintained that capacity to serve these veterans and PL107-95 is even more specific.....how will the VA respond? The reductions and curtailment of services are drastic in mental health and substance abuse disorder programs which concerns NCHV. In the December 1999 report issued by the Interagency Council on the Homeless, found that ***76% of homeless veterans have a mental health and/or substance abuse issue.*** It is shocking to hear from the VA Advisory Committee on Seriously and Mental Ill Veterans an estimate that over \$600 million has been diverted from mental health programs over the last few years. ***An April 2000 GAO (HEHS-00-57) report concluded that between 1996-1998 inpatient services to serious mental ill patients decreased by 19%. Substance abuse disorder inpatient treatment was reportedly decreased by 41% in the same GAO report.***

That same GAO report reported that the VA generally believed that alternative care settings developed to move patients to an out patient treatment setting were appropriate for special disability populations, although no clear evidence exists to support this position. ***Many communities do not have adequate resources to support this increase in demand that had once been provided by the VA*** and homeless veterans need safe and sober housing to go to when receiving treatment in an out patient model.

Additionally this GAO report concluded that VA managers are not specifically accountable for special disability programs and that responsibility for maintaining capacity is fragmented among organizational units. NCHV is concerned that the funding Congress intends to have used serving this vulnerable population has been redirected and VA accountability is lacking and

veterans are suffering as a result. How many veterans are not receiving assistance? How many get turned away or virtually turned away by not having services available?

In a recent Senate hearing testimony was provided that stated “total per capita expenditures for veteran mental health patients has declined by 20.6% since 1995. Between 1995 and 2001, the number of veterans in need of mental health service has increased 26%, yet mental health expenditures have increased only 9%.”

What types of veterans should the VA be serving? In PL104-262 it specified seven priority categories. At the time of this law’s enactment, priority 7 veterans (non-service connected and typically higher income) made up 3% of those who used the health care system. The VA’s budget submission for FY03 discloses that **priority 7 veterans are expected to make up 33%** of VA enrollees. These veterans often have other health care coverage but the VA is redirecting resources to serve these veterans. While VA mental health and substance abuse programs, which overwhelmingly serve service connected and low income veterans, have suffered severe cost cutting. The VA has allowed a redirection of funds to non-mental health care in clear violation of the capacity law. It is shocking to realize the VA has diminished its support to veterans who are most vulnerable and most in need and in doing so **has altered its mission to serve an ever-growing number of those with the lowest claim to VA care.**

Section 10 Use of Real Property

(a) Limitation of declaring property excess to the needs of the department – adds wording specific to homeless veteran services.

(b) Waiver of competitive selection process for enhanced-use leases for properties used to serve homeless veterans.

The VA seems to be waiting for the CARES process to be completed before making properties available, while six million square feet of underutilized VA space sits waiting that in many cases could be used for homeless veteran community based programs.

NCHV members that have entered into enhanced sharing agreements for use of VA space to provide services to homeless veterans are reporting that hospital directors are significantly increasing the reimbursement rates for use of that space. The hospital directors are citing VHA Directive 1660.1, August 3, 2000 as the authorizing authority to **charge these homeless veteran service providers local fair market rates.**

Less than full cost may be considered only when the VA decides the contract is necessary to maintain the level of quality or to keep a program in existence for veteran use. However, since the VA has been shifting their service to “priority 7” veterans, and the need to offset their local hospital budget requirements has increased, services to homeless veterans are not seen as in their mission. Even though homeless veteran service providers are most often supplying services the VA does not provide such as housing, counseling, employment services, family reunification,

and legal counseling that homeless veterans need to complete their transition out of homelessness.

Homeless veteran providers are being **required to decrease services in order to increase rent payments to the VA or close down their programs. Often the money that is used for rent has been procured through a grant from another Federal agency. How much sense does this make when we are spending tax dollars?**

Section 12 Rental Assistance vouchers for HUD Veterans Affairs supported housing program.

Increase in number of vouchers: FY03 500, FY04 1000, FY05 1500, FY06 2000.

No report from HUD as to their implementation plan.

NCHV looks forward to working with this committee and its staff on solutions that will assist with the implementation of its mandates that are intended to lead to the end of homelessness among veterans.

Mr. Chairman, thank you for this opportunity.

CURRICULUM VITAE

Linda Boone, Executive Director, National Coalition *for* Homeless Veterans took over the management of this national advocacy organization in April 1996. Linda's activities on veteran issues started in 1969 as a volunteer in her local community. Her advocacy for homeless veterans began in 1990 after meeting veterans living under a boardwalk near her home.

Prior to becoming executive director for NCHV Boone spent over 20 years in materials management positions at high tech manufacturing companies and as a consultant to companies and organizations for competitive management practices.

The National Coalition for Homeless Veterans was founded in 1990 by a group of veteran service providers when they became frustrated with the growing numbers of homeless veterans that were coming into their facilities and the lack of resources to adequately provide services.

The mission of NCHV is to end homeless among veterans by shaping public policy, promoting collaboration, and building the capacity of service providers.

FEDERAL GRANT OR CONTRACT DISCLOSURE

The National Coalition for Homeless Veterans received a \$60,000 grant from the US Department of Labor in FY2000 to provide incentive grants to NCHV members for employment programs serving homeless veterans.

An appropriation from Congress was provided to NCHV in the FY2001 budget for \$400,000 to provide technical assistance for service providers. Through FY02, \$330,000 of that appropriation has been accessed.