

**Statement of Peter H. Dougherty
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Mr. Chairman, and Members of the Committee, I am pleased to be here today to discuss the Department of Veterans Affairs' programs and services that help homeless veterans achieve their housing needs. I am pleased to be with Mr. Keith Pedigo, Director of VA's Loan Guaranty Service. 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 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 this by aggressively reaching out and engaging veterans in shelters and in soup kitchens, on the streets and under bridges. By not waiting for veterans to contact us and by proactively offering services, VA helps some 40,000 more veterans each year than would otherwise know of their eligibility for assistance. We connect homeless veterans to a full complement of VA health care and benefits, including compensation and pension, vocational rehabilitation, loan guaranty and education services.

We continually work to reach and identify homeless veterans and encourage their enrollment in VA's health care system. Once they are enrolled, we furnish 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 ensure that homeless veterans receive comprehensive follow-up health care. In addition, it is extremely important that these veterans are seen by mental health specialists and a case manager. Thus, our objective is to help these veterans receive coordinated needed care and other VA benefits, which, in turn, furthers their chances of obtaining and maintaining independent housing and gainful employment. At the least, the provision of such VA assistance should enable most to live as independently as possible given their individual circumstances.

We 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. This is very important because we understand from many formerly homeless veterans that having an opportunity for gainful employment was vital to their being able to overcome psychological barriers that contributed to their homelessness.

With the support of Congress, VA continues to make a significant investment in the provision of services for homeless veterans. We expect to spend \$225 million this year (fiscal year 06). These costs cover homeless veterans treatments and programs to assist homeless veterans.

The President's budget request for FY 2007 calls for a nearly \$20 million increase above that level. Services and treatment for mental health and substance use 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 use treatment programs. Increasing access to and availability of mental health and

substance use 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). Mr. Pedigo will provide you with details of the Loan Guaranty Services programs including those that are of particular assistance to homeless veterans. I want to focus on the Compensation and Pension Service that strives to provide 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 non-profit 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. 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 one-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 one 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 two 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.

Interagency Council on Homelessness, Intergovernmental and Local Relationships

VA is an active partner with nearly all Federal departments and agencies that provide services to homeless veterans. We participate in a variety of interagency 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 Secretary Nicholson's tenure as chair of the ICH, VA hosted regular meetings of the ICH Senior Policy Group. While Secretary 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 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 three 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 wraparound

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 homeless veterans, and to develop local action plans to address those identified 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. 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. This year, we estimate the number of homeless veterans on any one day will be less than 195,000, which represents a decline of better than 20 percent over the last six years. 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.

During the past five years VA, the Departments of Housing and Urban Development, Health and Human Services and Labor, and the Interagency Council on Homelessness have sponsored a series of policy academies. The purpose of these academies is to bring together a broad group of professionals from a variety of disciplines who work with homeless populations in their respective states to improve the coordination of statewide efforts to aid all homeless. This effort has been very successful. And many states have translated this experience into concrete improvements in the coordination of their benefits and services at the local level, i.e., within, between, and among the cities and counties in their states. VA is pleased to have been an active partner in this effort. Senator Martinez chaired the US Interagency Council on Homelessness when this effort began and I would be remiss in not noting his leadership in getting this concept into concrete actions. This approach developed by the National Governor's Association has aided every state to develop a coordinated plan to address homelessness in their states.

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 was recently completed and last year VA recorded participation in approximately 100 stand-down events in 36 states. In calendar year 2005, 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 nearly 17,000 veterans. Of note is an increase in the number and percentage of veterans who attended these events. The latest information shows that more than 1,700 spouses, overwhelmingly women, and

more than 1,100 children attended these events. More than 13,000 volunteers and VA employees participated in these events last year.

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 non-profit organizations in developing supportive transitional housing programs and supportive service centers for homeless veterans. These organizations may also use VA funds to purchase vans to conduct outreach and provide transportation for homeless veterans 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.

We are reviewing applications based upon the latest Notice of Funding Availability and the Secretary will announce those selections in September. We are hopeful that with this latest round of funding we will be able to add between 500 and 1,000 new transitional housing beds across the nation.

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 non-profit 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 FY 2004 and provided special needs funding to 29 organizations totaling \$15.7 million.

Grants to Meet National Fire and Safety Codes

VA has 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 FY 2005, DCHV programs treated 5,394 homeless veterans, while VA funded the development of nine new DCHV programs offering a total of 400 new beds. In FY 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 2,020 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, veteran service organizations, local governments, social service agencies and other service providers to inform homeless veterans about other benefits and services available to them. In FY 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 Department of Labor's, Homeless Veterans Reintegration Programs (HVRP).

Since the beginning of FY 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 FY 2003 through FY 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 disabled. 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. Twenty-one percent of the claims denied 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 guaranty 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 will, 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 some time this fall. Vietnam Veterans of San Diego is expected to close on its guaranteed loan by the end of the year, which leaves funding available for up to thirteen remaining program loans or until the remaining \$92.1 million in program funds have been guaranteed.

Coordination of Outreach Services for Veterans At-Risk of Homelessness

VA, together with 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 correctional 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 demonstrations 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 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 provide 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 ensure 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.

Developing appropriate links to health care, housing, benefits assistance, employment and transportation are all components that help bring these veterans out of despair and homelessness. We appreciate all of the assistance the Congress gives us to aid this noble effort.

Mr. Chairman that concludes my statement, I am please to respond to any questions you or the Committee members may have.