

STATEMENT
Of
VIETNAM VETERANS OF AMERICA



Submitted by
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Chair
Homeless Veterans Committee

Before the
House Subcommittee on Insurance, Housing and Community
Opportunity

Regarding
Housing for Heroes: Examining How Federal Programs Can
Better Serve Veterans

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Chairwoman Biggert, Ranking Member, Gutierrez and distinguished members of this subcommittee, good morning and thank you for the opportunity to present testimony here today.

My name is Sandra Miller and I am the current Chair of the Homeless Veterans Committee for Vietnam Veterans of America. One of my other hats is that of Director of Homeless Veteran Residential Services for The Philadelphia Veterans Multi-Service & Education Center, where I oversee the operation of 125 VA Homeless Grant and Per Diem beds.

Vietnam Veterans of America has as its' number one legislative priority the issue of accountability; accountability at every level of any agency, federal, state, or local, that impacts Veterans and their families. It is through this accountability that Vietnam Veterans of America hopes to improve the quality of care and life for all of our nation's Veterans. Without accountability countless dollars are lost to programs that are ineffective, inefficient and even potentially unsafe. We all must be the "keepers of the gate" insuring our programs are achieving the goals they were established to attain.

After all these years of effort, energy, and attention given to the Homeless Veteran issue it remains and endures as a disturbing situation for these Veterans. Can we bring an end to Veterans living on the streets or in boxes, cars, shelters, vacant buildings? None of us can answer that question but we can try. There will always be those who choose this way of life...there always have been...from the beginning of time. We can, however, offer and assist those who seek a different way of existing in the short time we have all been granted, but they can't make it on their own. They just can't make it out of the darkness, so we continue to try to find an effective and efficient way to help those who are helping these Veterans.

US Departments of Housing and Urban Development (HUD) and Veterans Affairs (VA) HUD VASH Program

Oversight of the HUD VASH program and its processes will prove to be an invaluable tool in the continuance and expansion of this program. Oversight of the HUD VASH voucher program is necessary to ensure that these vouchers are administered, distributed and utilized to the fullest extent possible and for the purpose they were intended. By tracking the outcomes of the current HUD VASH voucher program, a full annual evaluation of their effectiveness may well drive the recognition for additional vouchers.

Vietnam Veterans of America strongly supports and has urged the continued funding and expansion of the HUD VASH voucher program. Further, VVA has urged the US Department of Housing and Urban Development and US Department of Veterans Affairs to establish a mechanism whereby oversight of the HUD VASH voucher program can insure that it is being monitored for compliance and fully utilized effectively for the Veterans it was intended to assist.

Are the HUD VASH vouchers being distributed equitably throughout the country? We don't know this. We do know that some areas are saturated with vouchers, while others are screaming for more. We do know that one of the barriers to providing vouchers in some areas of the country is lack of case management. Alaska is one example of the staffing situation which results in the delay in issuing or utilizing the vouchers.

Are all VA Medical Centers providing the appropriate level of case management to the Veterans in the HUD VASH program? We don't know this either. We do know that case management activities vary from VA facility to VA facility. We appreciate that case management is able to be "contracted out" to community service providers and applaud the recognition that no one agency or organization can do it all. The VA and the Veterans need these collaborations, now more than ever, if, in fact, we are to end Veteran Homelessness in just a little over two years.

Here's what we do know. According to the 2011 Annual Homeless Assessment Report (AHAR), a HUD and VA joint effort, there were 67,495 homeless Veterans, down 12% from the 2010 report. There are currently 48,000 vouchers authorized and 39,340 actually in use. There are 1,500 case managers. There are 14,000 VA Homeless Grant and Per Diem beds. One challenge that many of our Veterans face in receiving a HUD VASH voucher is the expense of moving in to their new apartments. This has been addressed in some fashion by the awarding of the VA Supported Services for Veterans and Low Income Families (SSVF) grants across the country. SSVF assists with these move-in costs, furniture, etc. 12% of the vouchers have gone to women Veterans and 28% have gone to Veterans with children.

Does HUD VASH work? Yes, Vietnam Veterans of America believes it does. It does provide housing opportunities for homeless Veterans to obtain safe and secure housing. However, we are concerned that not enough attention is placed on the income of the Veteran, motivation of the Veteran, or continued housing stability.

If a Veteran is placed in a HUD VASH with only minimal income, though rents are inexpensive and subsidized, that minimal income may not be enough to sustain the Veteran. Recently a number of Veterans in HUD VASH who were receiving Public Assistance of \$214 per month were cut off with little notice. They now have zero income. How do they survive? Certainly they qualify for food stamps, but what assistance is there to insure they will be able to sustain their housing with no income? Realizing that HUD VASH focuses on "housing", it is our opinion that long term, sustainable income has to be part of the intake assessment, as well as the ongoing case management. Demanding anything less is surely setting the Veteran up to fail.

Motivating the Veteran to return to the work force, if possible, or to seek additional income, may prove to be an integral part of the case manager's responsibilities. Case Managers are the front line defense for these Veterans and they should be assisting with all avenues for increasing the Veteran's income.

Vietnam Veterans of America believes in the importance of the “housing first” model is ideal for some Veterans. However, VVA also believes that the “housing ready” model may be the best fit for others, whereby a Veteran is given the opportunity to build on a strong foundation and become accustomed to daily living and have the ability to develop daily life skills. To think that “housing first” is the best for every Veteran is not true. It has always been the belief of VVA that our homeless Veterans must be given every opportunity to succeed in independent living to include housing. There are no “cookie cutter” solutions...VVA embraces the Interagency Council on Homeless mantra of “no wrong door” when addressing the housing needs of our Veterans.

VA Homeless Grant and Per Diem Service Centers

One of the most effective front line outreach operations funded by VA HGPS is the Day Service Center, sometimes referred to as a Drop-In- Center. Agencies stretch themselves and their staff almost beyond its limit in order to keep the programs afloat. Few even remain in the HGPS system due to the limited per diem funding support.

These service centers are unique and indispensable as a resource for VA contact with homeless Veterans. These Service Centers reach deep into the homeless Veteran population that are still on the streets and in the shelters of our cities and towns. They are the portal from the streets and shelters to substance abuse treatment, job placement, job training, VA benefits, VA medical and mental health care and treatment, homeless domiciliary placement, and transitional housing. They are the first step to independent living. For many it is the first step out of homelessness. But this can only happen if they are able to operate in an effective environment.

Under the VA HGPS program non-profits receive per diem at rates based on an hourly calculation per diem (\$4.90) for the actual time that the homeless Veteran is actually on site in the center. This amount may cover the cost of the coffee and food that the Veterans receive but it does not come close to paying for the professional staff that must provide the assistance and comprehensive services that continue on the Veteran’s behalf, long after they leave the facility. As one can well imagine the needs of these Veterans are great and demands an enormous amount of time, energy, and manpower in order to be effective and successful. Their problems are complicated by years of abuse on many levels of life experience.

It is for this reason, the lack of sufficient operational funding, that many service centers for homeless Veterans have either closed or never opened after being funded by VA HGPS. The VA acknowledges and understands that this problem exists. This is a tremendous loss to the outreach efforts so important in connecting the homeless Veterans with the VA and independent housing opportunities.

The reality is that most city and municipality social services do not have the knowledge or capacity to provide appropriate supportive services that directly involve the treatment, care, and entitlements of Veterans. It is for this reason that these homeless Veteran

service centers are so vital and irreplaceable. These service centers desperately need help and attention. They are an integral part of the outreach and first line contact with homeless Veterans that is, in fact, so essential as part of the Secretary Shinseki's 5 Year Plan. Service Center programs are challenging and staff intensive. But they are one of the raw conduits out of homelessness in many cases.

We believe that it is possible to create "Service Center Staffing/Operational" grants, much like the VA "Special Needs" grants. In light of the Special Needs grants, passing the legislation to establish this funding stream would not be setting a precedent. "Special Needs" grants have been doing it for years. And VVA believes that these service centers can't wait too much longer. Agencies have been advocating for years for the VA to recognize a more appropriate funding distribution process of HGPS resources for their true operational activities. These agencies have been holding on to survival by their fingertips for a very long time. Without serious and speedy activation of staffing grants the result may well be the demise of these critically needed services centers.

We cannot lose these valuable front line, "on the streets", service center outreach programs. They are the heartthrob of VA homeless Veteran programs; the first hand up offered too many of the homeless Veterans who are on the streets and in the shelter system of our cities.

There are agencies in this country that bring support, services, and housing to homeless Veterans. They often times do this with little financial assistance from the outside. There are even some HUD programs that are developed and utilized for homeless Veterans housing (i.e. Shelter Plus Care) that do not provide operational dollars, unlike HUD Supported Housing Program (SHP). There needs to be some consideration given to providing grant dollars through the HGPS program to these Veteran specific programs.

This will enable them to hire appropriate staff for case management. Without this possible assistance and resource, the full opportunity of these homeless Veteran programs will be lost.

VA Homeless Grant and Per Diem Payments

Non-profits have long struggled with the process used to justify the receipt of the per diem payments from VA Homeless Grant and Per Diem (HGPS) program. Although the amount of per diem money received per Veteran per day provided has increased over time, the requirement documentation to meet a 100% cost expense has created a significant burden on non-profits

The collateral expenses of a HGPS program often can be incurred by a non-profit agency and even require discretionary dollars to pay for them. This occurs because of certain restrictions on allowable expenses. This is especially true if the HGPS program is not located on the site of the home agency. Without the up keep and solvency of the parent agency the per diem program could not function because, in truth, the program is linked

inexplicably to the parent agency. The HGPS program could not exist without the home agency and therefore some of the expenses of the agency must be directly allowable as expenses to the program.

In actuality, HGPS is “fee for service”. One difference is that it is not set up as a contract agreement as utilized in the past by the VA where agencies were paid as contractors. Today’s methodology works on the approach that grantees are paid based on past accounted and audited expenses, not anticipated expenses.

Though not a popular resolve some non-profit agencies as asking, “Why aren’t our programs seen as “fee for service” operations instead of a reimbursement?” This option would, it seems, place the existing and future grant awardees in a per diem program much like that of the past programs which were paid as contractors. But this option is one that is discussed due to the frustration in obtaining the correct amount of per diem based on actual program expenses.

Currently, the per diem amount that non-profits receive is based on the previous year expenses as defined in its annual audit. It is not based on anticipated expenses for the operating year in which the per diem will be paid. This causes the program to fall short in meeting its expenses for the agency’s operating year. For this reason, we believe it is a reasonable suggestion that VA consider the distribution of per diem payments in much the same way that other federal agencies operate. One solution to consider would be to set up HGPS disbursements in a “draw down” account similar to the system utilized by the U.S. Department of Housing and Urban Development, whereby agencies submit their projected budgets, are allocated the funds, and draw down on the allocated funds throughout the year. At the end of year reconciliations and adjustments as made.

Payments need to be based on actual anticipated budgetary expenses, not based on past year expenses. We cannot enhance services or hire additional necessary staff before we are able to access the dollars of increased per diem to pay for them. It sets in place a vicious cycle of need. (The agencies have a set per diem; they need more staff; they haven’t shown it as an expense on the approved per diem they are receiving, so they can’t afford to hire necessary additional staff or establish additional program enhancements because they don’t have the money to do so.) This process leaves the program and the agency at a clear disadvantage because they do not have the money to do any advanced or “real time” enhancements to the program. To do so would place them at high risk and this action could be suicidal for a small non-profit. It places them at risk with creditors or, the agency has to reach into its line of credit at the bank. This credit line utilization results in paying interest on the use of its line of credit until they can be approved for higher per diem. This interest is then an added expense to the program...a cost they cannot recoup. VVA awaits the evaluation and study related to HGPS fund distribution as required by Congress in Public Law 112-154, Honoring America’s Veterans and Caring for Camp Lejeune Families, signed into law on August 6, 2012 by President Obama.

As with any change, oversight is the key to the success or failure of the programs. There is already a process for defined oversight in regard to annual inspections, services offered, and goals attained in place. With the requirement for intensive annual inspections by the VA on all GPD programs, we do not see any potential diminished ability by the VA in the oversight of the programs. The method by which funds are paid should have no effect on the VA's ability to provide oversight.

In the past, some very successful VA HGPS residential programs identified a need for increased bed capacity due to a clear identification of increased need for program admission. These existing programs requested additional beds under a VA HGPS "Per Diem Only" (PDO) grant process and were awarded the ability to increase the overall number of program beds.

The original HGPS grant and the PDO grant were awarded at different times; hence, they have separate and different VA "project numbers". These two project numbers are attached to the *same program* with the *same expenses* and the *same staff*. The only difference it has brought to the program is an increase in bed capacity. Here's where it gets convoluted and tricky.

VA policy states that everything related to the one program must be divided out by a percentage based on the number of beds attached to the two project numbers. This includes the request for per diem amounts and the entire budgeted expenses of the entire program. Every bed in the one program has been assigned to one of the two project numbers. For the purpose of billing the VA at the end of each month, each Veteran must be tracked on a daily basis, indicating the bed he/she was assigned on that particular day. And this must be done because when the audit was done for the one program to determine the level of per diem the agency can receive, it was identified that the per diem per day for the two project numbers was different. Not only is this a very time consuming process on the reporting side, all expenses for the one program on the bookkeeping side of the agency have to be calculated by percentage. This also makes it extremely difficult to request increased per diem.

We believe that if a single program has two different project numbers based solely on an approved expansion without change to the program, that program should be treated as a whole and the two projects numbers should be merged. This is the only fair way to work with the non-profit. To do so would allow an agency to function in a more efficient manner, have access to an appropriate and true per diem structure, and reduce the paper work for the VA HGPS offices.

I have spent some time highlighting a number of areas that Vietnam Veterans of America believes needs attention and/or change. VVA doesn't know the answer but we know we are going to try...and keep on trying to do our best to be a part of any solution that will help. Eventually, this will make a difference. It certainly will for the Veteran who finds her way home.