

**LOOKING AT OUR HOMELESS VETERANS
PROGRAMS: HOW EFFECTIVE ARE THEY?**

HEARING
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE
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LOOKING AT OUR HOMELESS VETERANS PROGRAMS: HOW EFFECTIVE ARE THEY?

THURSDAY, MARCH 16, 2006

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 9:57 a.m., in room 418, Russell Senate Office Building, Hon. Larry E. Craig, Chairman of the Committee, presiding.

Present: Senators Craig, Akaka, Obama, and Salazar.

OPENING STATEMENT OF HON. LARRY E. CRAIG, CHAIRMAN, U.S. SENATOR FROM IDAHO

Chairman CRAIG. Good morning. We are doing something very unusual in the history of the Senate. We will be starting the hearing early today because we have been thrown a curve, and that is we are in a marathon voting session with the budget resolution. At about 10:40, Senator Akaka and I are going to have to leave for a series of votes, so we are going to have to abbreviate the whole process today. We still want to get all of you in, those who have come to testify, and so we will certainly accommodate and feel obligated to do so.

Obviously, dealing with America's homeless veterans is a critical and important issue to us. This Committee has focused on this problem and how to resolve it, and will continue to as we look at it not only today, but into the future.

This year alone, more than a half dozen Federal agencies will devote over \$2 billion to homelessness. The VA alone will spend upwards of \$221 million to treat the underlying conditions and situations. It is important that we know how that is working because reports indicate that there are still way too many homeless veterans. I think we must also pursue, as it relates to what triggers a program, who is a homeless veteran, how that individual is identified and defined, and that is going to be an important part of the issue.

I will submit the rest of my opening statement for the record.

[The prepared statement of Senator Craig follows:]

PREPARED STATEMENT OF HON. LARRY E. CRAIG, CHAIRMAN,
U.S. SENATOR FROM IDAHO

Good morning ladies and gentlemen. The Committee on Veterans' Affairs will now come to order.

Today's examination of homeless veteran programs is a timely one. Public Law 107-95 was enacted in December 2001, and many on this Committee had a hand in crafting it. But, that was the last authorization of many of the programs aimed

at preventing and reducing homelessness amongst veterans. A number of those authorizations have expired or will expire this year.

Today, we will examine what is working, what isn't, whether there is duplication that might be eliminated, and whether there are deficiencies that must be addressed. And, as the witness panels suggest, I am not only interested in hearing from the government agencies that administer these programs. I also want to hear from those in our communities who have, and continue to, help homeless veterans recover and rehabilitate in their hometowns.

The statistics are staggering. Forty-five percent of homeless veterans have a mental illness. Half suffer from addiction. Over a third have both psychiatric and substance abuse disorders.

This year alone, more than a half dozen Federal agencies will devote over \$2 billion to homelessness. VA alone will spend upward of \$221 million on grants, housing, and treatment of the underlying conditions. In fact, the budget we are debating this week includes record-level funding for the sixth straight year for targeted programs for homeless veterans. These figures don't include the total costs of the law enforcement and emergency room services of the homeless, which are astounding.

America's chronically homeless are some of the most expensive people in communities across this country, yet they live lives most of us can't imagine. Today I hope to learn what is being done to assist homeless veterans resume their self-sufficiency and independence.

The comprehensive services needed make this a complex challenge. I am particularly interested in four distinct, but equally important matters.

First, who is a homeless veteran? One of our biggest challenges, as I see it, is that there is no settled definition of homelessness. Some programs follow definitions in law, and some have adopted modified understandings. But, varying interpretations are leading to varying eligibility. If we are to consider expanding programs to include those who are "imminently at risk" of homelessness, we must first agree upon who is homeless, and who is imminently at risk.

Second, are local partners incentivized to help solve this problem? Our communities are on the front lines of homelessness, and VA employees in suburban and rural areas have told me of their difficulty in attracting community participants in the Grant and Per Diem and other programs.

Third, what is being done to prevent future homelessness? I am concerned by accounts of returning OEF/OIF soldiers spending holidays in shelters across this country. And finally, as the number of women veterans rises, are we prepared to meet their needs? We are privileged today to have two panels of witnesses to speak on this very important issue. On our first panel is Pete Dougherty, Director of VA's Office of Homeless Veterans Programs. Pete is joined today by Paul Smits and Roger Casey, both of VA.

Representing the Labor Department's Veterans' Employment and Training Program is Assistant Secretary "Chick" Ciccolella, and representing the Interagency Council on Homelessness, Executive Director Philip Mangano.

Shortly, we will be joined on the second panel by Michael Blecker, representing the National Coalition of Homeless Veterans; Alan Belcher, President of Board of Directors of Transitional Living Services in Woodstock, Illinois; and Tim Cantwell, Manager of Cloudbreak Development in Inglewood, CA.

Gentlemen, I welcome all of you here today and I look forward to your testimony. First, I want to yield to the Ranking Member of the Committee on Veterans' Affairs, Senator Daniel Akaka.

Chairman CRAIG. I would turn to Senator Akaka for any additional comments he would like to make.

**STATEMENT OF HON. DANIEL K. AKAKA, RANKING MEMBER,
U.S. SENATOR FROM HAWAII**

Senator AKAKA. Thank you very much, Mr. Chairman. I enjoy working with you and with the staffs and look forward to continuing with this problem that we have.

I want to welcome our witnesses. I know we will have two panels, and we certainly join you in trying to determine how we can help the homeless. We know you are out there trying to help the homeless. It has really been a problem of the veterans of our country.

Mr. Chairman, I too, want to submit my statement and we would like to hear from the witnesses. Thank you.

Chairman CRAIG. Senator, thank you very much.

[The prepared statement of Senator Akaka follows:]

PREPARED STATEMENT OF HON. DANIEL K. AKAKA, RANKING MEMBER,
U.S. SENATOR FROM HAWAII

It is certainly a pleasure to be here today. We are examining what VA and the Department of Labor are doing to help homeless veterans. We are joined here by two panels of witnesses, all of whom are dedicated toward helping homeless veterans. Sadly, they are not short of work, as it has been estimated that veterans comprise approximately one-third of the total homeless population.

Of the Vietnam Era veterans, there are more homeless veterans today than there were casualties in the entire Vietnam War. For too long, the causes of homelessness, alcohol and drug abuse, PTSD, and transition from military to civilian life have not been appropriately addressed. Many veterans suffer from psychological and substance abuse problems that put them at risk for becoming homeless. We must lay the groundwork to ensure this tragic cycle does not repeat itself with the veterans of Operations Iraqi and Enduring Freedom (OIF/OEF).

Just in the first part of this year, VA has seen a 30 percent increase in the number of veterans of OIF/OEF who may have PTSD, and a 29 percent increase in OIF/OEF veterans with substance abuse problems. Resources must be made available to ensure that VA can provide these veterans with the care that they need and to keep them off the streets.

It is particularly troubling to me that an estimated 56 percent of today's homeless veterans are minorities. The homeless rate in my home state of Hawaii has nearly doubled since early 2000—with the majority of Hawaii's new homeless being Native Hawaiians. The city of Honolulu has a tremendous problem with affordable housing, increasing the possibility of becoming homeless for those who already struggle to make ends meet.

Over the last 10 to 15 years, VA has done much to address homelessness among veterans and has undertaken various initiatives to combat this problem. However, there is still much more that can and should be done. Today's hearing will give us the opportunity to hear what VA, Labor, and community-based providers are doing successfully, as well as to find out what the next steps should be.

I ask that we all keep in mind the consequences of failing to help veterans with PTSD, substance abuse disorders, employment issues, or a seamless transition from military to civilian life. We are failing in our responsibilities if we do not address these issues adequately. Our focus should not just be on getting homeless veterans off the streets through what is known as "warehousing", but actually getting them back on their feet and motivated toward becoming productive citizens again.

I look forward to working with all of you to eradicate homelessness among our veterans. Thank you, Mr. Chairman.

Chairman CRAIG. We are going to reverse panel order this morning because of those who have traveled a long distance to be here. We want to make sure we get to them first before we get testimony from those who are residents here in the District or in the area.

So we have asked the second panel to come first, Michael Blecker, Executive Director, Swords to Plowshares, San Francisco, California, representing the National Coalition of Homeless Veterans; Mr. Alan Belcher, President of Board of Directors, Traditional Living Services, Woodstock, Illinois; and Tim Cantwell, Manager, Cloudbreak Development, Inglewood, California.

Michael, we will start with you this morning. All of your full written statements will be a part of the record. Please proceed.

**STATEMENT OF MICHAEL BLECKER, EXECUTIVE DIRECTOR,
SWORDS TO PLOWSHARES, SAN FRANCISCO, CALIFORNIA;
ON BEHALF OF THE NATIONAL COALITION FOR HOMELESS
VETERANS**

Mr. BLECKER. Thank you very much. I am Michael Blecker and it has been my honor to work with and on behalf of veterans on the community-based level for the last 30 years. I am also one of the founders of the National Coalition for Homeless Vets (NCHV), on whose behalf I am testifying.

NCHV was established in 1990 as a nonprofit organization with the mission of ending homelessness among veterans by shaping public policy, promoting collaboration, and building the capacity of service providers. NCHV represents over 250 community-based and faith-based organizations that work with homeless veterans. NCHV provides valuable technical assistance with member agencies, and these agencies look to NCHV to help us communicate with policy-makers who are also interested in resolving this profound issue. The written testimony provided by NCHV shows the kind of hard-hitting analysis that is so significant and so important, because we are in the community doing the work.

I am really proud to represent the community-based system of care for these 250 agencies. Just who are these community-based organizations? Well, these organizations all have their own unique story, and are the product of blood, sweat, and tears. We are the ones that bring the services to the table. We are the ones on the front line. We work closely with the VA to address this terrible problem of homelessness.

Many of us are driven by the same values that drove us when we were in combat or in the military, which is that you just have to take care of yourself and your buddies, and no matter, whether the war is popular or not popular, you have to go on. You have to persevere, and you have to be determined.

We created these programs. They weren't given to us on a silver platter. For example, the programs we have in San Francisco on Treasure Island and Presidio, we fought and struggled to get these programs going. We got the support of our communities. We built support from our boards of directors. That is who the CBOs are. We found folks who are in the community that are successful, maybe it is time to turn to their brothers and sisters who still need help. That is who CBOs are around the country.

We have a tough job ahead of us. We have a tough job because homelessness is a tough job, whatever number you use. The numbers are enormous and staggering. There shouldn't be one homeless vet, and whether you are arguing that there are 200,000 or less than 200,000, the veterans who are in poverty, who are suffering today—right now as we speak— are those whom we need to put our heads together and work as hard as we can, for they deserve nothing but the best.

The problem, I think, is also compounded by the fact that of these veterans, nearly half served during the Vietnam War. That tells you they are 55 and older. Probably half are minorities, with most being African-Americans. They have a range of issues besides mental health and addiction issues. They also suffer a lot of primary health care problems. They are often older than their years.

They suffer from issues like diabetes, high blood pressure and other primary health care issues, and issues of neglect. I would argue that veterans, despite even a disproportionate number of the homeless population, are even a greater percentage of the chronic homeless population because of all these factors. So we have our work cut out for us and we are determined to work hard.

I want to talk about a very important program that has allowed the community-based network to do its job. That is the Grant and Per Diem Program. This Grant and Per Diem Program is funded by the VA and set up as a partnership for the VA to work with the community to address homelessness. One of the key features about addressing homelessness is bringing beds to the table, and creating programs. The Grant and Per Diem Program is one of the programs that allows these community agents to receive some funding to move ahead, and that is why there are 250 programs involved and there are nearly 10,000 beds for homeless veterans today.

These are the programs that bring not just housing, but very enriched services to the homeless. CBOs have legal services, employment and training services, social services, crisis counseling, outreach programs. It takes all of those programs. You can't just have one service. You have to have multi-services. So you need help, you need funding from all different accounts to make a difference.

For each of these projects, each story is different. Each community is different. Each community has the partnership and the support that allows them to survive.

I also want to say something about the HVRP program—Homeless Veterans Reintegration Project—that is part of the Department of Labor. It is also a key ingredient, in allowing us to be successful.

I want to reserve a few of my comments about Iraq war veterans. We already have Iraqi war vets who seek housing assistance, and not just at Swords, but throughout the entire community. According to a recent study by Colonel Charles Hoge, M.D., published in the *Journal of Medicine*, fully a third of those seeking help from the VA—these are current soldiers—are requesting mental health services. Our more than 30 years of working with veterans tells us that these war vets are at high risk of homelessness.

The Iraq vets we have spoken to tend to suffer from PTSD or other mental health conditions. They are unable to work on a regular basis. They are predisposed for other risk factors, including problems at home, co-occurring substance abuse, and even struggles establishing a VA disability claim. It is really crucial that we help them now. We have a national obligation to prevent what happened to our other generations of war veterans. We have to stop homelessness, and we owe it to the men and women who are fighting and dying right now.

Chairman CRAIG. Michael, thank you. Thank you very much for that excellent statement.

[The prepared statement of Mr. Blecker follows:]

PREPARED STATEMENT OF MICHAEL BLECKER, EXECUTIVE DIRECTOR, SWORDS TO PLOWSHARES, ON BEHALF OF THE NATIONAL COALITION FOR HOMELESS VETERANS

EXECUTIVE SUMMARY

Part I.—Homelessness Among Veterans

- Nearly 200,000 veterans are homeless on any given night; more than 400,000 experience homelessness over the course of a year.
- Like their non-veteran counterparts, veterans are at high risk of homelessness due to extremely low or no income, dismal living conditions in cheap hotels or in overcrowded or substandard housing, and lack of access to health care.
- In addition to these shared factors, a large number of homeless veterans experience problems that are directly traceable to their experience in military service or to their return to civilian society without appropriate transitional supports.
- Preventing and ending homelessness among veterans requires general responses of benefit to homeless persons and persons at risk for homelessness and specialized responses targeted to homeless veterans.

Part II.—VA and DOL Specialized Homeless Veteran Programs

- Enact the Sheltering All Veterans Act (S. 1180).
- Reauthorize the Homeless Provider Grant and Per Diem Program for at least a 5-year period at the \$200 million authorization level.
- Require VA to pay GPD grantees per diem payments without adjustments.
- Reauthorize the Homeless Veterans Reintegration Program for a 5-year period at the \$50 million authorization level.
- Expand the eligible population for HVRP services to include veterans at imminent risk of homelessness.
- Require VA outreach plans and outreach efforts to add homelessness prevention matter as expected outreach content, including information on risk factors for homelessness, a self-assessment of risk factors, and contact information for preventative assistance associated with homelessness.
- Eliminate the 60-day restriction on access to the Homeless Veteran Dental Care benefit.
- Reauthorize the Homeless Veteran Service Provider Technical Assistance Program for a 5-year period at the \$1 million authorization level.
- Establish a specialized homeless program specific purpose account within the VA medical services appropriation.
- Authorize grants to homeless veteran service providers for public benefit and veteran benefit outreach, application assistance, and reconsiderations and appeals support.

Part III.—VA Surplus Property

- Require VA to select the McKinney-Vento Title V Surplus Property Program as its first method for transferring real property to homeless service providers.
- Require VA to ensure that space agreements with homeless service providers are set without charge or at least at a rate not to exceed the direct costs associated with making it available.
- Urge the VA Secretary to take actions to assure greater usage of VA capital assets to respond to the human needs of veterans (and low-income persons in general secondarily).

Part IV.—Servicemember Transition

- Enact the Veterans' Enhanced Transition Services Act (S. 1341).
- Establish a policy of universal servicemember attendance in the Department of Labor's Transition Assistance Program.
- Strengthen DOD preseparation counseling to ensure equity in its delivery to servicemembers regardless of component, branch, rank, duty station, and other factors.

Part V.—Permanent Housing for Low-Income Veterans

- Enact the Services to Prevent Veterans' Homelessness Act (S. 1991).
- Introduce and enact the Veterans' Housing Equity Act, NCHV's legislative proposal to develop and expand permanent housing opportunities for very low-income veterans.
- Ensure completion of Government Accountability Office study on housing assistance to low-income veterans.

INTRODUCTION

The National Coalition for Homeless Veterans appreciates the opportunity to submit testimony on Federal efforts to end chronic homelessness and stem future homelessness amongst veterans.

The National Coalition for Homeless Veterans (NCHV), established in 1990, is a nonprofit organization with the mission of ending homelessness among veterans by shaping public policy, promoting collaboration, and building the capacity of service providers. NCHV's over 250 member organizations in the states and territories provide housing and supportive services to homeless veterans and their families, such as street outreach, drop-in centers, emergency shelter, transitional housing, permanent housing, recuperative care, hospice care, food and clothing, primary health care, addiction and mental health services, employment supports, educational assistance, legal aid and veterans' and public benefit advocacy.

Our statement is organized in five parts. The first part offers a general overview on homelessness among veterans. The second part presents our recommendations for reauthorizing and strengthening VA and DOL specialized homeless veteran programs. The third part outlines legislative and management recommendations regarding the use of VA surplus property for homeless purposes. The fourth part presents our legislative recommendations on servicemember transition, a strategy for preventing veteran homelessness. The fifth part presents our recommendations regarding permanent housing for homeless and other low-income veterans.

Part I.—Homelessness Among Veterans

The VA estimates that nearly 200,000 veterans are homeless on any given night; more than 400,000 experience homelessness over the course of a year. Conservatively, one of every three homeless adult males sleeping in a doorway, alley, box, car, barn or other location not fit for human habitation in our urban, suburban, and rural communities has served our nation in the Armed Forces. Homeless veterans are mostly males (2 percent are females). 54 percent are people of color. The vast majority are single, although service providers are reporting an increased number of veterans with children seeking their assistance. 45 percent have a mental illness. 50 percent have an addiction.

America's homeless veterans have served in World War II, Korea, the Cold War, Vietnam, Grenada, Panama, Lebanon, anti-drug cultivation efforts in South America, Afghanistan, and Iraq. 47 percent of homeless veterans served during the Vietnam Era. More than 67 percent served our nation for at least 3 years and 33 percent were stationed in a war zone.

Male veterans are 1.3 times as likely to become homeless as their non-veteran counterparts, and female veterans are 3.6 times as likely to become homeless as their non-veteran counterparts. A random survey of homeless veteran service providers conducted in November 2005 by NCHV suggests the homeless veteran population is changing in profile. Results of the survey identify three veteran subpopulations that may present significant increases in demand for services in the immediate future: aging Vietnam veterans, women veterans, and combat veterans of America's current operations in Iraq and Afghanistan.

Like their non-veteran counterparts, veterans are at high risk of homelessness due to extremely low or no income, dismal living conditions in cheap hotels or in overcrowded or substandard housing, and lack of access to health care. In addition to these shared factors, a large number of at-risk veterans live with post traumatic stress disorders and addictions acquired during or exacerbated by their military service. In addition, their family, social, and professional networks are fractured due to lengthy periods away from their communities of origin and their jobs. These problems are directly traceable to their experience in military service or to their return to civilian society without appropriate transitional supports.

Contrary to the perceptions that our nation's veterans are well-supported, in fact many go without the services they require and are eligible to receive. One and a half million veterans have incomes that fall below the Federal poverty level, including 634,000 living below 50 percent of the Federal poverty level. Neither the VA, state or county departments of veteran affairs, nor community-based and faith-based service providers are adequately resourced to respond to these veterans' health, housing, and supportive services needs. For example, the VA reports that its homeless treatment and community-based assistance network serves 100,000 veterans annually. With an estimated 400,000 veterans experiencing homelessness at some time during a year and the VA reaching only 25 percent of those in need, 300,000 veterans remain without services from the department responsible for supporting them. Likewise, other Federal, state, and local public agencies—notably housing and public health departments—are not adequately responding to the hous-

ing, health care and supportive services needs of veterans. Indeed, it appears that veterans fail to register as a target group for these agencies.

Like their non-veteran counterparts, preventing and ending homelessness among veterans requires public commitment and action—including Congressional action—to ensure access to housing, income, and health security. This must be accomplished both through general responses of benefit to homeless persons and persons at high-risk for homelessness and through specialized responses targeted to homeless veterans.

Part II.—VA and DOL Specialized Homeless Veteran Programs

Congress has established a small set of programs to address homelessness among veterans. The bulk of these programs are administered by the U.S. Department of Veterans Affairs. Collectively, they are identified as VA's "specialized homeless programs" and include medical care, domiciliary care, transitional housing, and supportive services centers. The programs reside within the Mental Health Service of the Veterans' Health Administration. Total spending on VA specialized homeless programs amounted to \$182 million in fiscal year 2005 and is estimated to reach \$224 million in fiscal year 2006. The Department projects fiscal year 2007 spending on VA homeless programs to reach \$244 million, should Congress accept the President's budget request. These specialized homeless programs function not only as a safety net for homeless veterans unable or hesitant to access emergency shelter, transitional housing or supportive services organized for the general population, they also function as a safety valve when other VA programs fail—largely due to insufficient resources—to reach veterans at high-risk of homelessness, such as veterans with chronic mental illnesses and addictions.

In addition, the Department of Labor (DOL) administers the Homeless Veterans Reintegration Program (HVRP), a job placement and supportive services program targeted to veterans experiencing homelessness. Total spending on HVRP amounted to \$20 million in fiscal year 2005 and is appropriated at \$22 million in fiscal year 2006. The President's fiscal year 2007 budget requests \$22 million for HVRP.

Many of the specialized homeless veteran programs that Congress has authorized are scheduled to sunset in 2006 and merit extension. In addition, new issues affecting homeless veterans and a greater understanding of the gaps in supports for them have emerged that require a Congressional response. NCHV urges Congress to reauthorize, strengthen, and expand the specialized homeless programs and authorities of the Department of Veterans Affairs and the Department of Labor this year.

The National Coalition for Homeless Veterans is pleased to support the Sheltering All Veterans Everywhere Act (S. 1180). We are proud that the following organizations join us in supporting this measure: Veterans of Foreign Wars of the United States, National Alliance to End Homelessness, National Alliance on Mental Illness, National Health Care for the Homeless Council, National Law Center on Homelessness & Poverty, National Network for Youth, Paralyzed Veterans of America, Volunteers of America, Disabled American Veterans, National Coalition for the Homeless, and The American Legion.

We extend our deep gratitude to Senator Barack Obama (D-IL) for catapulting homeless veteran issues onto the Senate agenda by introducing this comprehensive measure. We also extend our appreciation to the other U.S. Senators, including Senator Patty Murray (D-WA) on this Committee, who have already cosponsored the measure. We invite all members of the Senate Veterans' Affairs Committee to join as cosponsors to S. 1180.

We urge Congress to enact the Sheltering All Veterans Act this year, either as a stand-alone measure or by incorporating its provisions in another measure. We offer the following comments on the provisions of S. 1180.

Reauthorization of Homeless Providers Grant and Per Diem Program (Section 3)—The Homeless Providers Grant and Per Diem (GPD) Program (38 U.S.C. 2011–2013) provides competitive grants to community-based, faith-based, and public organizations to offer transitional housing or service centers for homeless veterans. The GPD program is set to expire September 30, 2006. The current authorization level for the program is \$99 million. Collectively, nearly 100 GPD providers offer nearly 10,000 transitional housing beds. More than 150 outreach and transportation vans are supported through the program.

VA reports that 75 percent of veterans provided residential services through either a GPD grantee or a homeless Domiciliary Residential Rehabilitation and Treatment Program (DRRTP) were either independently housed or moved to another residential program at discharge. 58 percent of those discharged were employed or participating in Compensated Work Therapy. A VA-conducted follow-up assessment of the outcome of these same programs found that 80 percent of veteran residents were still housed 12 months after discharge.

The GPD program is an essential component of the VA's continuum of care for homeless veterans, assuring the availability of social services, employment supports, and direct treatment or referral to medical treatment to numerous veterans annually. Congress must continue the GPD program. In addition to supporting Section 3 of S. 1180, we support an element of the Senate-passed Veterans Health Care Act of 2005 (S. 1182) that provides permanent authority to the Grant and Per Diem Program.

The current authorization level for GPD is simply insufficient to enable VA to meet the demand for transitional housing assistance expressed by homeless veterans. Data gathered by VA Medical Centers (VAMCs) through the Community Homelessness Assessment, Local Education, and Networking Groups (CHALENGs) process consistently document that the numbers of homeless veterans in their service areas far exceed the number of GPD beds currently available for them. Without an increase in the authorization level, VA will not be able to add new beds. The \$130 million authorization level VA is seeking, and which is included in S. 1182, will allow VA only to maintain the current number of authorized beds, but not add new beds. Furthermore, as the per diem rate to cover the daily cost of care rises annually, there could be an actual reduction in the number of beds, if the authorization level is not increased. Accordingly, Congress should raise the authorization level to \$200 million. We note that even at this higher authorization level, funding for GPD programs would still represent less than one one-hundredth of a percent of VA's total budget.

GPD Per Diem Payments (Section 3)—Congress's intent when it adopted 38 U.S.C. 2012(a)(2) was to simplify the process for paying GPD grantees. Regrettably, VA is requiring GPD grantees to submit extensive documentation on all of their sources of project funding in order to secure per diem payments at the maximum rate permitted by statute (which is the rate authorized for State homes for domiciliary care), straining grantees and VA alike. This requirement basically hamstring providers from using their other funds as leverage, and instead forces them to use them as subsidy.

In addition, grantees report a burden in preparing the documentation VA requires to negotiate the rate. Despite grantee appeals for intercession and Congressional intervention on a situation-by-situation basis, VA policy remains unchanged. Accordingly, we urge Congress to amend the statute to require VA to pay GPD grantees per diem payments without adjustments.

Reauthorization of Homeless Veterans Reintegration Program (Section 4)—The Homeless Veterans Reintegration Program (HVRP) (38 U.S.C. 2021), within the Department of Labor's Veterans Employment and Training Service (VETS), provides competitive grants to community-based, faith-based, and public organizations to offer outreach, job placement and supportive services to homeless veterans. HVRP grants address two objectives: (a) to provide services to assist in reintegrating homeless veterans into meaningful employment within the labor force, and (b) to stimulate the development of effective service delivery systems that will address the complex problems facing homeless veterans. HVRP is set to expire September 30, 2006. The current authorization level for the program is \$50 million.

HVRP is the primary employment services program accessible by homeless veterans and the only targeted employment program for any homeless subpopulation. Homeless veterans have many additional barriers to employment than non-homeless veterans due to their lack of housing. HVRP grantees remove those barriers through specialized supports unavailable through other employment services programs. Grantees are able to place HVRP participants into employment for \$2,100 per placement, a tiny investment for moving a veteran out of homelessness, and off of dependency on public programs.

We urge Congress to reauthorize the Homeless Veterans Reintegration Program for a 5-year period at the \$50 million authorization level. We note that the House-passed Veterans Housing and Employment Improvement Act of 2005 (H.R. 3665) accomplishes this recommendation.

Furthermore, we challenge each member of the Senate Veterans' Affairs Committee—especially those members also serving on the Appropriations Committee—to communicate with their counterparts on the Appropriations Committee and insist that Congress honor the authorization level that the Veterans' Affairs Committee has set for HVRP.

HVRP Expansion to Veterans at Imminent Risk of Homelessness (Section 4)—HVRP in its present form is limited to veterans currently experiencing homelessness (38 U.S.C. 2021(a)). This eligibility limitation prevents grantees from using HVRP funds for homelessness prevention. This eligibility restriction was appropriate when HVRP was first enacted in 1987. At the time, the hope was that homelessness could be resolved by an intensive infusion of resources to literally homeless people. In

2005, restricting the program to veterans already homeless is out of step with the general thrust of both public policy and service delivery practice away from simply managing homelessness to also preventing it. Expansion of the eligible population for HVRP services to include veterans at imminent risk of homelessness would enable HVRP to have both preventative and remedial purposes.

Also, HVRP is being used as the account to fund a joint Department of Labor and Department of Veterans Affairs initiative authorized by Congress to assist veterans incarcerated in their reentry to the community. Continued use of HVRP to fund this program is technically a violation of the statute in that veterans incarcerated are not homeless. This technical violation could be easily remedied by adding veterans at imminent risk of homelessness as an eligible population to the program.

Expansion of VA Outreach Programs (Section 5)—Servicemembers separating from the Armed Forces receive opportunities to learn about benefits for which they may be eligible, both prior to separation (through pre-separation counseling and the Transition Assistance Program) and post-discharge via Department of Veterans Affairs outreach. VA outreach provides an opportunity, as yet untapped, to alert recently separated servicemembers to the increased risk of homelessness they face and the preventative services available to them if they find themselves at imminent risk of losing their living arrangement.

Current law (38 U.S.C. 7722) requires VA to conduct a range of outreach efforts to alert veterans to the programs and services available through the Department. Also, current law (38 U.S.C. 2022) requires VA to develop a coordinated plan by the Mental Health Service and the Readjustment Counseling Service for joint outreach to veterans at risk of homelessness and an outreach program to provide information to homeless veterans and veterans at risk of homelessness. Individuals leaving the military are at elevated risk of homelessness due to a lack of job skills transferable to the civilian sector, disrupted or dissolved family and social support networks, and other risk factors that preceded their military service. Separating servicemembers must be made aware of the factors that contribute to homelessness and receive information about sources of preventive assistance at each stage of their separation.

A robust outreach program not only informs veterans of services available to them should they become homeless, but also to guide them on steps they may take to avert homelessness. Congress should require VA outreach plans and outreach efforts to add homelessness prevention matter as expected outreach content, including information on risk factors for homelessness, a self-assessment of risk factors, and contact information for preventative assistance associated with homelessness.

Current law (38 U.S.C. 2022) requires VA, in its outreach program, to target veterans being discharged or released from institutions after inpatient care. Congress should add as an additional target population individuals separating from the armed forces.

Reauthorization of Health Care for Homeless Veterans Program (Section 6)—Current law (38 U.S.C. 2031) authorizes VA to provide outreach services; care, treatment, and rehabilitative services; and therapeutic transitional housing assistance to veterans with serious mental illness, including veterans who are homeless. VA uses this authority to operate its Health Care for Homeless Veterans program. 134 existing HCHV teams across the country provide targeted outreach, medical treatment, and referral services to 67,000 homeless veterans annually. This authority expires December 31, 2006. Congress should continue this authority for at least a 5-year period.

Reauthorization of Comprehensive Service Centers (Section 6)—Current law (38 U.S.C. 2033) authorizes VA to provide comprehensive services centers to homeless veterans. VA's Comprehensive Homeless Centers place the full range of VA homeless efforts in a single medical center's catchment area and coordinate administration within a centralized framework. This authority expires December 31, 2006. Congress should continue this authority for at least a 5-year period.

Transfer of Foreclosure Properties (Section 7)—Current law (38 U.S.C. 2041) authorizes VA to sell, lease, or donate foreclosed properties to homeless service providers for purposes of assisting homeless veterans and their families in acquiring shelter. The program has proven invaluable to Federal and community efforts to provide permanent housing for persons experiencing homelessness. Congress should make permanent the transfer authority. Further, Congress should require VA to dispose of at least 10 percent of transferred properties via donation.

Reauthorization of Special Needs Grant Program (Section 8)—Current law (38 U.S.C. 2061) authorizes VA to carry out a program to make grants available to health care facilities of the Department and to GPD providers to encourage development of programs for homeless veterans with special needs, including women (with and without children), frail elderly, terminally ill, or chronically mentally ill. This program is authorized through fiscal year 2005 at the \$5 million level annually. The

special needs program has enabled VA and GPD providers to devote attention to underserved subpopulation within the homeless veteran population. Congress should continue the program for a 5-year period. Further, Congress should maintain the current authorization level of \$5 million.

Expansion of Homeless Veteran Dental Care Benefit (Section 9)—Current law (38 U.S.C. 2062) establishes a limited dental care benefit for certain homeless veterans. Under the provision, homeless veterans in certain VA homeless programs are eligible for a one-time course of dental treatment which is medically necessary for veterans to gain employment, to alleviate pain, or to treat disease. The requirement that a homeless veteran participate in a VA residential program for at least 60 days is an inappropriate—and unjust—impediment to veterans' timely access to medically necessary services. Congress should eliminate the 60-day eligibility restriction.

Reauthorization of Homeless Veteran Service Provider Technical Assistance Program (Section 10)—Current law (38 U.S.C. 2064) authorizes VA to make competitive grants to organizations with expertise in preparing grant applications to provide technical assistance to nonprofit community-based and faith-based groups with experience in providing assistance to homeless veterans in order to assist such groups in applying for homeless veteran grants and other grants addressing problems of homeless veterans. Community-based and faith-based organizations serving homeless veterans rely on a complex set of funding and service delivery streams with multiple agencies in order to assemble comprehensive housing and supportive services. These providers face a capacity gap around managing this complexity. NCHV is proud to have successfully competed for funding under this program. We believe we have been effective stewards of the TA funds and look forward to participating in future competitions. Congress should continue the program for a 5-year period. Further, Congress should raise the authorization level from \$750,000 to \$1 million. We are pleased that S. 1182 addresses this recommendation.

Annual Report on Assistance to Homeless Veterans (Section 11)—Current law (38 U.S.C. 2065) requires VA to submit to Congress an annual report on assistance to homeless veterans. Congress should require VA to include in the general contents of the report information on their efforts to coordinate the delivery of housing and services to homeless veterans with other Federal departments and agencies, including the Department of Defense, Department of Health and Human Services, Department of Housing and Urban Development, Department of Justice, Department of Labor, Interagency Council on Homelessness, and the Social Security Administration.

Reauthorization of Advisory Committee on Homeless Veterans (Section 12)—Current law (38 U.S.C. 2066) establishes an Advisory Committee on Homeless Veterans to provide a formal mechanism for the Secretary to gather advice from the homeless veteran service provider field and others with expertise on homeless veteran matters. The Committee is set to expire December 31, 2006. The Committee has proved invaluable in impacting the VA's delivery of medical care and supportive services to homeless veterans. Congress should extend the Advisory Committee on Homeless Veterans for a 5-year period.

Advisory Committee on Homeless Veterans Composition (Section 12)—The U.S. Interagency Council on Homelessness plays a leadership role in coordinating the Federal Government's response to homelessness. Congress should add the ICH Executive Director as an ex-officio representative on the Advisory Committee on Homeless Veterans.

Study on Military Sexual Trauma and Homelessness (Section 13)—The VA Secretary's Advisory Committee on Women Veterans recommended in 2004 that a study be conducted on the possible correlation between military sexual trauma and homelessness among veterans and effective service models for assembling various treatment modalities and environments. The study should also include an evaluation of the "Seeking Safety" intervention, a treatment regime being made available to homeless women veterans in eleven locations. Preliminary data from Seeking Safety participants indicates that over 80 percent reported a history of life-threatening trauma, over 60 percent had been raped (with over 40 percent of rapes occurring while serving in the military).

In addition to the above provisions of the Sheltering All Veterans Everywhere Act (S. 1180), we also urge Congress to enact the following recommendations:

VA Homeless Programs Specific Purpose Account—Presently Congress plays a limited role in determining funding levels for medical programs within VA, including the Department's specialized homeless programs. Funding for veterans medical care is appropriated in aggregate to three accounts (medical services, medical administration, medical facilities), from which the VA Secretary allocates the appropriated funds across VA health care networks and through the Department's specific purpose programs.

Congress has routinely provided increased funding to VA for medical care. Regrettably, these increases have not been distributed equitably among VA specific purpose programs. Specialized homeless programs are among those that do not always receive their “fair share” of annual appropriations, or allocations at their full authorized levels. The establishment of a specialized homeless program specific purpose account within the VA medical services account would serve to ensure that specialized homeless programs receive any increase in VA appropriations in proportion to their costs within the overall VA medical care budget.

We urge Congress to establish a specialized homeless program specific purpose account within the VA medical services appropriation and ensure that of such sums appropriated annually for VA medical services, the greater of a fixed sum of \$345,672,000 or 1.26 percent of the total medical services appropriation be reserved for specialized homeless programs.

VA should use funds within the homeless specific purpose account to operate: the program of the Department known as Domiciliary Residential Rehabilitation and Treatment Program for Homeless Veterans, comprehensive service programs (GPD) (Section 2011, Section 2012), outreach program (Section 2022), Health Care for Homeless Veterans (Section 2031); therapeutic transitional housing assistance (Section 2032), comprehensive services centers (Section 2033), CHALENG (Section 2034); administration of the loan guarantee for multifamily transitional housing program (Section 2051), grant program for homeless veterans with special needs (Section 2061), technical assistance grants for nonprofit community based groups (Section 2064), annual report (Section 2065), advisory committee on homeless veterans (Section 2066), the program of the Department known as Stand Downs, evaluation centers for homeless veterans programs, and any additional specialized homeless programs designated by the Secretary.

Authorization of Benefit Assistance for Homeless Veterans—Veterans who are disabled by injury or disease incurred or aggravated during active military service are eligible for VA Disability Compensation, a monthly payment. Veterans are eligible for Social Security Disability Insurance and Supplemental Security Income benefits under the same conditions as any other person. Veterans are often eligible for both benefits. But because the programs themselves and their claims processes are distinct, a veteran must work their way through each one separately. Each process is grueling in and of itself. Navigation through both processes simultaneously merely compounds the complexity. In addition, scant attention is paid to assisting veterans in accessing mainstream health and income benefit programs for which they may be eligible including Medicaid, Food Stamps, and TANF. For homeless veterans—all of whom have higher priority needs such as securing a place to live, and some of whom either distrust or wish to avoid dependency on governmental programs—the various application processes may be insurmountable, without help. We urge Congress to authorize VA to carry out a program to make grants available to homeless veteran service providers for public benefit and veteran benefit outreach, application assistance, and reconsiderations and appeals support. Congress should authorize the program for a 5-year period at the \$10 million level annually.

Part III.—VA Surplus Property

NCHV works to ensure that organizations, agencies, and groups desiring to assist veterans with the most fundamental human needs secure the public and private resources, including capital assets, necessary to provide opportunities and supports to them. With an estimated 400,000 veterans homeless at some time during a year and the VA reaching only 25 percent of those in need, 300,000 veterans remain without services from the department responsible for supporting them. In the meantime, numerous VA properties sit vacant or underutilized. We urge Congress to take the following action steps to further facilitate the transfer of VA surplus property to homeless service providers:

VA Preference for Title V Surplus Property Program—The McKinney-Vento Title V Surplus Property Program requires Federal departments and agencies, including VA, to make surplus properties available to nonprofit and public organizations serving homeless persons, including homeless veterans, at no cost. Under current law (38 U.S.C. 8122(d)), VA has been able to avoid declaring property excess, and thus avoid listing it through the Title V process, by determining that the property is suitable for services to homeless veterans under an enhanced use lease. Enhanced use lease is less favorable to homeless service providers than Title V because under EUL, providers are expected to pay for the property, while under Title V the transfer is without charge. Congress should require VA to select Title V as its first method for transferring real property to homeless service providers.

VA Space Agreements with Homeless Veteran Service Providers—VA enters into space agreements with nonprofit organizations to utilize VA capital assets for serv-

ices to homeless veterans. The rates the Department negotiates with nonprofit organizations fluctuate greatly, and are sometimes above fair market rental rates or at rates that are cost-prohibitive to nonprofit organizations. Congress should require VA to ensure that space agreements with homeless service providers are set without charge or at least at a rate not to exceed the direct costs associated with making it available.

Homeless Considerations in VA Capital Asset Planning—We are pleased that the Capital Asset Realignment of Enhanced Services (CARES) Commission, in its final report, recommended to the VA Secretary that “any study involving excess or surplus property should consider all options for divestiture, including outright sale, transfer to another public entity, and a reformed EUL process. VA should also consider using vacant space to provide supportive services to homeless veterans” (p. 3–33).

We urge the Veterans’ Affairs Committee to join us in requesting VA to be vigorous in ensuring that vacant or underutilized VA properties are first made available to organizations serving those in greatest need rather than continuing to gather dust or being converted to commercial purposes by including report language to accompany any appropriate bill urging the Secretary to take the following actions with regard to management of VA capital assets:

- Issue a Department-wide directive that articulates that surplus, excess, unutilized or underutilized VA properties shall first be made available on a no-cost or lowest-cost basis to nonprofit or public organizations responding to the human needs of veterans (and low-income persons in general secondarily), with a preference for organizations experienced in serving homeless veterans;
- Establish as a Departmental goal the establishment of at least 50,000 additional supportive housing units for homeless veterans on VA property and instruct VISNs to develop concrete action plans for reaching this goal;
- Instruct VISNs to identify and advertise properties currently or potentially suitable and available for disposition under the McKinney-Vento Title V program;
- Instruct VISNs to use the Title V criteria for determining suitability for homeless uses when conducting these property assessments; and
- Take action to ensure the Department’s full compliance with the Title V program; prepare an analysis of VA property acquisition and disposition statutes, regulations, and policy guidance and their intersection with the Title V program; and recommend or adopt any changes needed in order for the VA to fully participate in the Title V program.

Part IV.—Servicemember Transition

Transition planning (or discharge planning) is understood within the homeless service and advocacy sector to be an important tool in homelessness prevention. Transition planning is the process used to prepare a person for return or reentry to the community from a custodial institution, setting, or situation, such as a hospital, inpatient treatment facility, or prison. The concept and practice of transition planning is germane to the military, as it is a de facto custodial institution, providing employment, housing, food, and health care to its servicemembers within. Thus, when seeking to prevent homelessness among veterans, one cannot overlook the period and process through which servicemembers transition from the military back to civilian life as a critical moment both for averting homelessness among the few servicemembers that enter homelessness immediately or soon after separation from the military and for putting servicemembers at risk of future homelessness on a sure path to economic and social well-being rather than a slippery slope into joblessness, family dissolution, and unmitigated poverty.

Congress has already put in place the mechanisms to accomplish transition planning for persons exiting the military. Current law (10 U.S.C. 1142) requires the Departments of Defense and Homeland Security to provide individual pre-separation counseling to each member of the armed forces whose discharge or release from active duty is anticipated. Matters covered during the counseling include: a discussion of educational assistance, compensation, and rehabilitation benefits to which servicemembers are entitled; information concerning job search and job placement assistance; information concerning relocation assistance; information concerning medical and dental coverage; financial planning assistance; housing counseling assistance; and the creation of a transition plan for the servicemember. Pre-separation counseling takes many forms, but tends to be brief group presentations to servicemembers immediately prior to their separation.

Generally in the case of an anticipated retirement, pre-separation counseling shall commence as soon as possible during the 24-month period preceding the anticipated retirement date. In the case of a separation other than retirement, counseling shall commence as soon as possible during the 12-month period preceding the anticipated date. Counseling shall be made available no later than 90 days prior to separation.

Servicemembers being discharged or released before the completion of that member's first 180 days of active duty are not eligible for preseparation counseling, unless the separation is due to disability.

Current law (10 U.S.C. 1144) authorizes the Department of Labor to furnish counseling, assistance in identifying employment and training opportunities, help in obtaining such employment and training, and other related information and services to members of the armed forces who are being separated from active duty. Elements of this program, known as the Transition Assistance Program (TAP), include information concerning employment and training assistance; information concerning Federal, state, and local programs and programs of military and veterans' service organizations; information about small business loan programs for veterans; information about the geographic locations to which members are returning; and other matters. Participation in the program is encouraged, not required. TAP is a two-and-a-half-day group-level workshop.

Former servicemembers report that the preseparation counseling and transition assistance programs are lacking in a number of areas. Among their concerns: the depth and content of preseparation counseling is quite variable across delivery sites. Preseparation counseling may be limited to brief group-level presentations rather than individualized transition planning (as is contemplated in the statute). Servicemember participation in the Transition Assistance Program is at the will of the unit commander, and often allowed only during off-duty time.

Weaknesses in both the content and delivery of servicemember separation programs result in some servicemembers failing to receive information necessary to ensure their stable health care, steady employment, and secure housing upon their return to civilian life. This places servicemembers at increased risk of homelessness.

Several legislative measures have been introduced to strengthen the transition assistance experience. We support Senator Russell Feingold's (D-WI) Veterans' Enhanced Transition Services Act (S. 1341); Rep. Robert Andrews's (D-NJ) Servicemembers' Enhanced Transition Services Act (H.R. 2074); and Rep. Martin Meehan's (D-MA) HEROES Act (H.R. 2411) and are pressing the Armed Services Committees to include provisions from these bills in their annual defense authorization measures. Our priorities within these measures are (1) establishment of a policy of universal servicemember attendance in the Department of Labor's Transition Assistance Program and (2) strengthened DOD preseparation counseling to ensure equity in its delivery to servicemembers regardless of component, branch, rank, duty station, and other factors.

We urge the Senate Veterans' Affairs Committee to communicate support for legislative provisions regarding universal servicemember attendance in DOL TAP and strengthened DOD preseparation counseling to the Senate Armed Services Committee. Further, we encourage all members of the Senate Veterans' Affairs Committee to co-sponsor S. 1341 and ensure its enactment this session, whether that is through the NDAA, another omnibus vehicle, or as a stand-alone measure.

Part V.—Permanent Housing for Low-Income Veterans

The ultimate strategy to prevent veteran homelessness is to ensure permanent housing opportunities for those veterans at greatest risk of losing their housing in the first place—those with low-incomes. On this matter, the Federal Government falls far short.

While the Federal Government makes a sizable investment in homeownership opportunities for veterans, there is no parallel national rental housing assistance program targeted to low-income veterans. Veterans of working age and without disabilities are not well-served through existing housing assistance programs due to their program designs. Low-income veterans in and of themselves are not a priority population for subsidized housing assistance. HUD devotes minimal attention to the housing needs of low-income veterans, as exemplified by the long-standing vacancy in the position of special assistant for veterans programs within the Office of Community Planning and Development. Furthermore, HUD has discontinued its participation in the HUD-VASH program, the only housing assistance program that was targeted to any veteran population. (HUD-VASH set aside a share of rental assistance vouchers for veterans with disabilities, matched with supportive services provided by the Department of Veterans Affairs). VA has attempted in past years to reduce its support for veterans with long-term residential care needs via State Veterans' homes and other nursing homes and shift support for those currently served via nursing care to care in home- and community-based settings. But, low-income veterans requiring supervised living arrangements will then need homes and community-based settings in which to live and receive VA support. We need not wonder why there is a homelessness crisis among our nation's poorest veterans.

It is imperative that Congress take immediate action to respond to the permanent housing assistance needs of our nation's low-income veterans, including veterans experiencing homelessness. Among the routes to doing so:

Services to Prevent Veterans' Homelessness Act—NCHV is pleased to support the Services to Prevent Veterans' Homelessness Act (S. 1991). We are proud that the following organizations join us in supporting this measure: National Alliance on Mental Illness, National Mental Health Association, National Health Care for the Homeless Council, Volunteers of America, and National Coalition for the Homeless.

We extend our appreciation to Senator Richard Burr (R-NC) for leading this important measure, and to the other U.S. Senators, including Senator John Thune (R-SD), who have already co-sponsored it. We urge all members of the Senate Veterans' Affairs Committee to join as co-sponsors to S. 1991.

The Services to Prevent Veterans' Homelessness Act authorizes the Secretary of Veterans Affairs to provide financial assistance to nonprofit organizations and consumer cooperatives to provide and coordinate the provision of supportive services for very low-income veterans occupying permanent housing. The financial assistance shall consist of payments for each household provided supportive services. Supportive services that may be offered include physical and mental health; case management; daily living; personal financial planning; transportation; vocational counseling; employment and training; education; assistance in obtaining veterans benefits and public benefits; child care; and housing counseling. The bill would reserve \$25 million of the funds appropriated annually for veterans' medical care for this supportive services program.

The Services to Prevent Veterans' Homelessness Act is an important legislative measure from the standpoints of preventing and resolving homelessness among veterans. As a preventive measure, the Act would ensure the availability of supportive services to very low-income veterans in home-based settings, which enables them to sustain their housing arrangement. As a responsive measure, the Act would ensure the attachment of supportive services to permanent housing, a practice found to be effective in helping people experiencing homelessness transition from residential instability to housing security. The legislation would establish a mechanism for VA to form supportive services partnerships with community- and faith-based organizations. And the program established by this Act will serve as a companion to an affordable housing production program targeted to very low-income veterans for which NCHV is seeking authorization and appropriations.

We urge Congress to enact the Services to Prevent Veterans' Homelessness Act, either as a stand-alone measure or by incorporating its provisions in another measure.

Veterans' Housing Equity Act—The National Coalition for Homeless Veterans has developed comprehensive legislation to develop and expand permanent housing opportunities for very low-income veterans. The legislation, the "Veterans' Housing Equity Act," would establish new programs and activities pertaining to veterans within the U.S. Department of Housing and Urban Development (HUD). We are proud that the legislation enjoys the support of the Independent Budget Veterans Service Organizations and IBVSO supporters. NCHV is presently seeking a prime sponsor for the Veterans' Housing Equity Act in both the Senate and the House of Representatives.

The Veterans' Housing Equity Act consists of seven substantive sections. Section 2 authorizes the HUD Secretary to establish a supportive housing program for very low-income veteran families. HUD would provide housing assistance to such veteran families via planning grants, capital advances, project rental assistance, and technical assistance to nonprofit organizations and consumer cooperatives proposing to develop such housing. VA would provide funding for supportive services to residents. Section 3 authorizes an increase in budget authority under the project rental assistance component of the Housing Choice Voucher program to finance 20,000 rental assistance vouchers for homeless veterans. The vouchers would be administered by grantees under the VA Homeless Provider Grant and Per Diem Program. Section 4 requires states and localities to include veterans as a special needs population in their public housing agency plans and their comprehensive housing affordability strategies. Section 5 exempts from calculation of a family's rental payment for federally assisted housing the amount of income the family receives from VA compensation and benefits. Section 6 authorizes the HUD Secretary to establish a technical assistance program to assist veteran service providers on federally assisted housing matters. Section 7 requires HUD to issue an annual report on its programs and activities pertaining to veterans. Section 8 establishes a position of Special Assistant for Veterans Affairs within HUD.

We urge Congress to introduce and enact the Veterans' Housing Equity Act.

GAO Study of Low-Income Veterans' Permanent Housing Needs—Congress has taken initial steps to develop an evidence base for the need for permanent housing assistance targeted to low-income veterans by including language within the report to accompany the fiscal year 2006 military construction and veterans' affairs appropriations measure that requires the Government Accountability Office (GAO) to conduct a study on housing assistance to low-income veterans. A report is due in spring 2006, but we do not believe GAO has even begun to start the study. We urge the Committee to ensure the GAO's timely completion of this required study.

Permanent Housing Assistance as an Eligible Use of GPD Funds—Use of Homeless Provider GPD grant funds is currently limited to expansion, remodeling, or acquisition of facilities for use as service centers, transitional housing, or other facilities to serve homeless veterans and to procurement of vans for use in outreach and transportation for homeless veterans.

We are aware that consideration is being given to adding permanent housing as an eligible use of GPD funds. We are of mixed view on this point. On the one hand, we know that many homeless veteran service providers struggle to secure placement of some program participants in permanent units following their completion of transitional programs, due the shortage affordable low-income housing units generally and the veteran's ineligibility for or low priority for some of the assisted housing units that are available. On the other hand, we recognize transitional housing as an important and valid mechanism for providing supportive environments to homeless persons, including homeless veterans, while they navigate to successful independence. We are also aware that many GPD providers' program designs, facilities, and funding streams do not lend themselves readily to conversion to permanent units.

Accordingly, NCHV could support the addition of permanent housing assistance as an eligible use of GPD funds, but only on the conditions that: (1) the authorization level for GPD be raised to at least \$200 million, to assure that no current provider is displaced by a new start provider proposing a permanent project; (2) there be an assurance in statute that the VA Secretary shall allocate annual appropriations to GPD at the full \$200 million authorization level, again to assure non-displacement of transitional programs; (3) there be an assurance in statute that current and future per diem providers that wish to offer transitional housing services or service centers shall be permitted to do so without limitation; and (4) that there be a statutory prohibition on the VA granting preference or priority to continuation grantees or new start grantees proposing permanent housing projects. NCHV would vigorously oppose the conversion of GPD to a permanent housing-only program.

CONCLUSION

The National Coalition for Homeless Veterans appreciates the opportunity to submit recommendations to Congress regarding the resources and activities of the Federal Government and community-based and faith-based organizations as they pertain to homeless veterans. We look forward to continuing to work with Congress, the Administration, and our membership to ensure that our nation does everything within its grasp to prevent and end homelessness among our nation's veterans. They have served our nation well. It is beyond time for us to repay the debt.

Federal Funding

The National Coalition for Homeless Veterans has received the following Federal grants:

Fiscal year 2004:

Department of Veterans Affairs Grant to provide technical assistance to community based organizations with experience in assisting homeless veterans, \$517,422.

Department of Labor Grant to provide technical assistance to community based organizations with experience in assisting homeless veterans, \$86,313.

Fiscal year 2005–2006:

Department of Veterans Affairs Grant to provide technical assistance to community based organizations with experience in assisting homeless veterans, 2 year total award is \$1,112,500.

Chairman CRAIG. Now let me also recognize Senator Obama, who has just joined us. Senator, we are abbreviating everything this morning to get our panelists in and the testimony on the record because of the stacked vote, so we would ask that if you have an opening statement, you would submit it for the record.

**STATEMENT OF SENATOR OBAMA,
U.S. SENATOR FROM ILLINOIS**

Senator OBAMA. Mr. Chairman, I will be happy to submit my statement for the record. I want to thank you and Ranking Member Akaka for holding this important hearing. I want to especially thank Mr. Belcher who has come all the way from Woodstock, Illinois, to tell us about the great work of Transitional Living Services. I look forward to hearing his testimony.

[The prepared statement of Senator Obama follows:]

PREPARED STATEMENT OF HON. BARRACK OBAMA, U.S. SENATOR FROM ILLINOIS

Thank you, Chairman Craig and Ranking Member Akaka. I want to welcome all of our witnesses, especially Mr. Belcher, who's come all the way from Woodstock, Illinois to tell us about the great work of Transitional Living Services.

The homeless veteran problem in this country is an overwhelming one. More than 400,000 veterans will experience homelessness in a year. In my hometown of Chicago, as many as 38,000 veterans will spend a night homeless this year. That's 38,000 American heroes without roofs over their heads in one American city.

It is one of the great tragedies of this nation that such a staggering number of our veterans who risked their lives for us have no place to turn to and no place to call home.

As Chairman Craig noted, there are a number of Federal programs to combat this problem. I agree with him that we need to examine these programs and seek ways to improve them. We also need to make sure they are adequately funded.

Last year, I introduced the Sheltering All Veterans Everywhere Act—the SAVE Act—to strengthen services for homeless veterans. The SAVE Act reauthorizes and expands the Homeless Providers Grant and Per Diem Program (GPD) and the Homeless Veterans Reintegration Program (HVRP).

The SAVE Act would reauthorize the GPD program through 2011, and raise the authorization level to \$200 million per year. Last year, the Senate passed Senator Craig's bill, S. 1182, which reauthorized GPD at \$130 million per year. That is an encouraging step in the right direction.

For nearly 20 years, the Homeless Veterans Reintegration Program has helped get veterans off the streets with intensive services that are unavailable elsewhere and get to the heart of the causes of homelessness. HVRP grant recipients provide clothing and food, mental health and substance abuse counseling, employment services, and housing assistance.

The SAVE Act expands the reach of the Homeless Veterans Reintegration Program to include veterans at risk of homelessness, so that we can work to prevent homelessness before it happens.

This year, the President's budget flatlines spending for HVRP at \$22 million. At this amount, we will only be able to serve 16,250 veterans next year. I have offered an amendment to the budget resolution to increase HVRP spending to its full authorized amount, an increase of \$28 million. This would help us reach approximately 36,820 homeless veterans, an important step in the right direction. My amendment would also provide an additional \$12 million to the Department of Labor to improve jobs services for hard-to-place veterans.

Every day, we walk past men and women on street corners with handwritten signs like "Homeless Veteran—Need Food." Sometimes we give a dollar, sometimes we just keep walking. These are soldiers who fought in World War II, Vietnam, and Iraq.

We cannot allow the proud shoulders that have carried the weight of liberty to be broken by the terrible burden of homelessness and hopelessness.

I thank Senator Craig and Senator Akaka for holding this hearing and for examining these issues. I hope my colleagues will join me in making sure these programs are improved and given the resources to meet their difficult task.

Chairman CRAIG. Fine enough. With that introduction, Alan Belcher of Transitional Living Services, Woodstock, Illinois. Alan, welcome to the Committee.

STATEMENT OF ALAN BELCHER, PRESIDENT, BOARD OF DIRECTORS, TRANSITIONAL LIVING SERVICES, WOODSTOCK, ILLINOIS

Mr. BELCHER. Thank you, Mr. Chairman. My name is Alan Belcher and I am the President of the Board of Transitional Living Services, which is a small rural homeless veterans' program in Northwestern Illinois. I also work for the Veterans' Administration as a readjustment counselor and have done that under contract for the last 25 years, so I have a pretty fundamental understanding of homelessness and some of the issues that are facing our homeless in this country.

We started our program in 1996 as a group of interested and dedicated Vietnam vets who formed a program, which is very, very much, as Mike was talking about, a grassroots program. It is located in a rural area and we only serve 14, but we are very proud of the 14 veterans whom we are serving. We are located about 8 miles from what would be called the sprawl of Chicago that is coming out the suburban sprawl in, like I said, a rural community.

The population that we serve—the chronically homeless men and women—have serious, as you know, health issues. The health problems are generally the result of years of neglect and substance abuse and environmental stressors. Our numerous health care problems of our veterans require us to take frequent trips to VA hospitals, as you can imagine.

One of our problems is that we are not allowed access to our local outpatient veterans' clinic, so as a result, we have to travel up to 1½ to 2 hours to access primary care for our veterans. So we are dedicating a staff person, a vehicle, and the time required for us to get primary care for our veterans.

Basically, what I am asking you here today is I don't know if this is an issue for other homeless programs, but it is clearly an issue for us. We need dedicated slots at the McHenry CBOC. And just to put a positive word in for that CBOC is that they are a marvelous group. We worked very hard to get that in our community. They have done an excellent job of providing primary care, but we need access to it.

Employment is an issue for our veterans, and just to dovetail this with not having access to the CBOC, you can imagine if one of our veterans has to travel for 5 hours to get a primary care appointment. There is no employer on earth that is going to allow that veteran to be employed for them, because we have to have that amount of time dedicated to it. Anyway, employment is a significant issue for us. We do not have the HVRP program, but we are going to make application for it in the next round. We are again located in a rural community where there are no jobs in that community, so transportation is an issue for us.

On any given day, we have a waiting list of 12 veterans. Now, considering that we only serve 14, 12 is a significant number for us. We are in the process of expanding the program from 14 to 20 beds, but I don't anticipate that is going to help our waiting list because Chicago is combining a couple of programs and as a result of that, there are going to be fewer beds available in our area.

From the inception of the TLS program, we have understood the importance of placing veterans in permanent housing. We had no

funding for permanent housing. We thought that we were going to get some funding through HUD, and I can't even begin to tell you how it happened, but the money that we—the grant that we put in for—the money we received ended up going for transitional housing rather than permanent housing. I would encourage the VA to run a permanent housing program. My experience with the VA is that it is run well, the programs that they have are run well and they are much easier to work with and much more supportive than other sources of funds.

Finally, I wanted to mention the soldiers returning from Iraq and Afghanistan. While we have yet to admit a veteran in our program from Iraq, I personally am serving, in my readjustment counseling program, four Iraqi conflict veterans. Two of these veterans are women, two of them are men. All four have mental health issues. Two of them have substance abuse issues. One is in a wheelchair.

I am not sure that we are as yet prepared to deal with the influx of Iraqi veterans, and I say that because I know I have been surprised by the number of veterans that I am serving right now. I anticipated it to be 5 or 6 years down the road. To a person, each one of these Iraqi veterans is saying to me, "I have friends out there and they are drinking and they are drugging and/or they have problems. I am trying to get them in to see you, but they won't come in yet. They won't come in yet." So the problem will break at some point and we will have a major influx of Iraqi veterans.

Thank you.

Chairman CRAIG. Alan, thank you very much.

[The prepared statement of Mr. Belcher follows:]

PREPARED STATEMENT OF ALAN BELCHER, PRESIDENT OF THE BOARD OF DIRECTORS,
TRANSITIONAL LIVING SERVICES

Honorable Chairman Craig, Honorable Senators, and Distinguished Guests, I would like to express my gratitude in being invited to speak today on behalf of the homeless veterans of Illinois. I am Alan Belcher, President of the Board of Directors of Transitional Living Services, a homeless veteran service provider based in Woodstock Illinois.

Transitional Living Services (TLS) is in every sense of the phrase a "grassroots organization." In 1996, a small group of Vietnam veterans met to discuss how to solve the problem of veteran homelessness in our own community. Once we started looking, we found homeless veterans throughout the area. A call to the VA determined that there were no veteran transitional housing programs in Illinois. The six of us—all Vietnam veterans—committed our time and energies to helping the homeless men and women who once sacrificed to serve our country to find the shelter, food, and health care necessary to survive and thrive.

As we soon found out, it's not enough to have an identified need and it's not enough to have a big heart. We have had to struggle and fight for every advancement in our program. Neither an inadequate program nor failure has been acceptable options for us. Therefore, it took us 5 years from the inception of our program to the actual securing of a facility and the opening of its doors to serve veterans. We approached local banks for loans and approached city councils for site approval. It took an additional 3 years of persistence before finally we were able to secure VA Homeless Provider Grant and Per Diem funding. During those 3 years, we kept the doors open by securing funding from anyone who would listen. We begged at veterans organizations throughout the area. We called our local, state, and Federal officials telling them of our situation and our mission. We accepted donations of food and other supplies from individuals and local businesses.

I believe that a portion of our dedication is the result of coming home from Vietnam to, at best, inadequate and poor care. We were committed then, and are committed now, to seeing that what happened to the returning Vietnam era veteran will

not happen to others. It is our determination to hold fast to the mission that all fellow veterans will receive the care that they so courageously earned, and that they deserve to their final day.

TLS is a small rural program presently serving 14 veterans at any one time, and soon to be expanded to serving 21 veterans. We are located approximately eight miles from the suburban sprawl of Chicago, in a small town of less than 600 people. Our priority is to serve the veterans from McHenry County and surrounding counties. We also serve veterans from all over the Chicago area.

The chronically homeless men and women we serve often have serious health issues. Their health concerns are varied and many. Generally though, their health problems are the result of abuse of their bodies and lack of health care. Many abuse alcohol and drugs and often go without food for long periods of time or have diets high in sugar, cholesterol and fat. Furthermore, the environment they live in often exacerbates health care problems. All too often, our veterans have been battered in attempts to steal their food or money. Furthermore, sleeping outside produces its own damage to the body.

One such veteran came to us experiencing pain in his left leg and having difficulty walking. A cursory examination by our caseworker revealed discoloration in his lower leg. Our inability to access our local VA outpatient clinic necessitated that we access a local physician who was gracious enough to see our veteran for free. Quickly, the physician determined that this veteran had gangrene which was due to untreated diabetes and a minor injury. This diagnosis assisted us in obtaining admission to North Chicago VA Medical Center and eventuated in saving the veteran's life by the amputation of his leg.

This tragic situation was unnecessarily complicated by our having no access to our local VA outpatient clinic, which is only 15 minutes from our facility. On several occasions, I have contacted North Chicago VAMC to encourage them to provide us with access to the local veterans outpatient clinic, but each overture has been "graciously rebuffed" by my being told "there is no room in the inn." All of our veterans' primary care, as well as specialty care, is provided in either North Chicago VAMC or Heinz VAMC. We transport veterans ½ to 2 hours for treatment for even minor health care issues. This causes us significant expense in gas, oil, and vehicle repairs as well as untold staff hours. The irony is that our veterans were used as part of the justification for placing the veterans outpatient clinic in our community.

The limited resources of TLS are being squandered on transportation when it is not necessary. Furthermore, the veteran is unable to hold a job because he/she is required to spend 4 or 5 hours to visit physicians when medical care is needed. Employers find it unreasonable for employees to spend that amount of time off the job for treatment of minor health issues. The provision of quality care and the success of our mission are in part contingent on our veterans having access to our local veterans outpatient clinic. We need slots designated specifically for the veterans being served by TLS.

An additional barrier to securing effective health care to these already neglected veterans is the difficulty in accessing dental care. Few dentists are available and appointments may take as long as 6 months to obtain. No restorative dental care is available. Homeless veterans come to us with severely neglected teeth and gums resulting in pain and tooth loss. Dental infection further impacts already precarious health. Plus, the absence of teeth, especially front teeth, can cause the veteran to feel self conscious and make finding a job especially difficult. I urge Congress and the VA to assist us in accessing dental care, especially restorative dental care.

Let me make a point for clarification here. Our transitional housing facility is located in what I have already described as a rural community. This site was partly made by choice and partly forced upon us. Certainly we needed to address the need and the fact that there are homeless veterans in the rural areas of this country. We needed to meet the needs of these men and women right where we found them, which does not always mean in the big city environment. Also, I need to point out that while we sought to locate our facility in various more slightly populated areas for the sole purpose of improving access to jobs and services for our residents, we were turned down by community after community who chose to deny the location of such a homeless shelter within their boundaries. Only by securing and rehabbing an old hotel outside of any existing municipality were we able to go forth at all.

Rural programs present unique challenges to effective service provision. During a prior call involving my testimony this morning, someone suggested that I have my development team gather some data. Not only do we not have a development team, we have no development person. Each of our staff is responsible for an assortment of tasks and those responsibilities are fluid, that is they often change from day to day, situation to situation. To the degree that it is possible, we provide services on-

site because offsite services require the commitment of a vehicle and the cost of fuel and a staff member to drive.

Employment is also a challenge made more difficult by the rural area in which we are located. Very few jobs are available in our community, and when they become open, they most often are given to people from within the community. Accordingly, employment always involves travel, sometimes many miles. Few of our residents have driver licenses so we have to transport the residents to and from employment sites. Occasionally a resident may be available to transport other residents, but this is the exception. Similarly, those residents attending school often require transportation.

In spite of these difficulties, we have managed to help our veterans find employment. Here are two success stories from just last month. Two of our residents moved into permanent housing. One of these two has recently reunited with his family and is living with them. He has been able to secure his driver license and is presently attending college classes. The second veteran is working full time for the first time in twenty years. Furthermore, he has been sober for over 2 years now. He is living in his own apartment and doing well. Our other current residents continue to progress with counseling, substance abuse follow-up programs, job training, education and employment while developing skills necessary for independent living.

On any given day, TLS will have a minimum of twelve veterans on our waiting list. Our contract with the VA requires that we actively search known locations where the homeless frequent in an effort to inform homeless veterans of our program and the services available to them. The intent is to make our program accessible to those hard-to-reach veterans, sometimes found under bridges and in barns. While this is a noble thought, it has proven to be impractical at best. Due to the long waiting list, it would be 6 months before we would be able to admit one of these veterans located in this way. Yes, we could and we do make referrals to existing programs and services such as PADS (a metro Chicago emergency shelter program), but we are unable to admit anyone we find on the street directly into our program.

For TLS to achieve the VA goal of providing housing for those veterans who "regularly sleep in places not designated for human beings," it would be necessary for us to have an emergency housing component to our program, and this additional component would allow us to provide food and shelter for veterans while they wait to be admitted to our transitional housing. Furthermore, we would be provided a better opportunity to assess their ability and readiness for transitional housing and make appropriate referrals to facilitate that readiness.

TLS is presently expanding our program from 14 to 21 beds. While this will serve more veterans, it will not reduce our waiting list. In fact, we believe that our waiting list will continue to grow in spite of the additional beds. North Chicago VAMC is combining two programs, thus reducing their beds available for homeless and potentially homeless veterans by 30 beds. PADS and the domiciliary programs at North Chicago VAMC will close for the summer in April, significantly adding to the number of homeless. Furthermore, as more and more homeless veterans are hearing about our success from our graduates, more and more veterans are applying for admission. Our capacity should be increased to at least 30 beds if we are to begin to meet the present needs of homeless veterans in our area alone.

From the inception of our program, we have understood the importance of placing our veterans in permanent housing and providing supportive services. The obstacles to successful transition are many and daunting for the veteran. Most of them have many years of living on the street and being in and out of temporary housing programs. In spite of successfully completing our transitional program, they remain at risk of returning to homelessness during their first year in permanent housing. Successful transition to permanent housing depends in part on the veteran maintaining a relationship with TLS. We encourage the veteran to continue to participate in the programs and groups he was participating in when he graduated. We encourage his continuation with outpatient substance abuse and mental health care. Furthermore, we continue to provide case management services to the veteran during this time of vulnerability. All of these services are provided by TLS with no financial assistance from the VA or any other funding source. The only financial support TLS receives for assisting with permanent housing comes from the Disabled American Veterans Foundation and that funding goes to the veteran for security deposits, utilities, household items, and the first month's rent. The monies we receive annually from the DAV support only FOUR veterans transitioning to permanent housing during that 1 year period.

As our program continues and grows, we will have an ever increasing number of veterans in permanent housing, and we will be providing services to this population. Soon, our resources, already stretched to their maximum limits, simply will be un-

able to be stretched far enough to provide the support services so desperately needed. Not providing these services is not an option as many of our grants are driven by providing these very services. I strongly suspect that the lack of these services will threaten the success of our veterans. We encourage Congress to authorize a specific funding stream for the aftercare and permanent housing of veterans graduating from transitional housing.

I would be remiss if I did not mention the soldiers returning from conflicts around the world. These men and women are the future of our great nation. While I believe that many of them will become future leaders, I am greatly concerned that many will succumb to the same fate as those I have worked with from the Vietnam era, Korean conflict, and WWII. I am already providing counseling for some of these troubled young people as they return from Iraq. While we have yet to admit a veteran from the Iraqi war into our homeless program, we have served several Gulf War veterans. I am presently providing psychological services in my practice for four veterans recently returned from Iraq. Psychological and substance abuse problems can and often do lead to homelessness. All too often, the neglect of these issues becomes a chronic problem for the veteran and results in homelessness. While the VA has displayed a willingness to look at this concern, and Congress has provided additional funding, my experience to date is that we are ill prepared to address the sheer quantity of veterans who will need treatment. Furthermore, many of the professionals who have experience addressing these issues are retiring from the VA. The resource of professionals experienced in dealing with Post Traumatic Stress Disorder and related problems is dwindling. A reduction of professional staff familiar with the psychological and substance abuse problems caused by war trauma will greatly threaten the continuation and success of programs provided to heal the veterans of today's wars.

Most of the pre-Gulf War veterans were men, so most of our homeless population of veterans, thus far, has been made up of men. The veterans returning today are men AND women, presenting problems we have not had to deal with before. Our facility and other homeless facilities are going to have to be prepared to deal with men, women, and possibly children of these veterans. This fact presents an entire new set of problems for which we are unprepared at this time.

Let me conclude by urging the VA and Congress to make every effort to prevent our returning soldiers' problems from becoming chronic to the degree that these brave men and women are at future risk of homelessness.

Chairman CRAIG. Now, let us turn to Tim Cantwell, Manager of Cloudbreak Development, Inglewood, California. Tim, thanks for traveling all the way out.

**STATEMENT OF THOMAS R. CANTWELL, JR., MANAGER,
CLOUDBREAK DEVELOPMENT, LLC, INGLEWOOD CALIFORNIA**

Mr. CANTWELL. My pleasure. More than 14,000 homeless veterans have been placed in service-enriched housing since we opened our doors the end of 1993, from Hawaii, at Barbers Point Naval Air Station in the west, base closure process and property obtained from DOD by Honolulu VA Medical Center, leased to us for 50 years, through to a service-only center in VSN3, New York City, tonight we have over 2,000 beds of service-enriched housing for homeless veterans in six States and the District of Columbia.

Cloudbreak Development is a for-profit specialized need housing developer for homeless veterans. It focuses on the siting and entitlement process through local cities for gaining approval to place into service a scale project for homeless veterans. These companies finance, design, manage, build, and deliver these facilities for residences and for services.

The United States Veterans Initiative is a 501(c)(3) nonprofit formed specifically to provide services for homeless veterans. Together, we are known as a collaborative called U.S. VETS.

Annually, we serve more than 10,000 homeless veterans. Seven sites are VA Grant and Per Diem or Per Diem only supported, with about 600 beds. The other 1,700—it is almost 700 beds—the other

1,700 beds are supported through a variety of means, including HUD, Department of Labor, and AmeriCorps. HVRP supports seven of those sites directly. We place in employment over 1,000 veterans each and every year at an average wage of \$9.51 per hour. There are tables in the sheet that will show you by site the number of beds and the dollar placement per hour for the employment activities.

Eighty-four percent maintain their sobriety in the VA Per Diem supported beds. Fifty percent of those that relapse return to treatment. Eighty-five percent transitioned from VA Per Diem beds to long-term service-enriched housing. Eighty-one percent statistically obtained employment within 90 days.

At Cabrillo Savannah Naval Housing, formerly in Long Beach, we designed and delivered and operate in conjunction with Century Housing Corporation what would be a 921-bed facility for homeless veterans, families, and youth. Currently, 750 reside in that site. The General Plan Amendment, zone change, use permit, and multiple tract maps were what was required in order to deliver that. There is over \$40 million in private capital invested in that.

All of our sites operate within a self-determined, case management, full accountability modality, and I think that you will find that virtually all of the members of NCHV, all of those community-based service providers, subscribe to that model.

The combining of NVRP, HUD, AmeriCorps, State, county, city, and private funds have allowed the creation of many specialized programs. On-campus mental health clinic, I second what Alan was saying. I don't know the specifics of the situation. We should encourage the VA to make on-campus placement with staff. Specialized trauma units for female veterans have been started underneath these programs. Compensated work therapy of the VA is integrated at every turn where it is appropriate and makes sense and is available, and it is not available everywhere.

Everywhere, I think it is safe to say, community-based providers link with the HVHC programs of the VA through outreach for crisis intervention and treatment where it is appropriate. Outpatient and day treatment hospital programs are linked and coordinated with the VA. VASH programs, where they are available, are linked for long-term permanent housing with supportive services. It works.

In 1996, the general consensus in L.A. was that there were 80,000 homeless individuals on the street. Twenty-four to 27,000 of those were estimated to be homeless veterans. In January 2006, the greater L.A. count for one night on homeless showed there were 88,000 homeless individuals on the street. This is the good news. Eighteen thousand of them were homeless veterans, so you have a reduction in percentage of the whole and in absolute terms.

There is a great deal more to do. I second what Michael said. At every single one of our sites, we are seeing Iraqi war vets, but this Committee should take great comfort in knowing that a concentrated effort of service delivery with beds has a result. In 1993, there were only 69 veteran beds in L.A. Today, there are over 2,000 beds for veterans in L.A., and you can see what the impact is. It has an effect, a difference.

Four points. Authorize, to the fullest extent possible, the VA specialized programs for homeless and HVRP. We encourage the notion that NCHV is placed forward, that you set a floor of 345,000 with a fixed percentage of the VA health care budget to assure that these programs will be funded.

Two, simplify. The lowest cost per day in VHA's inpatient system is domiciliary care. I think we could all know that. It is over \$150 a day. Contracted substance abuse from the VA is always something averaging more than \$50 a day. In some locations in Hawaii, it is well over \$100 a day. If we get a cheap motel in a soft market, it costs you \$45 a day without a nickel's worth of services, much less food, case management, legal services, crisis intervention, relapse prevention, job development and placement. Thirty-dollars per day is the Per Diem rate, new to the State home. Set that as a Per Diem rate and let us simplify it. Let us make it a payment for services and measure outcomes. You can measure the outcomes. We don't need to squabble over whether or not that \$30 a day went hither or yon. It is a deal and a half.

Second, or third—

Chairman CRAIG. You only get one more.

[Laughter.]

Mr. CANTWELL. I only get one more. OK. I will be very quick with it. Clarify. Clarify. Everyone knows that none of this can be done with any one funding stream. It takes all of the Federal agencies and every nickel that you can garner together from State and local agencies. By very design, it is intended that these activities are coordinated, leveraged together to stitch—and this is important—we have a fragmented service delivery system funded by a fragmented Federal program. Those have to be blended together into a seamless service delivery for the homeless veteran we are trying to serve. The outcome has to be the integration of that veteran to his highest level of independence.

This Committee needs to clarify its intent for Congress to collaborate in everything and be redundant in nothing and clarify that these funds can be used for that purpose, leveraged and combined together to do that service delivery.

And last, seize the opportunity. Seize the opportunity. I believe that it is the obligation of private business to support a healthy community. It should be engaged, the private sector, in delivering and assisting this needs population. Well, so much, so more that the Government should do that, as well. When faced with base closures, the CARES process, for every opportunity that results in a homeless veteran activity of scale, there are hundreds that are frustrated and denied. Right here in Washington, DC, we are watching that happen and those of you on the Armed Services Committee, we would love to talk to you about the Old Soldiers' Home.

With that, we thank you very much for this opportunity.

Chairman CRAIG. Thank you very much.

[The prepared statement of Mr. Cantwell follows:]

PREPARED STATEMENT OF THOMAS R. CANTWELL, JR., MANAGER,
CLOUDBREAK DEVELOPMENT

U.S. VETS is a collaboration primarily between the Cloudbreak Development family of companies owned by Cantwell-Anderson, Inc. (a for profit real estate devel-

oper) and United States Veterans Initiative (a nonprofit homeless veteran service provider). Today, we collectively operate service enriched housing facilities for over 2,000 homeless veterans (694 of which are Per Diem beds) in nine locations (7 sites are Per Diem and HVRP supported) throughout the country, and services-only programs in two additional locations. With property in some stage of development we anticipate total housing capacity to approach 4,000 veterans.

An alarming new homeless veteran population is surfacing. In virtually all of our sites we are seeing Iraqi war homeless veterans. Disturbingly, many of these mostly able-bodied young men are clearly disoriented. Incidence of PTSD is rampant and we suspect what we see today is but the tip of the iceberg.

Operating housing in Hawaii, California, Nevada, Arizona, Texas, and Washington DC, a GPD service center in Houston, and an Americorps program in VSN 3 (New York City area and New Jersey), U.S. VETS serves more than 10,000 individual veterans each year, placing more than 1000 annually in jobs. The attached Exhibit A "U.S. VETS HOUSING PROGRAMS" detail beds and average job placement wage by location.

Beginning with one site in 1993, U.S. VETS has housed over 14,000 homeless veterans. We measure outcomes and they are remarkable. This itself a testimony to the fundamental commitment of the vets we serve and the coordination with the existing community care system in which we are located including the attendant VHA system. When placed in our VA Per Diem and HVRP programs the following tables (for Westside Residence Hall in Los Angeles) show you both a 1-year set of objectives as well as results by year 2000–2005:

- Table #2 shows that for 2005 approximately 84 percent maintained sobriety, of those relapsing 50 percent returned to treatment.
- Table #3 shows that for 2005 approximately 85 percent transitioned from the VA Per Diems programs to long term housing.
- Table #4 shows that for 2005 over 80 percent remained in that housing for more than 6 months.
- Table #5 shows that for 2005 approximately 81 percent obtained employment within 90 days.
- The U.S. VETS HOUSING PROGRAMS Table shows an average wage placement rate of \$9.51 per hour.

At the former Cabrillo Savannah Naval Housing Base we first acquired control (thru the 1994 base closure process) then conceived, planned, entitled, developed and have managed through to delivery and operations a Residential Planned Community for homeless veterans, families and youth. With financing primarily from Century Housing Corporation and tax credit equity from John Hancock Realty (aggregating \$40M), the development is now housing over 500 veterans and more than 250 women and children in specialized family programs run by Catholic Charities, Salvation Army, New Image, 1736 Family Crisis Center, and Changing Spirits (a Native American Indian Treatment program), a child care center, homeless transitional school (Long Beach Unified), on campus college teaching (Long Beach City College), and a Long Beach VAMC substance abuse clinic. With active new development under way the full 921 beds and the nearly 80,000 square feet of commercial education and training services space approved through the city of Long Beach entitlement process in 1998 (General Plan Amendment, Zone Change, Use permit, and multiple tract maps) should be achieved within the next 5 years.

All our sites operate within a self determined, case managed, full accountability modality. The VA Grant and Per Diem and Per Diem Only programs regularly combined with HVRP, HUD, Americorps, State, County, City and local private funds have allowed us to create a specific Fathers Program for veteran fathers with dependent children, a program for veterans with High Barriers to employment, the largest female veteran program in the country with a special unit for sexual trauma victims (Long Beach VAMC), several dually diagnosed programs for chronically homeless mentally ill veterans, and a special needs Critical Time Intervention effort (Houston VAMC). Westside Residence Hall has an on campus Mental Health Clinic (West LA VAMC) that provides crisis intervention and case management to veterans not in the Per Diem supported beds. The VA Compensated Work Therapy programs are actively engaged with our veteran residents for initial stabilization when appropriate and in locations where it is available. Everywhere we link with VA outreach from the HVHC and coordinate with their VASH programs.

It works. In 1996 the general consensus homeless estimate that on any given night for the streets of LA County was around 80,000 individuals and of that 24,000–27,000 were estimated to be veterans. In 2005, The Los Angeles Homeless Services Authority's Greater Los Angeles Homeless Count released in January 2006 indicates there are now more than 88,000 homeless individuals on any given night but of those only 18,000 were veterans. This is a reduction in both absolute and per-

centage terms. While there are flaws in comparing estimate to actual, the fact is that in 1992 there were only 69 beds across all of LA's shelter system for vets, and today, there are nearly 2,000. 1,200 of these are supported by VA Per Diem dollars. U.S. VETS provides 1,000, or 50 percent of the total veteran specific beds, and 312 (25 percent) of the VA Per Diem supported beds.

We believe that the ability of the LA system to place a motivated homeless veteran into an appropriate setting on a same day basis, has contributed to a reduction in the number of homeless veterans. Clearly the carefully woven effort in LA is having an impact. The hand up not a hand out philosophy is proving its worth. The coordinated effort of the Greater LA VAMC system and the Community Based Service Providers are chipping away at the problem.

LA still has the highest homeless veteran population in the country; so much more is to be accomplished. However this progress should give this committee great comfort and satisfaction.

Authorize. Keep the specialized programs of the VA and DOL authorized and funded to the fullest possible extent. NCHV has suggested funding levels by program which we support. Furthermore we join them in urging you to establish a specialized homeless program specific purpose account within VA medical services appropriation and ensure that of such sums appropriated annually for VA medical services, the greater of a fixed sum of \$345,672,000 or 1.26 percent of the total medical services appropriation be reserved for specialized homeless programs.

Simplify. The lowest cost per day of inpatient care in the veterans' health care system is their domiciliary operations of at least \$150 per day. Most VA contracted substance abuse treatment programs exceed \$60 per day some are over \$100 per day. Surely it is safe to say that if a homeless veteran provider is delivering beds scrutinized by VA life safety inspections, meals approved by a VA dietician, and services that may include substance abuse treatment, case management, job placement, and life skills development, it's safe to say that's worth at least \$30/day. One can't rent a low end hotel room for less than \$45 per day except in the softest of markets . . . much less with food and services of any kind. Right now, community based providers are spending scarce time and resources to demonstrate their need for \$30 per day. If the provider is successful in getting additional funding from agencies or corporations, they are required to reduce their Per Diem payment accordingly, thereby assuring that the provider can never increase its capacity to do anything. Simplify the process and structure the Per Diem payments as a fee paid by VHA set at the current State Home Domiciliary rate! Look to the VA monitors to review the quality of services delivered pursuant to the contract developed following the grant application award. Measure outcomes . . . it can be that simple.

Clarify. The point is, it works! How? Because we have leveraged and combined funds from DVA, DOL, HUD, and CNS to provide housing, treatment, training and employment, and a variety of supportive services . . .

Taxpayers have invested lots of resources in trying to address the homeless issue, and specifically the homeless veteran issue. There has been an underlying presumption that there have been a variety of resources available through HUD, VA, DOL, and HHS that could be accessible for providers serving homeless veterans. In fact Congress saw fit to increase funding to many of these programs. An underlying mandate came with this funding, that they would be leveraged and combined with other available Federal and local resources to take the otherwise fragmented service delivery and stitch it into a seamless delivery for the homeless veterans we are targeting. The creation of the Samaritan funding for chronically homeless is based on the idea that these funds should be used together and leveraged to create the greatest possibility of success for the hardest to serve populations.

The Interagency Council on Homelessness is charged with being sure that Federal agencies are coordinating efforts to end homelessness! We should be combining all Federal, state and local resources to get the best possible service delivery for these men and women who have served their country. No one agency can fund all these costs. Surely, it is the congressional intent that we *collaborate in everything and are redundant in nothing.*

While everyone talks about collaborating and coordinating funds and services, and we're told the best programs do that, there appears to a lack of clarity on whether these VA program funds can be used to leverage or match other Federal funds to assist homeless veterans. This committee should clearly provide that these funds can be used for this purpose.

The following tables are standard objectives that are reviewed at each U.S. VETS site to measure program outcomes and Veteran successes.

An example Objective Outcome Measures is provided from U.S. VETS-Los Angeles.

Table 1. Veterans in Progress Program Objectives

Table 2. Sobriety Maintenance
 Table 3. Transition to Long-Term Housing
 Table 4. Housing Stability
 Table 5. Job Placement

VIP Objectives 05

TABLE 1: VETERANS IN PROGRESS PROGRAM OBJECTIVES
Veterans in Progress Program
Program Objectives

Intakes	208
Discharges	201
Referring Agencies	46

Residential Stability Objective # 1

90% will attend sobriety support groups which in turn will mean, 70% will maintain sobriety.

Pos UA/ Refused Treatment	16	7.96%
Returned to Treatment	17	8.46%

Total Relapsed	33	16.42%
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84% maintained sobriety.

Residential Stability Objective # 2

100% will attend money management classes which will lead to 80% of tenants paying rent each month. 94 % paid rent each month.

Residential Stability Objective # 3

70 % will transition to permanent or transitional housing.

Westside Residence Hall	56	34.36%
Sober Living	2	1.23%
Own Apartment	42	25.77%
Moved with Family	28	17.18%
Relocated for Job	2	1.23%
Moved with Friends	6	3.68%
SRO	1	0.61%
Villages at Cabrillo	2	1.23%
		85.28%

Residential Stability Objective # 4

80% will remain in transitional housing for 6 months.

(This number is representative of the individuals that moved into our transitional living program.)

< 6mos	11	19.64%
> 6 months	45	80.36%

Increased Skill Level/Income Objective # 1

10% will enter training or educational programs within 3 months after entering the program.

CIT Class A	6
CIT Electrical Maintenance	2
ATC- Brakes	1
ABCO A+ Certification	3

Total Vocational Training	12	5%
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100% of all clients attended Career Explorations, interview techniques, resume classes.

VIP Objectives 05

Increased Skill Level/ Income Objective # 2

80% of occupants will achieve job placement within the first three months of entry

Full Time	132	65.67%
Part Time	10	4.98%
CWT	9	4.48%
Fixed Income	11	5.47%
Employment Rate	162	80.60%

Increased Skill Level/ Income Objective # 3

50% of participants will increase wages by 20% over the grant term.

81 % increased wages by 20% over the grant term.

Increased Skill Level/ Income Objective # 4

75% will create a budget and save money for transition.

All clients moving to Westside Residence Hall created a budget. All clients moving to Westside Residence Hall or their own apartment

Greater Self- Determination Objective # 1

100% of participants will participate in the development of their individual case management plan.

All participants were involved in creating their individual treatment plan. Their progression was measured through weekly self reports as well as weekly meetings with their case managers.

Greater Self- Determination Objective # 2

70% of program clients will maintain their sobriety over the grant term or enter relapse recovery programs as a result of self, peer or staff interventions.

Pos UA/ Refused Treatment	16	48.48%
Returned to Treatment	17	51.52%
Total Relapsed	33	100.00%

Greater Self- Determination Objective # 3

95% of program participants will be assessed for literacy strengths and deficits.

All clients were given an assessment of their literacy strengths and deficits.

Greater Self- Determination Objective # 4

50% of project residents will attend resident advisory or support group meetings.

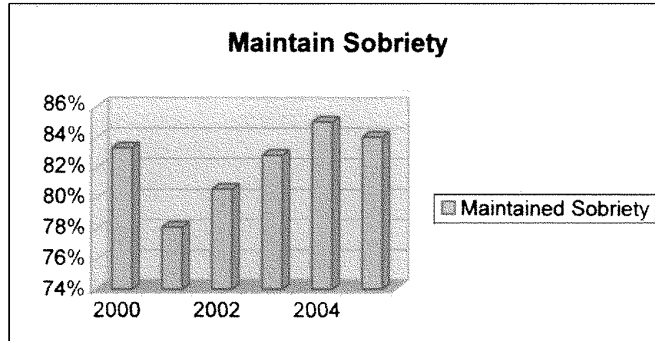
All clients were referred to support group meetings.

Greater Self- Determination Objective # 5

10% of participant who complete the program will participate as mentors to new participants.

TABLE 2: SOBRIETY MAINTENANCE
 Veterans in Progress Program- Westside Residence Hall
 Residential Stability Objective # 1- 70% will maintain sobriety.

	2000	2001	2002	2003	2004	2005
Maintained Sobriety	83%	78%	81%	83%	85%	84%
Relapsed	17%	22%	19%	17%	15%	16%



This chart is a representation of the number of clients who returned to treatment after a relapse.

Greater Self- Determination Objective # 2
 70% of program clients will maintain their sobriety over the grant term or enter relapse recovery programs as a result of self, peer or staff interventions.

	2000	2001	2002	2003	2004	2005
Refused Treatment	11%	7%	9%	5%	5%	8%
Returned to Treatment	6%	15%	11%	12%	12%	8%
Total relapse	17%	22%	19%	17%	17%	16%

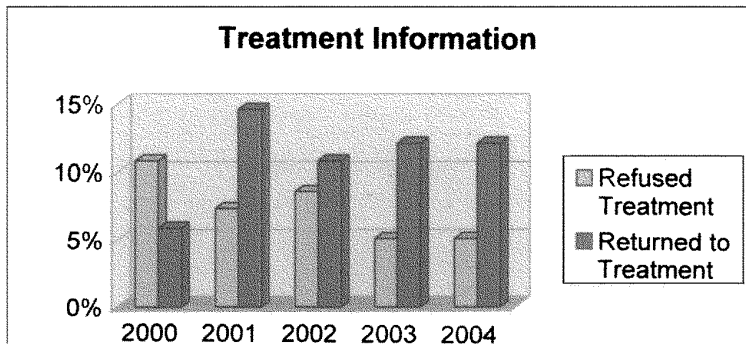


TABLE 3: TRANSITION TO LONG-TERM HOUSING

Residential Stability Objective #3- 70% will transition to permanent or transitional housing

	2000	2001	2002	2003	2004	2005
Transitional Housing	61%	38%	48%	39%	40%	41%
Permanent Housing	16%	18%	26%	46%	50%	44%
Total Transition	77%	56%	75%	85%	90%	85%

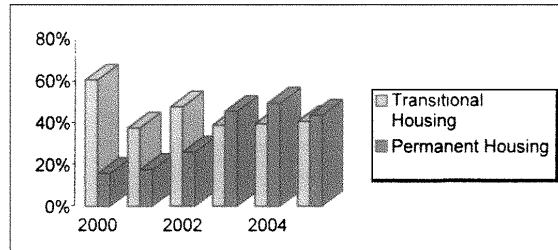


TABLE 4: HOUSING STABILITY

Veterans in Progress Program- Westside Residence Hall

Residential Stability - 80% will remain in housing for at least 6 months after discharge from the Per Diem program

	2000	2001	2002	2005
< 6 months	11.03%	28.00%	21.35%	19.64%
> 6 months	88.97%	72.00%	78.65%	80.36%

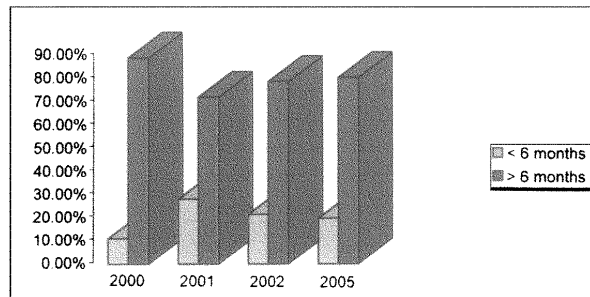


TABLE 5: JOB PLACEMENT

Veterans in Progress Program- Westside Residence Hall

Increased Skill Level Objective # 2- 75% of participants will achieve job placement within 3 months

	2000	2001	2002	2003	2004	2005
Obtained Employment	76%	83%	80%	82%	83%	81%

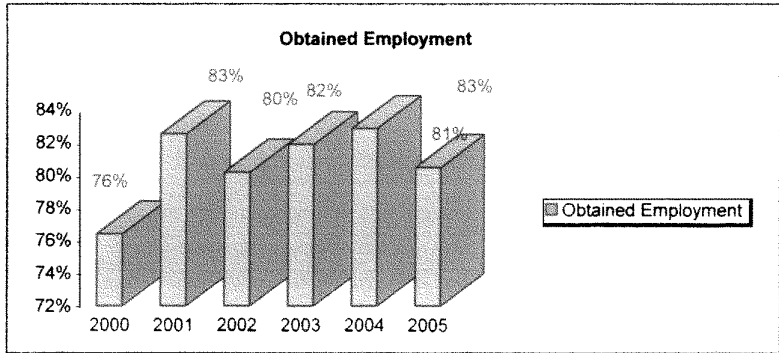


Exhibit A - U.S. VETS HOUSING PROGRAMS

SITE	Per-Diem Beds		TH		PH		Other		TOTAL		DOL Program Average Wage
	A	O	A	O	A	O	A	O	A	O	
PHOENIX	63	63			12	12			75	75	\$ 9.50
PRESCOTT	98	57							98	57	
LONG BEACH	135	128	196	190	168	162			499	480	\$ 10.00
RIVERSIDE			29	29	13	13	30	24	122	104	\$ 9.25
							Treatment				
							50	38			
							Non-Per Diem VIP				
WRH	150	145	350	332					900	477	\$ 10.00
WASHINGTON D.C.			15	14	12	4	24	19	51	37	
							S+C				
HAWAII	98	93	93	89					191	182	\$ 9.68
LAS VEGAS	118	116	123	115	5	5			246	236	\$ 10.50
HOUSTON	72	71	196	154					268	225	\$ 7.63
TOTALS	694	673	1002	923	210	196	104	81	2010	1873	\$ 9.51

1 Jobs Placed 2004-2005 1025
 Total Beds Available 2010
 Total Beds Occupied 1873
 Total Capacity 93%
 Information updated March 13, 2006

Chairman CRAIG. We have been joined by Senator Salazar. Senator, we are expediting this morning because of those stacked votes, and if you have an opening statement, we would ask that you make that a part of the record.

**STATEMENT OF HON. KEN SALAZAR,
U.S. SENATOR FROM COLORADO**

Senator SALAZAR. Thank you, Mr. Chairman. I do have an opening statement and am equally concerned with you and Chairman Akaka and the Members of this Committee because of the number of homeless that we have in our State, and thank you very much.

Chairman CRAIG. Thank you very much.

[The prepared statement of Senator Salazar follows:]

PREPARED STATEMENT OF HON. KEN SALAZAR, U.S. SENATOR FROM COLORADO

Good morning. Thank you, Chairman Craig and Senator Akaka for giving the Committee this opportunity to address the issue of homelessness within the veterans' community.

Too often, our veterans return home without the support necessary to meet their basic needs. VA estimates that a half million of our nation's bravest men and women experience homelessness in any given year, and that veterans make up thirty percent of the entire adult homeless population in the U.S. It is an absolute tragedy that these veterans—who have given so much to our country—cannot expect their government to give them the support they need when it comes to fulfilling the basic human need for housing.

Homeless veterans represent the most vulnerable segment of our veteran population, and helping them should be one of our highest priorities. In my home State of Colorado, about seventy percent of homeless veterans have been dually diagnosed with both substance abuse and mental illness. We cannot even begin to fix the problem of homelessness until we address these medical issues and provide our veterans with the treatment they need to overcome them.

Three years ago, the city of Denver created a Commission to End Homelessness, which was tasked with developing a 10-year plan to end homelessness in the Denver area. In late 2004, they released their plan called Denver's Road Home. I believe this program represents a promising opportunity for VA to increase the involvement of homeless veterans in mainstream services, and I look forward to working with VA to ensure we take full advantage of it.

I am still concerned, however, that housing resources for homeless veterans are insufficient. Colorado currently has no permanent supportive housing projects dedicated to homeless veterans. This puts veterans in my home State at a serious disadvantage when it comes to securing adequate housing, and I find this alarming.

In addition, we must not overlook the women who make up about 5–10 percent of the homeless veterans population in my state. Their needs, though often different from those of the majority of homeless veterans, are just as urgent and our efforts to address them should be just as vigorous.

Finally, although the vast majority of Colorado's homeless veterans are located in the Denver metropolitan area, we must not overlook the challenges faced by homeless veterans in rural areas of our country. I know that some of our witnesses will address that issue today, and I look forward to discussing ways we can improve services for that vulnerable population.

Again, I want to thank Larry Craig and Danny Akaka for holding this hearing, and I want to thank all of our panelists for coming here today to discuss the important issue of helping veterans—who have sacrificed so much—with their most basic needs.

Thank you.

Chairman CRAIG. Michael, I will come back to you and I will ask a question of each of you, if I could, and we will see if we can move through a round of questioning before those votes start, at least of this panel.

In your testimony, you have asked that the eligible population for HVRP services be expanded to include veterans at imminent risk of homelessness. I agree with you that homelessness preven-

tion is obviously a laudable goal. Can you give the Committee a real-life example of what you believe is a veteran in imminent risk of homelessness? We are trying to understand what these definitions mean and at what point do certain actions trigger.

Mr. BLECKER. Well, I mean, you have a lot of Iraq war vets who (A) don't want to admit that they have problems, and (B) it's really going to be a big challenge to outreach to them in a meaningful way. They are living on couches of their friends. They are at imminent risk of being homeless, depending on the definition. Essentially, they are one paycheck away from being homeless.

You come out of the military and suddenly you are under enormous financial strain. You lose your housing allowance. You lose your source of income. You lose your health insurance, et cetera. So returning soldiers are under tremendous financial strain and I would say there are quite a few Iraq war vets right now who are at grave risk of being homeless.

Again, this is sort of a way—I mean, HVRP, I would like to double the pot. I would like to see \$50 million for these services, as I think that was authorized, but hasn't been appropriated. That is a meaningful level. Right now, we have less than half that. If we increase that pot again, it makes a big difference. I mean, for just \$2,000, a homeless veteran has a placement. The Grant and Per Diem Program is very cost-effective.

Chairman CRAIG. Thank you.

Mr. BELCHER. Senator, I might add that just last week, I received a call from our local Veterans Assistance Commission asking us for some help with an Iraqi veteran and his two children. They were living in a basement and they needed—he had lost his job and he was going to be homeless in the near future, and we can't serve a family. If we were able to help him with a job, give him some support, that would make a huge difference with this fellow and his children. Thank you.

Chairman CRAIG. Alan, as a small provider in, I guess, rural suburbia—

Mr. BELCHER. Yes.

Chairman CRAIG [continuing].—you spoke of your concerns. By what definition do you not have access to the CBOC in the community?

Mr. BELCHER. When we take a veteran into our program, the CBOC has a waiting list of 18 months to 2 years. We take a veteran into our program, we provide the housing for him, hopefully, it is not going to be that long. We may find a job and placement within a year. He can be on the waiting list, but during the time that he is in our program, he will not have access to it. He will not be able to use it. He can't even get in the front door. I have called over at North Chicago on several different occasions trying to say, we need some slots. We need to—

Chairman CRAIG. So you are not talking of a slot by name, but a generic slot—

Mr. BELCHER. A generic slot—

Chairman CRAIG [continuing]. So you can access it?

Mr. BELCHER. Yes, because by name, it is not possible to get it by name because of the waiting list they have.

Chairman CRAIG. All right. Tim, obviously, your record as it relates to where you were in 1993 to where you are today is a phenomenally positive one and a great comment. You expressed yourself in a variety of ways as it relates to programs. What single combination of efforts do you owe the success of your organization?

Mr. CANTWELL. It is not just our organization. To begin with, I think it demonstrates that our veteran population is capable. It is more educated, often, than the general homeless population. It has performed before, at least once in their life. Now, there is a whole bunch of carnage that goes along with that, but that is the beginning part.

And second, the coordination and design on a community by community basis—Mr. Blecker alluded to it. Every setting is different. The paradigm in Honolulu and Oahu and all the islands is very different than the paradigm in Houston, Texas, or Las Vegas, Nevada. Gaming and gambling addiction is a big problem in Las Vegas. Crack cocaine and heroin is the drug of choice in Los Angeles. Alcoholism in Houston, Texas. It varies.

So the coordination of all of what is there in the existing care system, along with the specialized programs offered from VHA, all of them for homeless, and the Department of Labor, HVRP and the Workforce Development Programs in various States, together with a local vision of what this thing should look like, private bank financing for leverage, tax credit equity for equity, all of those parts together, it is stitching it together into one thing with one clear, strong vision.

Chairman CRAIG. Thank you.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

My question is on looking at targeted services. We know that about over half of the homeless veterans are minorities. My question to you is, what can agencies involved in homelessness prevention, what can they do to provide more targeted services to certain sub-groups of homeless veterans, and in particular the minority veterans? Let me ask Mr. Mike Blecker to please first respond.

Mr. BLECKER. I think the definition of being community-based tells you that you are comprised of your community. SWORDS and other community-based organizations work with outreach workers. It is helping vets. Oftentimes our workforce is comprised of formerly homeless vets themselves. That was actually a guiding light of some of the early VA programs, peer support. Minorities are also part of the community-based organization. That establishes your rapport. That allows you to do the outreach. That allows you to reach people in a meaningful way. It is very specialized. That is what a community-based organization brings to the table.

Senator AKAKA. Mr. Belcher.

Mr. BELCHER. I would also echo that. We serve the greater Chicagoland area. In spite of the fact that we are a rural program, we also have referrals that come from—or many referrals that come out of Hines Hospital. So we do serve—a fairly large percentage of our population are minorities. I think at present, out of the 14 residents, we have 4 African-Americans. We try very hard to be sensitive to the issues that they bring to the table and we will, when we are able to, hire staff that are African-American.

Senator AKAKA. Mr. Cantwell.

Mr. CANTWELL. Each of the sites that we operate in look exactly like our community. In Hawaii, we have a huge number of Native Hawaiians on property involved in the management and in the delivery of those services and the beneficiaries of those services.

The specialized programs within the VA, from the Grant and Per Diem Program and Per Diem Only Program, is actually very responsive to specialized niche groups. I would suggest, as before, that you authorize and help to see that appropriated dollars go to these specialized programs for HVRPs and for VHA.

I think we are beginning to see some progress with HUD. There have been struggles even in some States with State Attorney Generals saying that delivering veteran-specific activities, it is discriminating and you can't do it. We only recently accomplished getting a reversal in the State of California.

So sub-populations within the homeless veteran population is advanced by furthering dollars that are specific to veterans and making them available for the creation of programs as they are necessary to meet specialized needs.

Senator AKAKA. Thank you. Mr. Alan Belcher, in your testimony, you note that it took your organization 3 years to receive homeless provider Grant and Per Diem funding, and that was also discussed by Mr. Cantwell. Can you take us through the process you went through to receive this grant? Are technical assistance grants helpful to providers like yourself in expediting this process? What suggestions do you have to help improve the process based on your experience?

Mr. BELCHER. The grant process for us, once again, we start from the point where we are a very grassroots organization with very few—this was a board of directors, primarily myself, who was writing this grant. It is an arduous task to write it and I did not have the experience that maybe some other groups would have with writing Federal grants.

Last week, I received a call and was involved in several calls and somebody suggested to have my development team produce the written document that you received. Well, not only do I not have a development team, I don't have a development officer. So it boils down to me and maybe one of the staff members coming to the table and writing some of this material. There is a lack of time. There is a lack of money. It makes it very difficult.

In addition to that, I went to see a person at Hines Hospital who is very familiar with the process. I asked her, "What do I do to get this grant?" She reviewed it, spent a lot of time with me, and made many suggestions, and the following year it was funded. The main suggestion that I was given, though, was don't be so honest. You don't talk about problems that you have. Talk about the solutions you are providing. I was, frankly, being a little too honest in the process. So that is what I have gone through.

Senator AKAKA. Thank you. Thank you very much.

Mr. Chairman.

Chairman CRAIG. Thank you very much.

Senator Obama.

Senator OBAMA. Thank you very much, Mr. Chairman. Again, thanks to all of you for being here.

I think this is obviously an absolutely critical issue, and one of my main concerns is that we just don't provide enough funding, as I think has been mentioned, for the HVRP or the Grant and Per Diem Program. Each year, these programs have been funded well below their authorized levels. What I am interested in is finding out how that manifests itself on the ground. How often would any of you have to turn away veterans who could use these services because of lack of resources? You have mentioned some of the issues that you are all confronting, but can you give us a concrete sense of whether you are turning away folks or you are simply not able to do outreach to people who might otherwise be served?

Mr. BLECKER. Well, I will start. It is just a dreadful situation. In San Francisco, there are 56 Grant and Per Diem beds for at least 1,500 homeless veterans. In Atlanta, I think there are 40 Grant and Per Diem beds for 2,000 homeless veterans. It is dramatic.

Senator OBAMA. Can you repeat that. Forty-five—

Mr. BLECKER. Forty or 45 Grant and Per Diem beds for, I think a sound number is approximately 2,000 homeless veterans in Atlanta.

Senator OBAMA. OK.

Mr. BLECKER. In San Francisco, there are 56 beds, perhaps more, for at least 1,500 homeless vets. That is the dimension of the problem. There are far more than 10,000 homeless vets—yet there are not quite 10,000 beds. We are trying to struggle to get 10,000 beds. There needs to be at least twice that many. Sometimes, it is difficult to even incentivize the operators because the way the payments work. First of all, it takes 10 accountants to figure out how to count what is income and what is disallowed and what is allowable versus disallowed and it just completely overwhelms your organization. So there are problems like that. It even serves—if you add another bed that is not in the program, it can also reduce your Grant and Per Diem rate. So I think the rates need to be reasonable so that the operators can work with them, and that is a real problem.

But, of course, we all know that there is a shortage of affordable, permanent housing. It is a crisis and it is so true with veterans.

Senator OBAMA. Does anybody want to add anything?

Mr. BELCHER. Yes. I could just add a couple of things. First of all, part of our contract is that we search these sites where homeless veterans can be found. Well, actually, it is kind of cruel for us to go out there and search these sites under bridges and in pad sites and things like that because if we find somebody, we can't serve them. We can tell them, we will put you on our waiting list and when we reach the top of our waiting list in 6 to 9 months, then we will take you in. That is clearly cruel.

Clearly, we need more beds, and I think that we have the willingness of these veterans groups throughout this country to make that happen and full funding would be very much appreciated.

Senator OBAMA. In the time remaining, I want to talk about wrap-around services. I think all of you mentioned the fact that a lot of the issues that confront homeless veterans have not only to do with unemployment, the economic hardship, but are also connected to mental health and substance abuse issues. I am just curi-

ous about the degree to which you guys are able to provide follow-up services. My assumption is for a lot of homeless veterans, they may come in for a while, slip out of the program. What kinds of after-care services are you able to provide to GPD and HVRP recipients?

Mr. BLECKER. I will start. I think it is very unique. Each program has a certain level of resources they work with and it's not what you have, but how you collaborate with your partners. None of these CBOs could possibly do what they are doing without incredible partnerships and collaborations. They work with their community. In fact, probably the definition of a case manager is somebody that hustles their rear end off to find out what else is out there. And so our relationship doesn't begin and end when somebody is in a program or out of the program. We are there and we have been there for as long as the veterans need us, and all the providers know that.

A really profound point is that non-VA services really underserve veterans. In other words, mainstream employment and training services, mainstream mental health services, they anxiously triage vets out of their system because they are all tapped out. They triage them out.

Senator OBAMA. Why would they do that?

Mr. BLECKER. Because they assume and they wish to believe that the VA will take care of every mental health veteran because it is the VA system. There is this lavish separate system of care. Why should we strain our resources? In fact, there is a conference going on right now, a SAMHSA conference for that very purpose, which is to alert SAMHSA programs that there is a VA system out there. There is tremendous pressure on the current mainstream sources. If you looked at any employment and training service in the country, you would see that they serve a microscopic number of vets. Vets are dramatically underserved by our mainstream employment and training services and by our mental health services. That is why we are really dependent on the VA and the community-based system of care.

Senator OBAMA. Thank you, Mr. Chairman. I know we have to go vote.

Chairman CRAIG. Thank you very much, Senator, and to our panelists, thank you very much. I have additional questions I would like to ask. I am going to submit them to you. We would love your response. Obviously, you folks are on the front line and have a perspective that is very valuable to this Committee and to the VA as we sort through these issues. Again, thank you very much.

The Committee will stand in recess, I would like to say for no more than about 30 minutes, 35 minutes as we work our way through these votes. We are catching the first on the tail end, so we will be able to expedite it as much as possible. So for the first panel, we will appreciate your patience. Thank you very much. The Committee will be in recess.

[Recess.]

Chairman CRAIG. The Committee will come together. Again, let me thank you all for your patience. We got deterred longer than I thought, and we are still in the middle of votes, so we clearly are going to sandwich you all in so that we can get your testimony for

the record. I am not sure we will have anyone else attending, but we will leave the record open for any questions that may be asked.

Let me introduce our last and first panel, Mr. Peter Dougherty, Director, Office of Homeless Veterans Programs, Department of Veterans Affairs, accompanied by Paul Smits, Associate Chief Consultant, Homeless and Residential Rehabilitation and Treatment Programs, and Roger Casey, Director, Homeless Providers Grant and Per Diem Program; the Honorable Chick Ciccolella, Assistant Secretary for Veterans' Employment and Training, Department of Labor; and Philip Mangano, Executive Director, Interagency Council on Homelessness.

Thank you all, gentlemen, very much. Pete, we are going to start with you and we will work our way across the table. Please proceed.

STATEMENT OF PETER H. DOUGHERTY, DIRECTOR, HOMELESS VETERANS PROGRAMS, DEPARTMENT OF VETERANS AFFAIRS; ACCOMPANIED BY PAUL E. SMITS, ASSOCIATE CHIEF CONSULTANT, HOMELESS AND RESIDENTIAL TREATMENT PROGRAMS, DEPARTMENT OF VETERANS AFFAIRS; AND ROGER CASEY, PROGRAM MANAGER, HOMELESS GRANT AND PER DIEM PROGRAM, DEPARTMENT OF VETERANS AFFAIRS

Mr. DOUGHERTY. Thank you, Mr. Chairman. It is my pleasure to be here today and I appreciate the opportunity to have both Mr. Casey and Mr. Smits here with me in case there are questions. Secretary Nicholson, I would like to thank you for inviting us to attend and testify at this hearing.

Based upon what you have heard today, everyone who is at this table presently and everyone who has been at the table previously thinks that homelessness among veterans should be something that is inconceivable in this country and everyone believes that we need to do more.

What are we doing? At VA, we aggressively outreach with our own staff and with our partners in communities across the country and engage more than 40,000 homeless veterans typically on an average year. We see them in soup kitchens, we see them in the streets, under the bridges, anywhere and everywhere that we can find them. We do this every day. We participate in stand-downs and other community outreach events that reach out and find more than 20,000 veterans and family members each and every year at 100 or more of those events across the country. We want those veterans connected not only to VA health care and benefits services, but also to the services of other community providers.

We enhanced our performance measures to provide timely access to psychiatric evaluations and treatment, engagement in treatment programs for substance abuse disorders, access to quality primary health care, including residential treatment and community housing. VA provides health care and services to more than 100,000 homeless veterans every year. Our effort is to enhance timely accesses that I mentioned.

We have in our Compensation and Pension Service a relatively new program where we are expediting claims for veterans who are homeless. They are very vulnerable. The opportunity to get some

income support including service-connected compensation is very important to lift them out of homelessness.

VA has expedited nearly 14,000 claims in the past 2 years. Thirty-seven percent of all veterans we have identified as homeless who have filed compensation claims have been granted awards, and 73 percent of those who filed for pension have been given those awards. Those benefits, as I indicated, lift many veterans out of homelessness.

As others at this table will say, we are a very active member of the U.S. Interagency Council on Homelessness and we are active with a number of other Federal initiatives. We also have a significant relationship with our advisory committee, who has been very helpful not only in giving us advice on what we can do internally and externally—Mr. Blecker, an earlier witness, is one of our advisory committee members. They give us a lot of good advice as to how we could work with others.

There are a lot of questions about are we being effective, are we making a difference? I think we can say undoubtedly we are. Ten years ago, based on the absolute best information we had in this country, we believed there were about 250,000 homeless veterans on any given night in this country. We have been refining, and we meet with community providers and advocates and service providers across the country. Each and every year, we compile an annual report, our homeless assessment. We do lots of things with that, but one of the things we try to do is to get an assessment of how many homeless veterans there are on a given night. We have been saying that the number has been coming down. We have been reporting that to the Congress. In this year's report, we are going to say that we believe that the number of homeless veterans on any given night is approaching 190,000.

But as Secretary Nicholson said when he talked to the National Coalition for Homeless Veterans last year, that is a reason to continue our investment. We are making progress and we are having positive results.

We work with our friends at HUD and HHS on a collaborative initiative that others may talk about, but what that really is to provide permanent housing for veterans and other homeless, chronically homeless people. We provide case management services to the veterans. We are also doing the overall program monitoring and evaluation of those sites. The good part, Mr. Chairman, is in order to get that funding, you had to pass muster with the Department of Veterans Affairs. And 30 percent of all the people in that housing are veterans.

We work closely with our friends at HUD in programs that provide case management. That program has been effective, and we have over 2,000 veterans who benefit by being in permanent housing where VA provides case management services. About 1,000 veterans are in an initiative that started many years ago under President George Herbert Walker Bush in a program called HUD-VASH. While the number of beds in that program has shrunk, the good news is there still are over 2,000 veterans in permanent housing being case managed by VA.

We have a relationship with the Department of Labor based on some statutory authority you all gave us a few years ago to work

on seven pilot projects with veterans who are coming out of incarceration. Mr. Chairman, we think, and I am sure Assistant Secretary Ciccolella will mention in his testimony, that we think this is a very important thing to do because many of the veterans that we come in contact with get in trouble and run afoul of the criminal justice system. That is a very expensive system. We think early intervention will assist significantly.

As everyone knows, the Grant and Per Diem Program is the most significant opportunity for us to engage community providers. We have been able to access over 10,000 transitional housing beds, high-quality beds, the beds of the folks that were on your previous panel and testified to. We have over 10,000. Last year, we were able to finally do something that we have made as an internal goal, and that is to get at least one operating program in every State, with the States of Maine and Alaska recently coming on board, we have now been able to do that.

Over 90 percent of the veterans that we see in those programs have a substance abuse or mental health problem. We have residential rehabilitation and treatment beds that are VA-run. We have been adding domiciliary care and other programs. We added 500 more beds there. We have now 4,400 beds that are available in those VA run programs.

The good part, Mr. Chairman, is——

Chairman CRAIG. Peter, we are going to have to ask you to stick to your time as close as possible.

Mr. DOUGHERTY. Let me just finish up one more thing, then. Mr. Chairman, one of the things that we think is probably most important to this Committee is how successful are we? We did a study of 1,350 veterans who had come out of different types of residential treatment programs. A year after discharge, 80 percent of them were still appropriately housed, including in treatment services a year after they left the VA-specific program.

Mr. Chairman, we look forward to answering any other questions you may have and appreciate the opportunity to be here.

Chairman CRAIG. Peter, thank you very much for that testimony. [The prepared statement of Mr. Dougherty follows:]

PREPARED STATEMENT OF PETER H. DOUGHERTY, DIRECTOR, HOMELESS VETERANS PROGRAMS, DEPARTMENT OF VETERANS AFFAIRS

Mr. Chairman, Ranking Member Akaka, and Members of the Committee, I am pleased to be here today to discuss the Department of Veterans Affairs' programs and services for homeless veterans. I am also pleased to be accompanied by Mr. Paul Smits, Associate Chief Consultant for Homeless and Residential Treatment Programs and Mr. Roger Casey, Program Manager, Homeless Grant and Per Diem Program. Thank you for inviting us to testify today.

Homelessness for any person tugs at our conscience; however, for those who have honorably served our nation in the military, homelessness should be inconceivable. VA's commitment is, and remains, ending chronic homelessness among veterans. To meet that goal, VA has made, and continues to create, hundreds of opportunities to bring together those veterans in need of assistance with the wide range of services and treatment VA provides.

As the largest provider of direct services to homeless people in the nation, VA provides health care and services to more than 100,000 homeless veterans each year. We do not wait for homeless veterans to contact us. Instead, we reach out and engaging them in shelters and in soup kitchens, on the streets and under bridges—to connect homeless veterans to a full complement of VA health care and benefits, including compensation and pension, vocational rehabilitation, loan guaranty and

education services. Approximately 40 percent of the homeless veterans we serve each year receive these services because of our outreach efforts.

We continually work to reach and identify homeless veterans and encourage their enrollment in VA's health care system. Our efforts include timely access to psychiatric evaluations and treatment; engagement in treatment programs for substance use disorders; and, access to quality primary health care. Our performance measures help to ensure that homeless veterans receive comprehensive follow-on health care. In addition, it is extremely important that veterans are seen by mental health specialists and a case manager.

We also work very closely with our partners at the Department of Labor's Veterans' Employment and Training Service to ensure those homeless veterans who want and need employment have an opportunity to become productive tax paying members of society.

With the support of Congress, VA continues to make a significant investment in the provision of services for homeless veterans. We expect to spend \$244 million this year. The President's budget request for Fiscal Year 2007 calls for a nearly \$20 million increase above that level. Services and treatment for mental health and substance abuse disorders are essential both to the already homeless veteran and to those at risk for homelessness. VA's overall mental health funding increased by \$339 million this year, and we use those funds to enhance access to mental health services and substance abuse treatment programs. Increasing access to and availability of mental health and substance abuse treatment services is critical to ensure that those veterans who live far away from VA health care facilities are able to live successfully in their communities.

Equally important is the work of the Veterans Benefits Administration (VBA). The Compensation and Pension Service is striving to enhance the timely processing and payment of benefits claims to homeless veterans. As a result of VBA's concerted efforts, thousands of veterans entitled to benefits receive them.

As part of VA's efforts to eradicate homelessness among veterans, we work in a variety of venues with multiple partners at the Federal, state, territorial, tribal and local government levels. We have hundreds of terrific community nonprofit and faith-based service providers working in tandem with our health care and benefits staff to improve the lives of tens of thousands of homeless veterans each night. In addition we have more than 4,000 beds for homeless veterans available under our domiciliary care and other VA operated residential rehabilitation programs.

We are finalizing a 1-year, follow-up study of 1,350 veterans discharged from VA's residential care programs. Results indicate that we are achieving long-term success for the well-being of these veterans, with four out of five veterans who have completed these programs remaining appropriately housed 1 year after discharge. Through such effective, innovative and extensive collaboration, VA is able to maximize the opportunities for success.

We firmly believe that the best strategy to prevent homelessness is early intervention. As the Committee knows, veterans returning from the present conflicts in Iraq and Afghanistan have 2-years of eligibility for VA health care at no cost for conditions possibly related to their combat service. We believe that this eligibility policy allows our clinical staff to identify additional health problems that may, if left untreated, contribute to future homelessness among those veterans. This policy is the best option to treat those in need today and prevent more acute problems later.

VA'S ADVISORY COMMITTEE ON HOMELESS VETERANS

Four years ago, Congress established the Advisory Committee on Homeless Veterans—our first formal outside advisors. The Advisory Committee on Homeless Veterans has recommended a number of ways to improve services to homeless veterans. As you know, the members of this Advisory Committee possess special expertise and vast experience serving homeless veterans. We have implemented many of the recommendations made in the Advisory Committee's first three reports and are working toward implementation of many others. We look forward to the Advisory Committee's next report, which will be reported to Congress by early summer.

INTERAGENCY COUNCIL ON HOMELESSNESS AND FEDERAL AND LOCAL RELATIONSHIPS

VA is an active partner with the nearly all of Federal departments and agencies that provide services to homeless veterans. We participate in a variety of inter-agency collaborative efforts to assist homeless veterans and continue to actively participate in the United States Interagency Council on Homelessness (ICH). Secretary Nicholson is the immediate past chair of the ICH, and VA has participated in each of ICH's cabinet-secretary level meetings. During the Secretary's tenure as chair of the ICH, VA hosted regular meetings of the ICH Senior Policy Group. While Sec-

retary Nicholson's term as ICH Chair ended last year, VA continues its participation in interagency and collaborative initiatives. As Director of the Homeless Veterans Programs, Secretary Nicholson asked me to serve as VA's representative to the Council's Senior Policy Working Group. These efforts, together with the recommendations of our Advisory Committee on Homeless Veterans, have brought the level of veteran-involvement in state and local plans to end homelessness to an unprecedented level.

The ICH has worked closely with VA, and has also encouraged the development of state and local plans across the Nation to address both the needs and services available to veterans. To date, this is demonstrating positive results as we increasingly see states and local communities include VA employees, state and county veteran service officers, Veteran Service Organization members and veteran specific service providers in both the planning and implementation of local strategies to end chronic homelessness.

As part of an ongoing initiative, VA has worked closely over the last 3 years with the Department of Housing and Urban Development (HUD) and the Department of Health and Human Services (HHS) to assist the chronically homeless with housing, health care and benefits coordination. Under this initiative, funding was provided to eleven communities that developed quality plans to house and provide wrap-around services. As the result of our collaboration, nearly 1,500 persons have been seen, and nearly 600 persons housed. Thirty percent of those receiving services under this initiative are veterans. This effort is based on the premise that housing and treating those who are chronically homeless will decrease 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 are also pleased to lead the effort to evaluate this project and look forward to sharing our findings with you when they become available.

Local communities are our front lines—the places where we meet and provide services to veterans. For that reason, VA has a long tradition of engaging and working with local providers in their communities. VA collaborates annually with 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 faith-based and community homeless service providers; representatives of Federal, state, territorial, tribal and local governments; and homeless veterans, themselves. Our meetings and our annual reports are designed to identify met and unmet needs for homeless veterans, aid in the community effort to aid the homeless, and to develop local action plans to address those identified unmet needs.

CHALENG is integral in enabling VA medical centers and regional offices 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. It shows us what is being done effectively and what pressing unmet needs remain. Additionally, this also helps us to establish, as part of local needs, the number of veterans who are homeless on any given night. While there are still far too many veterans among the homeless, we are making progress, and their numbers are coming down. Ten years ago, based upon the best available estimates, there were as many as 250,000 veterans among the homeless on a given night. Last year we found there were less than 200,000. We will soon publish our 2005 report. This year, we estimate the number of homeless veterans on any 1 day will be less than 190,000, which represents a decline of nearly 25 percent. This progress demonstrates to us that this scourge is not unmanageable and that our collective efforts are realizing success. We are confident that our continued efforts will achieve our goal of ending chronic homelessness among veterans.

VA INVOLVEMENT IN STAND-DOWNS

VA's involvement in stand-downs is another avenue by which VA continues its collaborative outreach at the local level through coordination of our programs with other departments, agencies, and private sector programs. Our calendar year 2005 report is not yet complete, but we can know from our 2004 report, in addition to our decade-long effort to capture data, that last year VA joined in approximately 100 stand-down events in most states and the District of Columbia. In calendar year 2004, VA, along with hundreds of veteran service organization representatives, community homeless service providers, state and local government offices, faith-based organizations, and health and social service providers, provided assistance to more than 19,000 veterans. Of particular note is an increase in the number of women veterans, and in the percentage of veterans who are women who attended these events.

The latest information shows that more than 3,000 spouses, overwhelmingly women, and more than 1,600 children attended these events. More than 3,000 more veterans and family members attended these outreach events in 2004 than in 2003. More than 150,000 volunteers and VA employees participated in these events, aiding more than 200,000 veterans and family members.

HOMELESS PROVIDERS GRANT AND PER DIEM PROGRAM

VA's largest program involving local communities remains our Homeless Providers Grant and Per Diem Program. As you are aware, this highly successful program allows VA to provide grants to state and local governments, and faith-based and other nonprofit 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 to needed health care and employment services.

Last year, this program achieved one important goal: to authorize funding for at least one transitional housing program in each state. We did this in part by targeted funding to states that had no or limited veteran-specific transitional housing program. We are continuing to reach out to tribal and territorial areas to ensure increased opportunities for these programs to operate in those locations. Since the program was authorized in 1992, VA has obligated more than \$300 million to the program. These funds have helped to develop close to 10,000 transitional housing beds (of which 78 percent are operational) and 23 independent service centers and to purchase 180 vans to provide transportation for outreach and connections with services.

Last fall we offered current "Per Diem Only" service providers an opportunity to seek ongoing funding for those programs. As a result of a Notice of Funding Availability (NOFA), last year we were able to offer continued funding to 151 programs with more than 3,200 transitional housing beds. This effectively keeps many high quality programs in place and offers continuation of services across the country. Per Diem Only programs are a significant and cost-effective way for us to get transitional housing services to thousands of veterans each 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. We have awarded funding to two entities that are providing technical assistance to nonprofit community and faith-based groups that are interested in seeking VA and other grants relating to serving homeless veterans. We have awarded grants to the National Coalition for Homeless Veterans (NCHV) and Public Resources to aid us in this effort. We are hopeful that this effort, which we are evaluating regularly, is helping to connect veteran specific service providers to other governmental and non-government resources.

GRANTS FOR HOMELESS VETERANS WITH SPECIAL NEEDS

VA also provides grants to VA health care facilities and existing Grant and Per Diem recipients to assist them in serving homeless veterans with special needs (women, including women who have care of dependent children, chronically mentally ill, frail elderly and terminally ill). We initiated this program in fiscal year 2004 and provided special needs funding to 29 organizations totaling \$15.7 million. Additionally, VA is providing funding to 27 VA collaborative partners in an effort to provide enhanced services to these veterans.

GRANTS TO MEET NATIONAL FIRE AND SAFETY CODES

VA has also awarded grants to existing grantees to assist them in meeting national fire and safety codes. VA has offered funding three times and awarded a total of \$5.36 million for this program. These grants have been awarded to all existing transitional housing that applied for funding. VA Medical Centers' Fire and Safety Engineers have worked closely with existing grant recipients to identify any code violations and to estimate the cost of correcting any such deficiencies. We believe we have been able to address all requests to meet fire and safety needs.

RESIDENTIAL REHABILITATION AND TREATMENT PROGRAMS (RRTPS)

VA's Domiciliary Care for Homeless Veterans (DCHV) Program, which was recently renamed as the "Residential Rehabilitation and Treatment Program," provides a full range of treatment and rehabilitation services to many homeless veterans. Over the past 17 years, VA has established 34 DCHV programs providing 1,873 beds. Since 1987, there have been over 71,000 episodes of treatment in the DCHV program. VA continues to improve access to the services offered through

these programs. In Fiscal Year 2005, DCHV programs treated 5,394 homeless veterans, while VA funded the development of nine new DCHV programs offering a total of 400 beds. Further, in Fiscal Year 2006, VA funded the development of two additional DCHV programs totaling 100 beds. In addition to the DCHV program, homeless veterans receive treatment and rehabilitation services in the Psychosocial Residential Rehabilitation Treatment Program (PRRTP). Currently there are 72 PRRTP programs with a total of 2020 beds.

STAFFING AT VBA REGIONAL OFFICES

Homeless veterans outreach coordinators (HVOCs) at all VBA regional offices work in their communities to identify eligible homeless veterans, advise them of VA benefits and services, and assist them with claims. The coordinators also network with other VA entities, VSOs, local governments, social service agencies and other service providers to inform homeless veterans about other benefits and services available to them. In fiscal year 2005, VBA staff assisted homeless veterans in 34,631 instances. They contacted 4,247 shelters, made 4,803 referrals to community agencies, and made 7,416 referrals to the Veterans Health Administration (VHA) and the DOL Homeless Veterans Reintegration Programs (HVRP).

Since the beginning of fiscal year 2003, regional offices maintain 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. From fiscal year 2003 through fiscal year 2005, VBA received 13,833 claims for compensation and pension from homeless veterans. Of those claims, 56 percent were for compensation and 44 percent were for pension. Of the compensation claims processed, 37 percent were granted, with an average disability rating of 44.20 percent. 9.9 percent of claimants were rated at 100 percent disabling. Of the total claims denied, 48 percent were due to the veteran's disability not being service connected. The average processing time for all compensation claims of homeless veterans was 151 days. Of the pension claims processed, 73 percent were granted. Of the total claims denied, 21 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 102 days.

MULTIFAMILY TRANSITIONAL HOUSING LOAN GUARANTY PROGRAM

Public Law 105-368 authorized VA to establish a pilot program to guarantee up to 15 loans or \$100 million, whichever first occurs, for multifamily transitional housing. Since September 2002, Claude Hutchison, Jr., Director of VA's Office of Asset Enterprise Management, has been the lead for the Department in implementing the program. Many complex issues, often varying from jurisdiction to jurisdiction, surround implementation, and VA has worked 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 two final commitments for guaranteed loans for transitional housing projects that would, when completed, provide 285 new beds for homeless veterans. Those projects are: Catholic Charities of Chicago, Chicago, Illinois, with 141 beds; and, Vietnam Veterans of San Diego, San Diego, California, with 144 beds. The Catholic Charities' project is under construction and is expected to open and be serving veterans by the end of the year. Vietnam Veterans of San Diego is expected to close on its guaranteed loan by early summer, which leaves funding available for up to thirteen (13) remaining program loans or until the remaining \$92.1 million in program funds have been guaranteed.

We plan to host three industry days across the country this spring and summer, inviting housing and supportive service provider organizations and other governmental and private entities that may be interested in learning how this program works.

COORDINATION OF OUTREACH SERVICES FOR VETERANS AT-RISK OF HOMELESSNESS

VA, together with the Department of Labor (DOL) and with additional assistance from the Department of Justice (DOJ), has helped develop demonstration projects providing referral and counseling services for veterans who are at risk of homelessness and are currently incarcerated. Currently, VA and DOL have seven sites providing referral and counseling services to eligible veterans at risk of homelessness upon their release from penal institutions. While the majority of these demonstration projects work with state prisons, our collaboration includes one demonstration project with a Federal Bureau of Prisons institution, and another with a county jail.

Local staff from both the VHA and VBA are aiding veterans at each demonstration site receive information about available VA benefits and services.

Our commitment to these demonstration programs is strong. We believe that many of these veterans will, with assistance, return to productive lives. While the number of incarcerated veterans is approximately 10–15 percent of the prison population, it is expected that these joint Federal efforts will assist many veterans who would otherwise be at risk for homelessness upon their release. Moreover, after their release, we are providing a needed continuum of services to these veterans, chiefly through the provision of transitional housing made available through the Homeless Providers Grant and Per Diem Program or residential care in VA domiciliary care programs and other places as needed. DOL continues to provide funding under its Homeless Veterans Reintegration Programs (HVRP) for the Incarcerated Veterans' Transition Program (IVTP). VA and DOL are reviewing this program carefully and will provide a report on its effectiveness.

HUD-VETERANS AFFAIRS SUPPORTED HOUSING (HUD-VASH)

VA also recognizes HUD's long-standing support of the HUD-VASH program. This very successful partnership links the provision of VA clinical care with permanent housing in order to assist the recovery of chronically homeless, mentally ill veterans. HUD and VA hope to continue this valuable program, subject to the availability of resources.

SUMMARY

VA continues to make progress on addressing both prevention of and treatment for the homeless. 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 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.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. BARACK
OBAMA TO PETER H. DOUGHERTY

Question. It has been estimated in some studies that up to 75 percent of homeless veterans have mental health or substance abuse problems. We heard about the need for comprehensive "wrap-around" services that include mental health assessment and treatment. Does the VA make information available about its mental health services to grant recipients both inside and outside of the Department? If so, how?

Answer. The Department of Veterans Affairs (VA) ensures that information is made available about its mental health services to grant recipients through the Grant and Per Diem (GPD) Liaisons, Health Care for Homeless Veterans (HCHV) staff, Project CHALENG (Community Homelessness Assessment, Local Education and Networking Groups) and its Council of Network Homeless Coordinators.

Each GPD recipient has a designated Veterans' Affairs GPD Liaison. The GPD Liaison is experienced in working with community based providers, is knowledgeable about the comprehensive needs of homeless veterans, and is well acquainted with both community resources and the VA's Mental Health services. The GPD Liaisons work closely with each grant recipient to ensure the effective coordination of care between VA medical care and mental health services and the GPD recipient.

The HCHV staff provides outreach, referral and case management services to homeless veterans in the community. They are aware of VA healthcare/mental health resources and serve as resource persons to VA grant recipients and other community agencies about these resources.

Project CHALENG (Community Homelessness Assessment, Local Education and Networking Groups) is a VA program designed to enhance the continuum of care for homeless veterans provided by the local VA and its surrounding community service agencies. Project CHALENG enhances coordinated services by bringing the VA together with community agencies and other Federal, state, and local governments who provide services to the homeless to raise awareness of homeless veterans' needs and to plan to meet those needs. During Project CHALENG meetings, the VA and the local community can come together to discuss what resources are available, identify service gaps and identify opportunities to collaborate to meet the needs of homeless veterans.

The VA Council of Network Homeless Coordinators (CNHC) has a representative from each of its 21 Veterans Integrated Service Networks (VISN). Each of the CNHC members works with all of the VA homeless programs in each VISN. The CNHC members are responsible for VISN wide planning for VA homeless services and community development. In addition, the CNHC member is often the initial point of contact for community providers requesting information about Veterans Health Administration resources, contact persons, and information to about VHA Grant and Per Diem funding opportunities.

Chairman CRAIG. Now let me turn to the Assistant Secretary for Veterans' Employment and Training, Chick Ciccolella. Welcome to the Committee.

STATEMENT OF HON. CHARLES S. CICCOLELLA, ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR

Mr. CICCOCLELLA. Thank you, Mr. Chairman. Thank you very much. It is a pleasure to be here and thank you very much for holding the hearing. I will testify on the Department of Labor's employment-focused program for homeless veterans called the HVRP, or Homeless Veterans Reintegration Program.

This is a targeted nationwide program that focuses on helping veterans re-enter the workforce. The funds are awarded competitively through grants to States. Some go to local Workforce Investment Boards. They go to public and private agencies, nonprofit entities, including many community- and faith-based organizations.

The purpose of the program, of course, is to reintegrate homeless veterans into the job place and put them on a path to self-sufficiency. The grantees will provide an array of services using a very serious case management approach. They use a very holistic approach and they focus on assessment, they focus on case management, they focus on skills training, and on job search assistance.

The emphasis is not only on getting a homeless veteran a job, but it is on that homeless veteran retaining a job. The grantees build partnerships and they build partnerships with Federal, State, and local level entities. They are very adept at dealing with the VA and the HUD grants, as Michael Blecker on the previous panel testified. They are required to enhance employment training opportunities through their linkages and their networking.

Now, we also require each of the HVRP grantees to link their services to the workforce system, in other words, to link them to the veteran employment representative, called the DVOP, the Disabled Veteran Outreach Program specialist. We encourage out-stationing of the DVOPs at the HVRP sites, as your staff saw at the Maryland Center for Veterans' Employment and Training last week. And for every grantee—there are 84 grantees—they are assigned a DVOP, even if the DVOP is not outstationed. It is a successful program. It is successful because the money is well spent. It is well leveraged. The performance of the program proves that.

For the period that ended June 30, 2005, 8,087 veterans entered employment through the grants. It is approximately a 65 percent rate. At the 90-day retention level, 90 days after they got their jobs, 72 percent of those retained their jobs, and at the 6-month level, 57 percent still had their jobs. We place a lot of emphasis on 90- and 180-day retention rates. We are forming a retention baseline, and the purpose of that is to be sure they get good jobs.

In the next program year, which ends June 30, 2006, we will fund 92 grants. Over 16,000 homeless veterans will be served, and 10,000 will enter employment. We believe this is a model program. For a very, very, very small investment, less than \$2,000 per participant, the HVRP program successfully puts veterans, homeless veterans on a path to self-sufficiency.

Mr. Chairman, I have put some charts in my written testimony which show graphically the performance of HVRP and I would only add that the legislation that authorizes the HVRP program is under consideration. The Administration supports the extension of the authorization for the HVRP program. Thank you very much.

Chairman CRAIG. Chick, thank you very much for that testimony. It is appreciated.

[The prepared statement of Mr. Ciccolella follows:]

PREPARED STATEMENT OF CHARLES S. CICCOLELLA, ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to discuss our Homeless Veterans' Reintegration Program (HVRP) and its relationship to other agencies' programs for homeless veterans. We appreciate the leadership of the Senate Committee on Veterans' Affairs in supporting programs to help our Nation's veterans.

The Veterans' Employment and Training Service (VETS) has the mission of providing veterans with the resources and services they need to succeed in the 21st century workforce by maximizing their employment opportunities, protecting their employment rights, and facilitating their smooth transition from the military into civilian employment.

HOMELESSNESS AMONG VETERANS

According to the Department of Veterans Affairs (VA), on any given night, less than 200,000 veterans are homeless. Veterans, for many reasons, some of which are not fully understood, are disproportionately represented in the homeless population. In fact, VA estimates that about a third of adult homeless men and nearly a quarter of all homeless adults have served in the armed forces. VA has a very large and integrated network of programs and services to help address the treatment, rehabilitation and residential needs of our Nation's homeless veterans.

IMPORTANCE OF COLLABORATION

The Department of Labor (DOL) works cooperatively with the VA on many veterans' issues, including in the specific area of addressing the needs of homeless veterans. We actively support the VA's substantial assistance programs. I have served on the VA's Advisory Committee for Homeless Veterans for the past 5 years. The homeless service programs VA provides through their collaboration with Federal, State and Local partners represent a coordinated range of services for homeless veterans. These programs have made a tremendous difference in the lives of many, many homeless veterans.

I cannot overemphasize that last point. When agencies and organizations work together to get the job done, which is what you see happening today with programs that address the needs of homeless veterans, we are much more likely to see meaningful results.

I applaud the leadership of Secretary Chao, Secretary Nicholson and former Secretary Principi and their commitment to ending homelessness among veterans.

DEPARTMENT OF LABOR TARGETED ASSISTANCE FOR HOMELESS VETERANS

DOL's targeted assistance program for homeless veterans, the employment-focused VETS Homeless Veterans' Reintegration Program (HVRP), is an important, successful intervention and prevention initiative for veterans who find themselves without a permanent place to call home.

The intended purpose of the HVRP program is to expedite the reintegration of homeless veterans into the labor force. This is accomplished through competitive grants nationwide that are awarded to States, local governments, Workforce Invest-

ment Boards, and nonprofits, including community- and faith-based organizations. In fiscal year 2005, 84 competitive HVRP programs were funded.

HVRP grantees working collaboratively with the Departments of Veterans Affairs, Housing and Urban Development (HUD), Health and Human Services (HHS), and State and community organizations, and nonprofit organizations have a proud history of providing meaningful assistance to our nation's homeless veterans. HVRP is highly successful because (1) it focuses on job training and employment assistance, (2) it helps put homeless veterans on the path to self-sufficiency, and (3) it is well integrated with the VA's continuum of care for homeless veterans.

ADMINISTRATION AND BUDGET OF THE HOMELESS VETERANS' REINTEGRATION PROGRAM

HVRP is administered on a Program Year (PY) basis. The funds are awarded through a competitive grants process. The authorizing legislation for HVRP expires December 31, 2006. H.R. 3665, currently under consideration in the Senate, would reauthorize HVRP. The Administration supports extending authorization of HVRP for an additional 3 years.

VETS is planning to announce the fiscal year 2006 HVRP Solicitations for Grant Applications (SGAs) by the end of this month. We plan to conduct three (3) competitions (Urban, Non-Urban, and an SGA for New Grantees) seeking to serve both urban and non-urban homeless veterans. We are conducting a separate competition for new grantees in order to increase the geographic coverage of the program nationwide, and to provide an opportunity for applicants who have not previously been awarded an HVRP grant.

The fiscal year 2006 HVRP appropriation is \$21,780,000. This will fund approximately 92 grants. Over 16,000 homeless veterans will be served by these HVRP grants and approximately 10,000 homeless veterans will enter employment. The fiscal year 2007 requested budget is \$21,838,000.

HOW THE HVRP GRANTS OPERATE

HVRP grantees provide a "holistic" approach to serving the homeless veteran. Proper assessment and case management is essential, as is skills training and job search assistance. We place emphasis not only on the veteran getting a job, or "entering employment," but also on the veteran keeping the job, or "retaining employment." In Program Year 2004, ending June 30, 2005, the program's entered employment rate was 65 percent, and the 90-day retained employment rate was 72 percent of the 65 percent who enter employment. We are placing emphasis on employment retention at the 90 and 180 day mark in order to ensure participants are placed into quality jobs that provide better opportunities for achieving self-sufficiency.

Grant recipients are required to enhance employment and training opportunities through linkages, networking, and coordination with community based organizations, as well as Federal, State, and Local agencies, veteran service organizations, and America's workforce investment system. In fact, we require grantees to link their services with the Disabled Veterans Outreach Program (DVOP) specialists, who provide employment-focused case management services in One-Stop Career Centers.

In support of the DVOP involvement, we encourage out-stationing of DVOPs at HVRP locations, as your staff observed last week at the Maryland Center for Veteran Employment and Training, or "MC VET" HVRP in Baltimore. In addition, each HVRP grantee is assigned a DVOP specialist. Local Veterans Employment Representatives (LVERs) also are available to assist homeless veterans and HVRP grantees, providing job development, placement and supportive services. LVERs are located in One-Stop Career Centers, and are able to link homeless veterans to One-Stop services and their partner programs.

ADDITIONAL FEATURES OF HVRP PROGRAMS

Two other initiatives, funded under the HVRP program, complement our ongoing efforts to address the needs of homeless veterans.

- **Homeless Stand Downs:** In fiscal year 2005, HVRP also funded homeless veteran Stand Down activities at 34 locations. Over 5,300 homeless veterans received on-the-spot services and referrals for support services. Stand Downs are always collaborative efforts with the VA, HUD, local workforce agencies and other community service providers. Most are multi-day events where homeless veterans are provided medical treatment, VA benefit eligibility services, and employment-focused case management by DVOPs and LVERs. On average, over 150 homeless veterans were served at each of these Stand Down events.

- **Incarcerated Veterans' Transition Program Grants:** In accordance with the Homeless Veterans Comprehensive Assistance Act of 2001, approximately

\$2,000,000 HVRP dollars are used to support seven Incarcerated Veterans' Reintegration Demonstration (IVTP) programs, which are conducted jointly by DOL and the VA. These grants serve transitioning incarcerated veterans and are designed to reintegrate these veterans into society and the workforce, reducing the high recidivism rates among former prisoners.

A RELATED DOL PROGRAM: THE VETERANS' WORKFORCE INVESTMENT PROGRAM

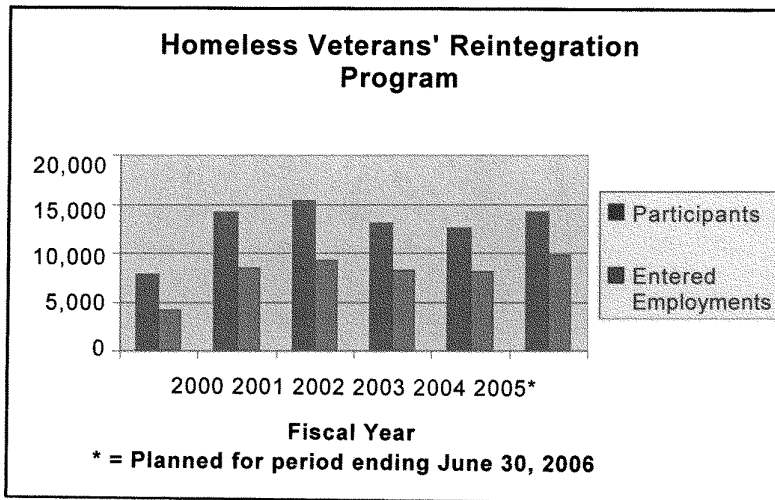
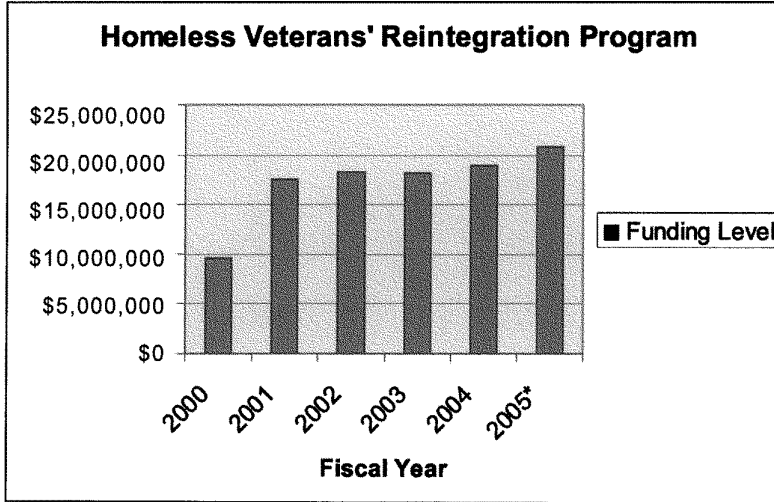
In addition to the targeted HVRP and IVTP programs, VETS funds competitive grants through the Veterans' Workforce Investment Program (VWIP), authorized under Section 168 of the Workforce Investment Act of 1998. Although it does not specifically target homeless veterans, VWIP grants focus on assisting veterans with overcoming barriers to employment, including recently separated veterans, and are extremely valuable for preventing homelessness. VWIP grants emphasize delivery of training and facilitation of occupational credentialing, so that successful participants are prepared to meet employers' needs for workers in demand occupations within high-growth industries. There are currently 17 VWIP grantees serving 2,500 participants—65 percent of whom are expected to enter into employment.

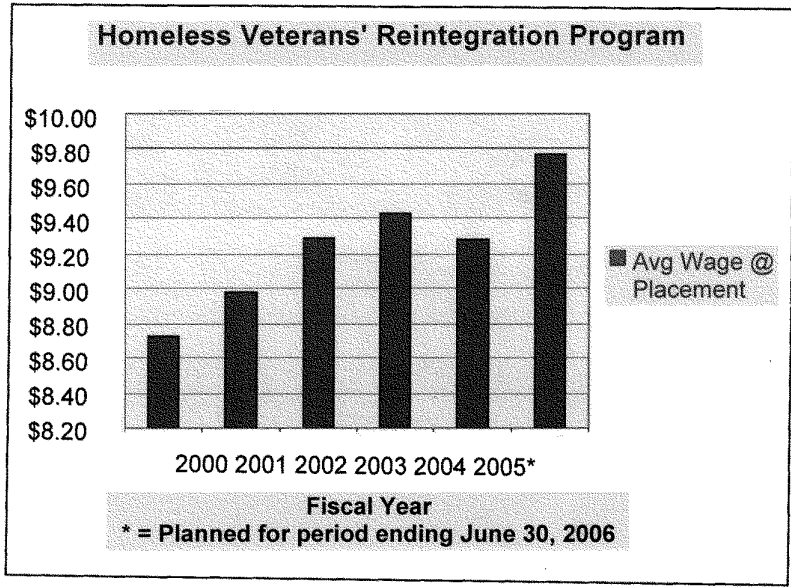
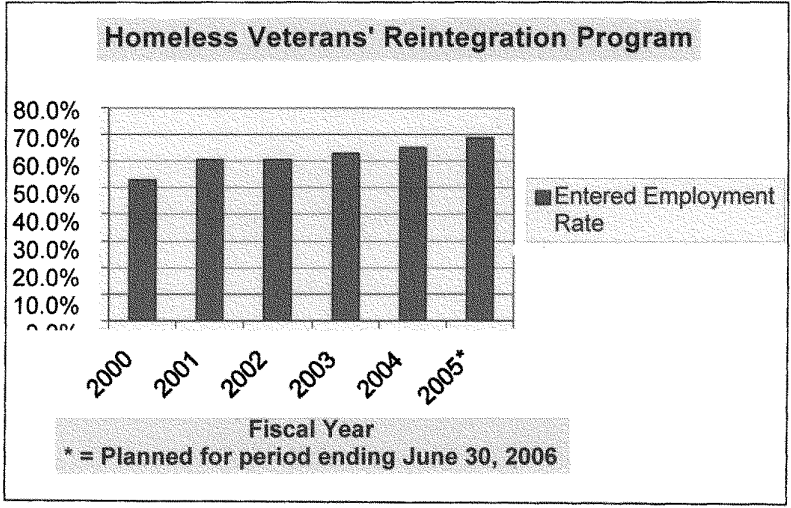
SUMMARY

Mr. Chairman, VETS views HVRP as a model program for reintegrating homeless veterans into society and the workforce. For a relatively small investment, the HVRP program is successfully putting veterans on a path to self-sufficiency and ending the cycle of homelessness.

We have attached several charts that show HVRP funding levels, participation, entered employment levels and wages for recent years.

This concludes my testimony. I will be pleased to respond to your questions.





Chairman CRAIG. Now, we will turn to Philip Mangano, Executive Director, Interagency Council on Homelessness. Phil, welcome to the Committee.

**STATEMENT OF PHILIP F. MANGANO, EXECUTIVE DIRECTOR,
U.S. INTERAGENCY COUNCIL ON HOMELESSNESS**

Mr. MANGANO. Thank you so much, Mr. Chairman, and I am very happy to be here representing the United States Interagency Council on Homelessness, which brings together 20 Federal agencies to make their resources more available and more accessible on the issue of homelessness.

I appreciate the attention of this Committee in its focus on homeless veterans today, and I do want to thank Michael and Al and Tim for their passion, but more importantly, perhaps, for the data that they brought to this table that indicate that the investments that are being made by the Federal Government, by this Administration, are working out there in the field, both in reducing the number of homeless veterans on the streets of our country and working to improve their lives.

I can assure you that on this issue in recent years, there have been no better advocates than the two VA Secretaries that have chaired the United States Interagency Council on Homelessness, now currently Secretary Nicholson, who is the most recent Chair of the Council, and his predecessor, Secretary Principi. In our Council meetings, in their professional and personal commitments, they have been true to the mission, investing new resources, prioritizing the population, and embracing new strategies. And Assistant Secretary Ciccolella and Pete Dougherty have been constant supporters and prodders of the Council in terms of our focus on the issue of homeless veterans, so I appreciate their being here, as well.

I also want to introduce John O'Brien, who is on the staff of the Interagency Council. He is one of our Regional Coordinators. He is a Vietnam veteran. He has 15 years of experience in homeless programs and he is our point person on veterans issues, so I am very happy that John is here with us today. He just convened, in fact, in San Diego, an Innovators' Conference that brought innovators from around the country together who are doing exceptional programs on the issue of homeless veterans. We convened about 20 cities to hear what was going on so that they could go back and replicate those innovations.

In my 25 years of working on this issue of homelessness, whether volunteering on a bread line, creating shelter and meal and referral programs, coordinating a city's response, working with the faith community, or directing a Statewide advocacy organization in my native Massachusetts, I have seen directly the disgrace of those who have served our country, languishing on our streets, hidden in encampments and long term in our shelters. I can assure you that it is a disgrace that cries out for remedy.

Shortly after my appointment to the Council, I went to Los Angeles to visit the homeless problem there, which is the worst in the country. I visited Skid Row. I left the car, and I went directly to a group of 6 people who were standing there, part of the 4,500 people who live on the streets of Skid Row, literally within the shadow

of downtown Los Angeles. In the conversation I had with those 6 people, I discovered that 5 of them were living in tents, on cardboard boxes, in sleeping bags, and 5 of those 6 whom I first encountered were homeless veterans.

I can assure you that the commitment of the Council is to work with the member Federal agencies, States, cities, counties, the faith community, nonprofits, and businesses to remedy chronic homelessness in our country, to respond to the request that those veterans made, all of whom wanted their homelessness ended, to keep faith with those veterans.

The commitment of the Council is also to put into action the President's Management Agenda to ensure that the investments that the Federal Government makes are research-driven, performance-based, and results-oriented, to put that agenda to work for homeless people, to invest in the reductions that Pete just talked about and Tim alluded to earlier. That is what the Federal agencies are doing individually and collectively.

Pete testified as to what the VA is doing, and I want to mention that the VA targets more resources to homeless people than any other Federal agency, their Grant and Per Diem Program, with 80 percent who go into that program moving on to permanent housing, ending the homelessness of homeless veterans, the targeting of mental health and substance abuse resources that is going on, and I want to affirm the importance of the Advisory Committee the VA has convened. That inductive input for planning, as we heard from the previous panel, is so important in terms of their focus on housing and services.

I also want to commend the VA for their collaborative spirit. In every effort that we have made to collaborate among Federal agencies, the VA's only response has been, "yes," whether it has been in the Chronic Initiative that we did in Policy Academies that we sponsored, or in the First Step initiative. In every regard, their intent is to help. Obviously, the Department of Labor, in terms of the testimony just given by Assistant Secretary Ciccolella, the Homeless Veterans Reintegration Program is getting exceptional results around the country. That statistic that he gave of 10,000 veterans entering employment, that is outstanding, as well as the support that the Department of Labor has given to Stand-Downs all across our country.

But these aren't the only Federal agencies who are doing the job. HUD, in terms of the HUD-VASH program, which is housing homeless veterans, and HUD's near doubling of resources in their Homeless Assistant Grants just this year targeted to homeless veterans.

HHS is doing their role, as well, in terms of the Chronic Initiative, which has housed a number of chronic homeless people around our country, 30 percent of them being homeless veterans, and even today, SAMHSA from HHS is sponsoring a conference focused on returning veterans.

SSA is also involved in the partnership at the Federal level through their initiatives that are focused on increasing enrollment in terms of SSI; and there's FEMA's support of Stand-Downs and Justice's partnering in terms of the Re-entry Initiative.

Specifically, I also want to mention the Council's work to add value to what is going on. The Council has been working to create a national partnership across our country that begins with the 20 Federal agencies in Washington, but what we have come to realize is that no one level of government can get this job done alone, so we have been partnering with Governors in States and territories. There are now 53 Governors of States and territories who are partnered through State Interagency Councils on Homelessness with us in the effort to end chronic homelessness, but we need every level.

So counties and cities, through their mayors and county executives—now 211 counties and cities—are partnered in the national partnership to get the job done for chronic homelessness—

Chairman CRAIG. I am going to have to ask you to wrap up.

Mr. MANGANO. Sure. I am happy to do that. I think the effort that is being made in that national partnership and among Federal agencies, it is directed toward outcomes and results, making the Federal resources that are being invested by this Administration, by the Congress end in results for homeless veterans, to literally take them off the streets, out of long-term stays, out of encampments, and to provide housing and the support services necessary to end their homelessness.

So I am happy to be here and I am proud of the work that the Federal Government is doing in this effort.

Chairman CRAIG. Phil, thank you very much.

[The prepared statement of Mr. Mangano follows:]

PREPARED STATEMENT OF PHILIP F. MANGANO, EXECUTIVE DIRECTOR,
U.S. INTERAGENCY COUNCIL ON HOMELESSNESS

Chairman Craig, Ranking Member Akaka, and Distinguished Members of the Committee:

I appreciate the opportunity to present testimony today on the work of the United States Interagency Council on Homelessness and its initiatives to forward the Administration's goal of ending chronic homelessness in our nation. The Council gives special attention in its initiatives to those who have served our nation in uniform, and we are committed to preventing and ending homelessness for those who have served our country.

It is my privilege today to be here with Secretary Nicholson of the Department of Veterans Affairs, who is the immediate past Chair of the Council. Since the Council was revitalized by President Bush, the Department of Veterans Affairs has not only chaired the Council for the first time in its history, but it has done so for the longest period of time and with the leadership of two excellent and committed Secretaries, Secretary Nicholson and his predecessor, Secretary Anthony Principi.

Background and History. The Council is an independent establishment within the Federal executive branch composed of twenty Cabinet Secretaries and agency heads. The Council's Cabinet Chair is currently Department of Housing and Urban Development Secretary Alphonso Jackson.

As I indicated, the past Chair of the Council is Secretary Nicholson, whose agency provided an important year of leadership on the needs of veterans. Over the past 4 years, chairmanship of the Council has rotated among the Secretaries of Housing and Urban Development, Health and Human Services, and Veterans Affairs. Rotating the chair among the members is in accordance with an amendment to the Council's statute included in the fiscal year 2001 VA/HUD/Independent Agencies Appropriations Act. This rotation has had both substantive and symbolic meaning, reflecting the reality that homelessness has many causes and that solutions to homelessness are not fashioned by any one agency but through collaborations by all.

The Council was authorized in 1987 under the McKinney-Vento Homeless Assistance Act but was dormant for nearly 6 years before being revitalized by the Administration in 2002 in accordance with the fiscal year 2001 Appropriations Act. It is the mission of the Interagency Council to coordinate the Federal response to homelessness and to create a national partnership at every level of government and with

every element of the private sector to reduce and end homelessness in the Nation and forward the Administration's goal of ending chronic homelessness. To do so, the Council has forged an unprecedented national partnership that extends from the White House to the streets and includes Federal, State, and local government, advocates, providers, consumers, and faith-based organizations.

The Council works to improve access to and coordination of Federal investments among member departments and agencies; ensure the effectiveness of Federal activities and programs; engage and assist State and local governments, advocates, service providers, and customers in creating effective local solutions; and offer technical assistance and evidence-based best practices to partners at every level of government, as well as the private sector.

Agenda for Results. The Council, in keeping with the President's Management Agenda, encourages activities and initiatives that incorporate research-driven, performance-based, and results-oriented solutions. This includes:

- Dissemination of new and innovative approaches such as Housing First, Assertive Community Treatment Teams, and Project Homeless Connect that are proving effective at ending chronic homelessness;
- Local cost-benefit studies that reveal the costs of homelessness to the community and the cost savings that arise from effective solutions;
- Strategies to prevent homelessness for individuals and families before it occurs; and,
- Access to mainstream resources for the benefit of homeless persons and families.

Through its work, the Council is seeking to establish a new standard of expectation around the issue of homelessness. That new measure requires that resource investments should do more than just "manage" the problem. We expect those investments to result in visible, measurable, quantifiable change in our communities, on our streets and in the lives of homeless people. Since enactment of the McKinney Act in 1987, billions of dollars have been spent by the Federal Government and other billions have been spent by State and local governments and philanthropy on this issue. But the fact is that despite the expenditure of these funds, there have continued to be tens of thousands of persons living long term on the streets, in encampments and in our shelters. Veterans are represented disproportionately in this population.

Ending Chronic Homelessness. The Administration has set a new marker on homelessness, the goal of working in partnership with States, localities, faith-based and community groups, as well as business, to end chronic homelessness. The chronically homeless are the most vulnerable and disabled, those most visible and long term on our streets and in shelters.

We also are now learning through research that they are some of the most expensive people to the public purse.

According to the U.S. Department of Veterans Affairs (VA), one-third of adult homeless men and nearly one-quarter of all homeless adults have served in the armed forces. While fewer than 200,000 veterans may be homeless on any given night, as many as twice that number may experience homelessness during a year. Many other veterans are considered at risk because of poverty, lack of support from family and friends, and precarious living conditions in overcrowded or substandard housing.

Ninety-seven percent of homeless veterans are male, and the majority is single. Nearly half of all homeless veterans treated in health care programs suffer from mental illness, and slightly more than 2 out of 3 have alcohol or drug abuse problems. Thirty-five percent have both psychiatric and substance abuse disorders.

These VA data clearly show the relationship of the veterans population to those experiencing chronic homelessness.

To meet our expectations of visible, measurable, quantifiable outcomes, our efforts are being guided by a management agenda, implemented in partnership across Federal agencies and with other levels of government and with the private sector, faith based organizations and homeless people. We are focusing resource investments on a strategy made whole that includes not only intervention activities but prevention initiatives. Our intent is to identify, create, and invest in the most innovative initiatives that are research and data driven, performance based and results-oriented.

Cost Analysis. Chronic homelessness is the most visible form of homelessness in our country, and is most often the result of individuals' disabilities. People experiencing chronic homelessness are the people we see in doorways or under bridges day after day, year after year.

Over the last few years, research has shown that those experiencing chronic homelessness are in fact a finite group representing 10-20 percent of the adult homeless population. However, they consume over 50 percent of all emergency

homeless shelter services and ricochet randomly around the acute side of very expensive primary and behavioral health care systems. As a result, persons experiencing chronic homelessness are some of the most expensive people in communities across the country.

Here are just a few examples of the cost analysis that is emerging in cities as they address chronic homelessness.

- In Asheville, Buncombe County, NC, 10-year planners analyzed the service use of 37 homeless men and women over a period of 3 years and found that these individuals cost the City and County more than \$800,000 each year including 1,271 arrests generating \$278,000 in jail costs, 280 episodes of EMS services for a cost of \$120,000, and hospitalization costs of \$425,000.

- The University of California at San Diego followed the service use of 15 chronically homeless people for 18 months. They reported 300 emergency room visits, taken by ambulance and accompanied by EMTs, using multiple day stays and they quantified behavioral health costs (substance abuse and mental health) and law enforcement. Total cost: \$3 million over 18 months or an average of \$200,000 per person.

- The Boston Health Care for the Homeless Program tracked 119 persons experiencing chronic homelessness over 5 years and discovered that they had over 18,000 emergency room visits at an average cost of \$1,000 per visit.

- Two concerned Reno police officers tracked the services use of just two homeless persons they repeatedly encountered over 1 year. When the officers examined law enforcement, emergency room and other hospital costs, they found that each person cost over \$100,000 a year.

Investment, Innovation, and Results. Just as research has been helpful in quantifying the costs associated with chronic homelessness, so too has the research been helpful in identifying interventions that are effective in ending chronic homelessness. Research shows that permanent supportive housing strategies in tandem with multidisciplinary, clinically based engagement strategies, and including employment counseling and job placement as appropriate, can be successful in sustaining tenancies for this population. These models of housing, which involve a rich array of supportive services, are effective in moving those experiencing chronic homelessness off the streets and out of long term shelter stays into sustainable tenancies and toward recovery and self sufficiency.

That's the basis of the intervention in a growing number of cities across the country, some of which are now able to report reductions in their population of persons experiencing chronic homelessness. The targeted VA homeless programs are a key component of the progress out of homelessness we seek for this population.

The Administration's goal of ending chronic homelessness is based on learning from—and acting on—that research. At the inaugural meeting of the revitalized Council, the Secretaries of HUD, HHS, and VA announced an historic joint funding initiative, that now totals \$55 million, as the first infusion of Federal resources targeted specifically toward the goal of ending chronic homelessness. More than 100 applications were received from communities across the country, and awards were made to 11 community partnerships.

Along with the Federal funding partners, the Council has continued to monitor the results from this investment. To date, the 11 community partnerships have successfully housed over 600 persons. Cumulatively, the men and women housed under the Collaborative Initiative represent over 4,300 years of homelessness ended and tens of millions of dollars in ad hoc health care, corrections and other community costs incurred during their years of homelessness.

Critically important to the results of this initiative have been the partnerships built at every level with the VA to serve more effectively homeless veterans in these sites, bringing every level of systems closer together to benefit consumers. The HUD/HHS/VA Collaborative Initiative described above is just one of a number of true Federal collaborations that demonstrate the continuing and deepening commitment of a wide array of Federal agencies to get the job done:

- HHS, HUD, DOL, VA, ED, DOJ, USDA, and USICH collaborated in the multi-year initiative that brought state government leaders from 55 States and Territories to Policy Academies designed to help State and local policymakers improve access to mainstream services for people who are homeless.

- HUD and DOL have collaborated in an effort to combine employment training with housing assistance in the Ending Chronic Homelessness through Employment and Housing Initiative.

- DOL and the VA are collaborating to target homeless veterans.
- HUD, Labor, and the Justice Department are partners in the Administration's Prisoner Re-entry Initiative.

- Through its Homeless Outreach Projects and Evaluation (HOPE), the Social Security Administration has funded 41 new projects across the country to increase access to Supplemental Security Income and Social Security disability benefits for persons experiencing chronic homelessness.

The Administration's Record of Investment. The additional resources and inter-agency collaborative efforts, including the President's fiscal year 07 Budget proposal which includes a sixth consecutive year of record proposed funding for targeted homeless programs and proposed increases for targeted programs for homeless veterans, are all evidence of the Administration's commitment to ending chronic homelessness and are an important indicator of the Federal Government's good faith in the intergovernmental partnerships we are developing with Cities and States.

The Administration's strategy is built on the recognition that no one Federal agency, no one level of government and no one sector of the community can prevent and end homelessness alone. That's why the Council is working to establish an expansive range of partnerships, public and private, between Federal agencies, State Houses, City Halls and County Executive offices, downtown associations, Chambers of Commerce, faith based and community organizations, the United Way, YMCAs, providers and advocates, and homeless people themselves.

Federal Interagency Collaboration. In addition to the full Council, the Federal agencies also collaborate at other levels to achieve the Administration's goal.

Senior Policy Group. The Interagency Council has senior policy relationships with the Council's member agencies, convening meetings of a Senior Policy Group of agency designees according to the direction set by the Council Chair, and meeting with managers of Federal homeless assistance programs. The Senior Policy Group provides a regular forum for coordinating policies and programs, collecting data, developing special initiatives, and preparing recommendations for consideration by Council members.

During the last 2 years, and in response to the direction of each of its Chairs, the Council has collaborated with a Senior Policy designee of the Chair's agency to convene these meetings. Working in partnership with Peter Dougherty of the VA, Senior Policy Group meetings last year have focused on needs of returning service members, issues of Federal surplus property, and Federal agency definitions of homelessness. Additionally, the Council's Executive Director has met with intra-agency homeless work groups and with the managers of Federal targeted and mainstream homeless assistance programs to coordinate program information and identify opportunities for collaboration.

Regional Federal Interagency Councils on Homelessness. The Council has also worked to establish Regional Federal Interagency Councils in the Federal regions, to mirror the partnership and initiatives of the Washington Council. The key Federal representative of the agency currently acting as Chair of the Washington Council also leads the Regional Councils. Thus, in 2004–2005, regional VA officials provided leadership of their Federal partners in the field. Key activities for the Regional Councils include:

1. Initiating regular meetings of Federal representatives to focus on developing relationships and advancing a focus on homelessness and chronic homelessness in the region. Regional Council members have taken part in public events to make Federal collaboration more visible regionally and forward the commitment of the Administration to end chronic homelessness.

2. Using regular meetings and special collaborative projects to increase regional knowledge of Federal homelessness policies and initiatives and translate research, innovative developments, and resource opportunities to the field.

3. Developing regional senior staff working committees to support the Regional Council's efforts and to coordinate working committees of the larger Regional Council membership focused on specific topics and tasks, including hosting presentations by Federal regional representatives to orient fellow representatives to specific agency strategies, initiatives, and collaborations.

Intergovernmental Collaboration. As part of the Council's strategy to establish non-partisan, intergovernmental partnerships to end chronic homelessness, specific initiatives have been fostered with State and local governments.

State Interagency Councils on Homelessness. To date, Governors of 53 States and Territories have taken steps to create State Interagency Councils on Homelessness that mirror the partnership of the Federal Council. Under the leadership of Governors, States from Hawaii to Minnesota to North Carolina are developing State business plans, designating State policy point persons focused on homelessness, and producing new partnerships and results.

The State Interagency Councils mirror the work of our Council by providing a formal framework for State secretariats and agencies to examine resource allocations and ensure better coordination of State resources and Federal block grant funding

in their States for the benefit of homeless people. The creation of these State Interagency Councils builds on the investment by Federal agencies in the series of Policy Academies that were offered to States from 2001–2005 to improve the access of homeless people to mainstream resources.

The Council's Regional coordinators and staff have provided technical assistance to facilitate the creation of these State Interagency Councils, the identification of their membership, and their work in developing State plans. This technical assistance has included mentoring and peer models as well as producing and distributing a Step-by-Step Guide to Developing a State Interagency Council on Homelessness.

In fiscal year 2005, the Council convened a series of five regional colloquies for State government policymakers, reaching leaders from 41 States with a faculty of experts on data and research, treatment programs, housing finance and development, and veterans services. Innovative programs with results—whether Washington State's initiative focused on incarcerated veterans or South Carolina's data warehouse—were the focus.

Jurisdictional 10-Year Plans. In addition to the Council's work in helping to foster State Interagency Councils on homelessness, we recognize that communities are on the frontlines of homelessness, and we are working with Mayors and County Executives to develop performance-based, results-oriented 10-year plans to end chronic homelessness. The Council has worked to help ensure coordination between a jurisdiction's 10-year plan and other plans in the community, including HUD's "Continuum of Care" plan.

Over 210 Mayors and County Executives have committed to 10-Year Plans to End Chronic Homelessness. The Council provides technical assistance to States and localities in the development of these initiatives including the expeditious dissemination of innovative best practices that are results-oriented. They are supported in their efforts by two Council technical assistance tools, a Step-by-Step Guide to Developing 10-Year Plans, and the more recent innovation-focused Good to Better to Great.

These Mayors and County Executives are working with the Council, with their State officials, with their Chambers of Commerce and other downtown associations, with their faith based and community organizations, with providers and advocates, and with homeless people to create business plans that quantify the problem, focus resources on permanent solutions that are evidence-based, and track results. With technical assistance from the Council, the "legitimate larceny" of innovative ideas is seeding the best outcome oriented plans from coast to coast.

Moreover, through these local planning processes, the private sector is being re-engaged, for example, in fifteen City and County planning processes in North Carolina, where the United Way is a partner to many of these initiatives; in Reno and Las Vegas, where City and State resources are being targeted to the effort; and in Denver where the faith community is stepping up to help. New resources from business and philanthropy are being invested in these plans. Nowhere is that more tangible than in Atlanta where Mayor Shirley Franklin's plan has attracted \$20 million from private philanthropy in the past year and a half.

This jurisdictionally based 10-year planning effort has been endorsed by the U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, the International Downtown Association, the United Way, and national homeless advocacy groups, all of whom have passed resolutions or offered direct assistance in support of the goal of ending chronic homelessness and encouraging communities to develop 10-year plans.

Just 1 year ago, a Covenant of Mayoral Partnership to End Chronic Homelessness, shaped with the U.S. Conference of Mayors and supported by the Council to assist local plan implementation, was adopted during the Hunger and Homelessness Task Force meeting of the U.S. Conference of Mayors, led by Nashville Mayor Bill Purcell and then Cedar Rapids Mayor Paul Pate. Mayors who signed the Covenant—67 in all—committed to collaborating with each other on an ongoing basis to exchange data to better quantify the number of chronically homeless persons, share best practices, try innovative solutions, and track their progress. Mayors representing communities as large as Philadelphia, San Diego, and Dallas and as small as Henderson, North Carolina (population: 17,000) are demonstrating that chronic homelessness is not solely an issue in a few urban areas.

Addressing the Needs of Veterans. These Covenant Mayors gave a special priority to addressing the needs of veterans, and the Council recognizes that the needs of homeless veterans must be given special attention and consideration in the development of State Interagency Councils on Homelessness and in the development and implementation of jurisdictional 10-year plans. Best practice in the convening of planning partnerships and the development of jurisdictional plans will ensure early inclusion of partners who address the needs of homeless veterans, the development

of jurisdictional data on their needs, and the design of partnerships and investments that prevent and end their homelessness.

The Council believes that no State, County, or City jurisdictional 10-year plan to end chronic homelessness can be considered complete without directly addressing the issues of homeless veterans and, to that end, without the inclusion in jurisdictional planning partnerships of individuals and organizations that can effectively represent the needs of homeless veterans and are knowledgeable about the resources and proven strategies to serve them.

Accessing resources targeted to homeless veterans not only helps end the homelessness of veterans. It also means that homeless veterans will utilize fewer dollars not specifically targeted to them, thus maximizing the use of available resources for other subpopulations of persons experiencing homelessness.

Identifying and Replicating Innovation. Just 2 weeks ago, the Council, in partnership with the Rockefeller Foundation and Common Ground, convened the Mayors' Summit: Preventing and Ending Homelessness among veterans, with representatives from eighteen cities who met for 2 days with a faculty of national experts on the issues related to preventing and ending homelessness among veterans. We were joined there by William McLemore, the VA Deputy Assistant Secretary for Intergovernmental Affairs who represented Secretary Nicholson and gave the cities his support in their focus on veterans.

The Summit's emphasis was best practices that engage homeless veterans—including peer-to-peer programs and mobile services—and innovative housing models, the outcome of which is a stable tenancy in permanent supportive housing. The special needs of incarcerated veterans and women veterans were addressed, as were programs and services that effectively engage returning veterans to identify those with PTSD and other risk issues that could ultimately lead to homelessness. All of this effort was with the intent of identifying and ending homelessness for veterans in the cities present and preventing future homelessness for returning service members.

Intercommunity Collaboration. To carry out the strategy of intergovernmental and inter-sector partnership, the Council has developed community partnerships with the National Governors Association, U.S. Conference of Mayors, National League of Cities, National Association of Counties, United Way, Chamber of Commerce, International Downtown Association, National Alliance for the Mentally Ill, and the National Alliance to End Homelessness. Additionally, the Council regularly convenes State and local officials, communicates with national and local provider and advocacy organizations, and communicates directly with homeless people to foster consumer-centric solutions.

Technical Assistance and Support. To administer and facilitate the Council's mission at the local and regional level, the Council has Regional Coordinators throughout the country through partnership with HUD. Each of the Coordinators is responsible for working with Federal partners and State and local governments, homeless advocates, providers, and consumers to encourage and coordinate their collective efforts to end chronic homelessness. The Coordinators facilitate the creation of Regional Federal Interagency Councils and State Interagency Councils, as well as jurisdictional 10-year plans.

As part of the planning effort, the Council's Regional Coordinators in FY 03–04 convened ten regional technical assistance focus groups for City and County administrators from over 200 jurisdictions to learn from expert faculty representing Cities already underway with their plans, innovative practitioners around the country, and key stakeholders.

I am pleased to report that our efforts to establish intergovernmental partnerships to end chronic homelessness and reduce the incidence of all homelessness have been welcomed by Governors, Mayors, and County Executives across the country who have committed to the creation of State Interagency Councils on Homelessness and to 10-Year Plans to End Chronic Homelessness.

The Council is encouraging the use of the "Killer Bs" in the 10 year planning process—a business plan that is created around a management agenda that establishes baselines to quantify the problem, benchmarks to remedy and is attentive to budget.

Partnering to Prevent and End Chronic Homelessness for Veterans. To extend the partnerships described above and achieve results for veterans experiencing or at-risk of homelessness, the Council works in a variety of ways that I will describe briefly.

The Secretary's Advisory Committee on Homeless Veterans. Although not an ex officio member of the Advisory Committee under statute, the Council actively collaborates with the VA Secretary's Advisory Committee on Homeless Veterans. In 2004, the Council named an official liaison, John O'Brien, for the Advisory Com-

mittee from among its Regional Coordinators in order to provide consistent and expert support to the Committee on Council issues. Mr. O'Brien served in the Navy and is a Vietnam veteran; his work in the New England States to create State Councils and 10-year plans has been exemplary. His responsibility includes attending the Advisory Committee meetings, reporting to the Advisory Committee on the progress and outcomes on prior recommendations for action from the Advisory Committee, as well as other activities and initiatives on the part of the Council.

Mr. O'Brien also reports to the Council on additional recommendations and follow up requested by the Advisory Committee and works with Regional Coordinators to develop and deliver to the field any needed information that will advance veterans issues in City and State partnerships. These recommendations and follow up become part of the basis of ongoing reporting back to the Advisory Committee. Current reporting includes identifying:

- States that have a veteran's representative on their State Interagency Councils on homelessness
- State and local 10-year plans to end chronic homelessness that are completed and identify specific strategies and resources that will prevent and end homelessness among veterans
- Local jurisdictional 10-year planning committees that have a veteran's representative who can insure the inclusion of the needs and interests of homeless veterans in the 10-year plan to end chronic homelessness
- Council staff site visits to VA Medical Centers that lead to a better understanding of the resources available from the VAMC and provide information to the VAMC staff on current Council initiatives, innovations, and best practices identified that are effective in helping prevent and end homelessness among veterans.

The Council and the Advisory Committee have also identified collaborative initiatives designed to identify opportunities for the Council and the Advisory Committee to enhance their respective efforts to prevent homelessness and end homelessness among veterans. These initiatives have included the development and distribution of the document, *Homeless Veterans: Representing the Needs and Interests of Homeless Veterans in State, County, and City 10-Year Plans to End Chronic Homelessness*, a document that identifies the need for a veterans representative in planning bodies and was jointly developed by the Council, VA, and the Advisory Committee.

Technical Assistance to States and Local Jurisdictions. Council Regional Coordinators are located in seven regions of the country and are responsible for providing support and technical assistance to States and local jurisdictions as they plan and implement plans to end chronic homelessness. It is the responsibility of Regional Coordinators to become familiar and build relationships with VA representatives and resources in their region to better insure the needs and interests of homeless veterans are effectively identified in 10-year plans to end chronic homelessness, to insure specific strategies are developed to help prevent and end homelessness among veterans, and to identify the resources available to homeless veterans at the Federal, State, and local level.

Communications and Information. Shortly after its revitalization, the Council established a central Federal Web page on homelessness (www.usich.gov), creating a one-stop information source that links to all twenty Council member web sites and their homelessness information resources. The Council site provides news of State Interagency Council developments, 10-Year Plan announcements by Mayors and County Executives, and funding announcements by Federal partners. The site offers new opportunities for learning about Federal homelessness assistance programs, including VA programs, and disseminates information on homeless assistance and other funding opportunities for State and local government agencies and faith-based, community, and nonprofit organizations.

In fiscal year 2004, the Council established a weekly e-newsletter that is now distributed by email to over 8000 key State, City, and County officials, homeless coordinators, Federal grantees, program directors, faith-based, community, and nonprofit organizations, business and philanthropic decisionmakers, and other partners. The cost effective electronic e-newsletter helps to direct readers to the Council's web site and features timely stories on Council member agencies, Federal and other funding resources, and State and local government initiatives. Interested individuals can subscribe on line using the Council's web site.

The Continuing Work of the Council. The Council has encouraged an emerging Federal strategy based on the policy objectives described above, and based on its statutory activities of Federal homeless program review, governmental and private programs evaluation, information distribution, and provision of technical assistance.

Guided by a management agenda that incorporates a broad spectrum of partnerships, cost benefit analysis, outcome measurement data, sharing of evidence based

practices, performance based investments, strengthened prevention, results oriented interventions, and targeted resource investments, the partnerships fostered by the Council's activities are providing a blend of Federal, State, County, City, and private sector resources to accomplish the mission.

Our work together in the Council is to reduce and end chronic homelessness. Through a management agenda that prioritizes research, performance, and results, and through interagency, intergovernmental, and intercommunity partnerships and investments, ending chronic homelessness is an achievable goal.

Chairman CRAIG. To all of you panelists, thank you.

The record is going to remain open so that we can ask questions of you. I hope you don't feel as sandwiched this morning as I feel, because this is an issue the Committee is extremely interested in, reflective of your interests and the commitment and the progress that is being made out there. We want to assure that continues and that we address this issue of homeless veterans.

Again, thank you very much. I apologize for the character of the environment we are in, but that is where we are today.

The Committee will stand adjourned.

[Whereupon, at 11:45 a.m., the Committee was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF HON. RICHARD BURR, U.S. SENATOR FROM NORTH CAROLINA

I thank the Chairman and the Ranking Member for scheduling this hearing on the important issue of homelessness among veterans.

The VA estimates that, on any given night, as many as 200,000 veterans are homeless. We also know that 45 percent of homeless veterans have a mental illness and 50 percent have some sort of addiction.

Last year, I introduced a bill designed to help prevent extremely low-income and at-risk veterans from becoming homeless—to actually help keep them in their homes.

S. 1991, the Services to Prevent Veterans Homelessness Act, would make grants to nonprofits and faith-based organizations to provide services to extremely low-income veterans who are in permanent housing.

The services provided for in the bill—from vocational counseling and personal financial planning, to health and rehabilitation—are designed to address the root causes of homelessness.

The cost of this bill is \$25 million annually—a small sum to help the poorest of our veterans. In North Carolina alone, over 43,000 veterans live below the poverty line. This bill would allow the VA to partner with nonprofits in order to help these poor veterans escape the root causes of homelessness.

I urge the Committee to consider whether we are doing enough on this issue and I invite my colleagues to study this bill and become cosponsors.

PREPARED STATEMENT OF SANDRA A. MILLER, CHAIR, VIETNAM VETERANS OF AMERICA, HOMELESS VETERANS TASK FORCE

Mr. Chairman, and Members of the Senate Veterans' Affairs Committee, my name is Sandra A. Miller. I served as a Senior Enlisted Woman in the U.S. Navy from 1975 until 1981 and am currently Chair of Vietnam Veterans of America's Task Force on Homeless Veterans. I work daily with homeless veterans as Program Coordinator of a ninety-five bed transitional residence, one of the many programs provided by The Philadelphia Veterans Multi-Service & Education Center to an exclusive veteran population for over twenty-five years.

On behalf of VVA, I thank you and your colleagues for this opportunity to submit testimony sharing our views on the status of homeless assistance programs for veterans funded by the Department of Veterans Affairs (VA).

VA HOMELESS GRANT AND PER DIEM PROGRAM

The VA Homeless Grant and Per Diem Program (HGPD) has been in existence since 1994. Since then, thousands of homeless veterans have availed themselves of the programs provided by community-based service providers. The need is still present. VVA seeks \$200 million to be made available in the VA FY'07 budget for the VA HGPD Program and funded through FY'2011.

In some areas of this country, the VA and community-based service providers work successfully in a collaborative effort to actively address homelessness among veterans. The community-based service providers are able to supply much-needed services in a cost-effective and efficient manner. The VA recognizes this and encourages residential and service center programs in areas where homeless veterans would most benefit.

The VA's HGPD program offers funding in a highly competitive grant round. Because financial resources available to HGPD are limited, the number of grants awarded and the dollars granted are restrictive: VVA believes that legislation must be enacted to make VA Homeless Grant and Per Diem funding a payment rather

than a reimbursement of expenses. This is an important change that will assist community-based organizations to deliver services in a financially effective and resourceful manner, allowing for an efficient method to cover discretionary expenses related to affiliated program functions within the nonprofit agency.

HGPD PER DIEM ONLY GRANTS

Another component of the HGPD program is the award of Per Diem Only (PDO) grants. These grants do not contain any “bricks and mortar” dollars. The PDO grants must be renewed on a regular basis (currently, every 3 years). VVA applauds the efforts of the VA in the readdress of the renewal process for PDO programs, allowing them to renew without competition with new grant requests. This permits an existing program to stand proud on its merits, achievements, and positive outcomes.

SHARED LEASE AGREEMENTS

Some of the HGPD recipient programs have entered into Shared Lease Agreements with local VA Medical Centers, utilizing dormant, unoccupied space. The nonprofit agency for which I work has taken advantage of this opportunity, a cooperative venture with the Coatesville VA Medical Center. We have a long-standing and strong working relationship with its leadership and staff. Additionally, we have received continued support from VISN 4.

The strength of the VA-nonprofit relationship is unique to each medical center and agency. Each must have a clear understanding of the services and assistance they can lend to each other to enhance local homeless veteran programs. VVA recognizes that a strong collaboration between the VA and the nonprofit brings greater resources to address issues faced by homeless veterans in local communities.

The issue of shared lease agreements, however, does require attention. There is no uniform policy in the contractual VA Memorandums of Agreement leasing fees that community-based service providers pay for use of vacant VA spaces. The amounts range across a wide spectrum. This is an inequitable procedure and requires immediate redress. There needs to be a standard, set calculation, with built-in geographic considerations, on the amounts community-based service providers pay for usage of otherwise vacant or unused facilities. This policy must also be driven by considerations beyond cost: the mission must be calculated into the equation. For many of the community-based service providers who are small nonprofit agencies, a uniform calculation would provide additional funds to be utilized in the direct provision of services to homeless veterans. As determined by the VA’s own calculations for Per Diem eligibility, nonprofits can only obtain Per Diem equal to, but not in excess of, the cost of the program. Nonprofits don’t get rich off VA Per Diem dollars.

With this said, I will again reiterate that Per Diem funding should be a payment rather than a reimbursement. Considering the minimal daily amount of money provided to assist veterans in a residential program and the limited budget provided to VA for HGPD, the cost of program audits could be saved and the accounting process stream-lined. At the very least VVA believes that the residential fees paid by veterans in these programs should not be subtracted from the overall cost of the program in determining the amount of Per Diem for which the agency is eligible. This current process makes it difficult to justify what little Per Diem is available to the agency.

PROGRAMS FOR HOMELESS WOMEN VETERANS AND CHILDREN

It is a national scandal that so many men—and, increasingly, women—who have served our nation do not have a roof over their head, a place to call home. Although there are many reasons that have caused them to become homeless, they deserve our best efforts to help them salvage their lives.

VVA commends the VA for its fiscal year 2000 initiative specifically targeting homeless women veterans, with the creation of twelve pilot programs located in VA’s across the country. These pilot programs have reached initial completion and the VA North East Program Evaluation Center is analyzing the outcome data. While we realize continuance of these programs is heavily weighted by program outcomes, we urge the VA—and specifically the VISN Directors—to continue funding and staffing these women veteran-specific homeless programs.

The profound significance of these pilot programs, as seen in the lives of the homeless women who are participants, begs serious consideration. Because VA homeless domiciliaries are primarily utilized by male veterans, women find it difficult to acclimate themselves to the male-dominated residential structure, not only

in light of their small representation in the population, but also because of past personal histories which include a significant occurrence of sexual abuse and trauma.

Over the past ten to fifteen years the VA has made great advancements in the treatment, care and benefits for women veterans. One does wonder if they are prepared for the numbers yet to come. However, when we address the issue of women in the homeless domiciliaries, we must not overlook the aspect of safety and security. VVA believes women veterans require segregated residential space. We believe this will also enhance the therapeutic setting.

With so few VA homeless women residential programs, VVA maintains there should be a stronger emphasis on establishing residential programs for homeless women veterans. The funding or contract arrangement for them should be considered outside the HGPS program. Community-based partnerships are especially vital when we consider the number of dependent of children who factor into this equation.

The VA "Special Needs" Grants have been a recent investment placing direct funding to community programs that provide residence to "special" populations, one of which is women. This funding must not be lost. It is vital when dealing with homeless populations whose demand for care can be so much more costly.

VA HOMELESS DOMICILIARY PROGRAMS

Domiciliary programs located within various medical centers throughout the VA system have proven costly. As stand-alone programs, many do not display a high rate of long-term success. During this time of fiscal restraint, programs assisting homeless veterans need to show a cost/benefit ratio in order to survive. Due to the Federal pay scales and other indirect cost factors, VA Homeless Domiciliary programs generally cost twice as much per homeless veteran participant (often over \$100 per day per veteran) as those programs of community-based organizations. If the operational cost of the VA Homeless Domiciliary program is to be justified, then an assurance of veteran success and a diminished rate of recidivism should be expected. This is not always the case and is especially true if the veteran has no linked transitional residential placement at discharge.

A linkage with nonprofit community programs will enhance outcomes in a cost-effective manner and openly speak to the belief in the "continuum of care" concept embraced by VA. HGPS has increased transitional placement possibilities in a number of areas, but more are desperately needed.

Where no VA Homeless Veteran Domiciliary exists, VVA urges the VA to form an active linkage with community-based organizations for extended homeless veteran transitional services at the conclusion of VA Homeless Domiciliary care.

HOMELESS VETERANS REINTEGRATION PROGRAM

VVA urges full funding to the authorized level of \$50 million for the Homeless Veterans Reintegration Program (HVRP) administered by the Department of Labor (DOL) from FY'07 through FY'2011. This training and employment initiative has proven to be cost-effective. Congress should also expand the eligible population for HVRP to include veterans at imminent risk of homelessness so that HVRP may have both preventative and remedial purposes. Only through re-training can we expect to place many of the homeless veterans in the employment market. Without re-training and employment, many of these veterans will not be able to regain a sense of self-worth, purpose, and direction.

HUD-VASH

In 1992, VA joined with HUD to launch the HUD-VASH program. HUD funded almost 600 vouchers each (a total of 1,753) for this program. Through the end of FY'02, the program had served 4,300 veterans. This successful program was given additional HUD-VASH vouchers with the passage of P.L. 107-95, section 12. However, HUD, a very large player in the effort to end homelessness, has not requested appropriations for the additional HUD-VASH vouchers. VVA believes this program should be extended until 2010 and these vouchers should be included as budget language in HUD's FY'07, FY'08, FY'09 and FY'10 budgets.

STUDY OF LOW-INCOME VETERANS' PERMANENT HOUSING NEEDS

The Federal Government makes a sizable investment in homeownership opportunities for veterans, there is no parallel national rental housing assistance program targeted to low-income veterans. Veterans are not well served through existing housing assistance programs due to their program designs. Low-income veterans in and of themselves are not a priority population for subsidized housing assistance.

And HUD devotes minimal attention to the housing needs of low-income veterans, as exemplified by, the long-standing vacancy in the position of special assistant for veterans programs within the Office of Community Planning and Development. It is imperative that Congress elevate national attention to the housing assistance needs of our nation's low-income veterans. Congress has taken initial steps in this regard by including language within the report to accompany the final fiscal year 2006 military construction and veterans' affairs appropriations measure requires the Government Accountability Office to conduct a study on housing assistance to low-income veterans. The study is due in spring 2006. But we have heard nothing about its progress. VVA urges the Senate Veterans' Affairs Committee to ensure GAO's timely completion of this required study.

SUPPORTIVE SERVICES FOR SPECIAL NEEDS DEMONSTRATION GRANTS

Our country's homeless problem is a national disgrace that refuses to fade. Homelessness has varied definitions and many contributing factors. Among these are PTSD, a lack of job skills and education, substance abuse, and mental health problems. The homeless require far more than just a home. A comprehensive, individualized assessment and a rehabilitation/treatment program are necessary, utilizing the continuum of care concept. Assistance in obtaining economic stability for a successful self-sufficient transition back into the community is vital. Although many need help with permanent housing, some require long-term residential care.

With this in mind, VVA recommends that the annual funding level be increased to \$20 million through FY2011, and to retain language in Section 2061(c)(2) of title 38 that the funds directed to special needs not be allocated through the VERA funding model. The VA Grant and Per Diem Program provides a cost-effective model that could close the critical gap for veterans who are women, those who are frail, elderly, terminally ill, or have a chronic mental illness and are not ready, and may not become ready, to move from transitional program to self-sufficiency.

DENTAL CARE

VVA is requesting a revision of the 60-day rule and fully implement the dental care program for all eligible veterans in accordance of Section 2062(b) of title 38 under P.L. 107-95

VBA REGIONAL OFFICE STAFFING

Because the claims for compensation/pension of thousands of homeless veterans are in adjudication limbo, VVA believes that these claims should be fast-tracked, and that the Veterans Benefits Administration hold managers accountable for developing sufficient training in all areas required under P.L. 107-95. VVA also recommends to better serve our homeless veterans this provision of the law be made permanent.

LOAN GUARANTEE FOR MULTIFAMILY TRANSITIONAL HOUSING FOR HOMELESS VETERANS

VVA believes the VA is long overdue in implementing Section 601 of P.L. 105-368. It has always been our understanding that this program was to provide a housing option for a period longer no than 2 years, the average length of time a homeless veteran spends in a traditional transitional living arrangement. The intent, as we understand it, is to provide long-term housing options for homeless veterans.

VVA continues to object to legislation that would move this program from a loan program to a grant program and, in the process, change it from mandatory to discretionary funding. This would alter the original intent of the statute, which is to infuse private capital into the effort to remediate the problem. If the sense of Congress is to be met, VVA asks for full funding of P.L. 105-368 and P.L. 107-95. Without full funding, achieving the sense of Congress will not be met, and potentially thousands of homeless veterans who are ready to become productive members of their community will have an additional burden to overcome.

"SUPPORTIVE SERVICES ONLY" PROGRAMS

VVA realizes that, to a certain extent, the budget drives the ability of the VA to fund HGPD programs. Consider these few items: the VA's limited funding ability; the decreasing desire of HUD to fund Supportive Services programs; the HUD disincentives placed on cities to renew McKinney-Vento funded supportive services programs; the impact that lost supportive service programs will have on the local social service system. Drop in Centers are one type of programs that utilize homeless grants for what is known as "Supportive Services Only" (SSO) funding. HUD funds these SSO programs via the local agency's inclusion on their local City's priority list

for its annual HUD McKinney-Vento submission. When originally funded the agency was required to commit to a twenty year operational program. It is unclear to VVA how many SSO programs are effected by this recent trend in the denial of renewals. However, in as an example, this year Philadelphia had determined not to renew HUD funding for a minimum of twelve "supportive services only" programs previously funded through its continuum of care consolidated plan. SSO programs targeting homeless veterans are included in this evolving funding atmosphere. Our question is to what extent are the cities responsible for the continued renewals of programs that were previously vital to the local continuum?

We ask this in light of the twenty-year financial burden of commitment required by small nonprofit agencies when they are originally awarded their grants and led to believe they are a crucial component and partner to the comprehensive approach to the elimination of homelessness. To suggest the nonprofits find alternate funding in order to continue and satisfy the twenty-year commitment seems unrealistic in light of the very limited grant funding available for such SSO programs. In some instances this could ultimately lead to the death of some nonprofit agencies . . . the life line of not only the agencies homeless clients, but also to some of the city social service agencies that depend on the agency to assist with clients in an already overburdened local service system.

At a time when the big push is on permanent housing for the homeless, with wrap around supportive services, is it logical to eliminate these programs on the community level? In light of this situation and as a logical fit, VVA believes it is time for the U.S. Department of Health and Human Services (HHS) to enter this arena. It is in fact quite logical. We urge this committee to encourage HHS to work with VA in establishing a unique partnership, creating a joint program in an effort to provide enhanced opportunities to homeless veterans through a collaborative agency process. VVA urges dialog between these two agencies in an effort to reach a viable option to the threatening situation that is facing the nonprofits of this country that are gravely concerned about their own demise. What a terrible loss this would be to the structure of community involvement that has been so encouraged.

THE INTERAGENCY COUNCIL ON HOMELESS

Community providers across the country had great hopes for the Presidential Interagency Council on Homeless (ICH), thinking it would translate to local, on the ground, resources . . . down where the rubber hits the road, in the local community agencies and programs. They found this not to be the case and this they have found very disappointing. They believed it would produce more cooperative Federal agency action, not just talk. But even that seems to be falling off. We strongly urge this committee to inquire as to why the Senior Working Group of the ICH have not met in the recent past, actually in a very long time, and why this group does not meet on a regular basis. Homeless providers were led to believe this was an important initiative.

Thank you.

In closing, VVA recognizes the tremendous strides that have been made by Department of Veterans Affairs in addressing and providing services for homeless veterans. We want to cite Pete Dougherty and his staff for their continued commitment to our homeless veterans. We must work together in a bipartisan manner to improve long-term services for our homeless veterans with better planning in areas of employment, special need, transitional/permanent housing, dental and childcare programs, if we are to succeed in meeting the President's goal of ending chronic homelessness within 10 years.

In conclusion, VVA thanks the Chairman and Members of the Senate Veterans' Affairs Committee for the attention you give to the needs of all our veterans and for allowing us to enter this statement for the record.