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***STATEMENT OF
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BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEES ON HEALTH AND ECONOMIC OPPORTUNITY
UNITED STATES HOUSE OF REPRESENTATIVES
JANUARY 18, 2018***

Thank you for inviting DAV to submit testimony for the record for today's hearing to examine the effect of federal agencies' efforts [including those of the Department of Veterans Affairs (VA), Housing and Urban Development (HUD) and Department of Labor (DOL)] to reduce homelessness among our nation's veterans. DAV was also asked to assess the impact of VA's decision to realign specific purpose funds for homeless programs.

Any veteran can experience homelessness and we recognize that many veterans are at higher risk for becoming homeless due to service-incurred and war-related disabilities and/or reintegration challenges following military deployments. This is particularly true of women veterans. DAV Resolution 239 directs DAV to support sustained sufficient funding to improve services for homeless veterans. For this reason, DAV urges Congress to give homeless veterans programs priority consideration within the federal government's planning and budgeting activities.

As you know, homelessness is a complex problem often stemming from mental illness, substance use disorders, unemployment, lack of basic independent life skills and disabilities. Homeless individuals often struggle with several of these issues concurrently. For veterans, homelessness can be further complicated by unsuccessful attempts to reintegrate into families, careers, and communities after deployments. Service-incurred or exacerbated disabilities, such as post-traumatic stress disorder, depression, anxiety, substance use disorders, traumatic brain injury or other physical disabilities can further complicate these issues.

For the most part the federal government's enhanced efforts to assist homeless veterans in recent years has been a good news story. Since 2009, homelessness among veterans has decreased by almost half (46 percent); between 2015 and 2016 the number of homeless veterans decreased by 17 percent. Some states and communities have declared that their homeless veterans' populations have been virtually eliminated. VA and advocates often credit VA's "Housing First" policy with its success. Securing stable housing with aggressive case management is often the linchpin to obtaining the services and benefits veterans need to launch their recovery.

The bad news is that there are now indicators that some of the remarkable progress made on reducing homelessness among veterans may be eroding, particularly in high-cost metropolitan areas such as New York City and Los Angeles where affordable housing is scarce. Los Angeles City and County alone identified a 26 percent increase in homelessness between 2016 and 2017. This led to a slight increase in homelessness among veterans overall (1.4 percent between 2016 and 2017). According to HUD, individuals with long-term disabling conditions were the most likely to be affected by homelessness during this past year.

The National Coalition on Homeless Veterans (NCHV) also indicates that flat funding for many of the VA's pillar programs in fiscal year (FY) 2018 will not be sufficient to ensure the federal government continues to make progress reducing the number of homeless veterans. In particular it is concerned about the VETS HVRP programs in DOL (flat funded for more than a decade) and that funding for Supportive Services for Veterans Families—a program that assists veterans and families at risk for homelessness to remain in permanent housing—are not sufficient to support demand for veterans' needs. They are also concerned that there are no new requests for HUD-Vouchers. HUD-VASH is credited as the program most responsible for the reduction of veterans living on the street. As a top priority of the previous administration the HUD-VASH program grew from \$5 million to almost \$500 million. In 2016, VA reports it used almost 80,000 vouchers and housed 72,481 veterans. According to HUD, since 2010, the HUD/VASH program has helped almost 480,000 veterans and their families with housing, re-housing or preventing homelessness.

The decision by VA Secretary Shulkin to realign specific purpose funds to give hospital directors more control over veterans' needs specific to location within the Veterans Health Administration posed a significant concern for sufficient funding for homeless programs. In December 2017, in response to Senate appropriators and veterans' advocates, the Secretary temporarily overturned his initial decision, but the initiative took a toll.

The partnership between VA and HUD requires VA to provide intensive case management for use of housing vouchers. Diminished dedicated funding available for case management would significantly compromise the success of the subsidized housing vouchers program. VA case managers serve to ensure veterans maintain sobriety and treatment regimens and obtain necessary medical care. They can assure that benefits are secured and job training or education goals are being met. They assist in identifying community resources to meet veterans frequently cited unmet needs—such as legal assistance for a variety of issues, child care, family reconciliation assistance, financial guardianship, credit counseling, discharge upgrades, and family and marital counseling. They also help entice reluctant landlords to lease properties to veterans because the case manager serves as a reliable intermediary. Case management is essential to veterans achieving long-term housing stability and makes the HUD-VASH program optimally effective.

We are pleased that the Secretary reconsidered his decision to pull funds out of earmarked accounts, but the effect on VA's ability to support case management for HUD-VASH

vouchers has already impacted programming. For example, NCHV reports that the VA facility in San Francisco indicated it will only support half of the slots it has been allotted leaving 50 of the 100 vouchers on the table. As the Secretary proceeds to determine how best to fund HUD-VASH case management in the future, DAV hopes he will carefully consider the potential negative impact of releasing these funds on the programming for some of VHA's most vulnerable veterans.

Specific purpose (or centralized) funds are designated as such to assure that resources are used for certain programs—particularly for those programs with high costs that may make them vulnerable to “raiding” for other purposes. This status is generally reserved for high visibility programs—usually those of great interest to Congress or the Administration (prosthetics and sensory aids, post-deployment mental health services for war veterans, women veterans, and polytrauma, for example).

Veterans organizations co-authoring the Independent Budget have long supported a centralized fund for prosthetics. Previously when funding for prosthetics was allocated through general purpose funds, these resources were used for other purposes. Once funds were centralized, delivery of prosthetics was more timely and predictable and veterans' complaints diminished. Having one account to fund purchases also eases tracking of expenditures to ensure funds are used for the allocated purpose.

While DAV has no resolution regarding the centralization of funding for homeless programs, we know from experience that unfencing funding is highly likely to reduce funding for that purpose. Re-categorizing funds as general purpose allows *other* local priorities to be funded, which appears to be the reason to “release” funding to the field. Secretary Shulkin indicated that medical centers would be able to use released funding from homeless programs as networks and medical centers saw fit, so long as there was demonstration of “some” commitment to helping homeless veterans. DAV is concerned that local managers, faced with numerous priorities, will use the released funds at a lower rate, resulting in insufficient funding to meet the needs of this population and continue the improvements in programs for homeless veterans made in recent years. For these reasons, we are pleased that the Administration will take more time to assess the potential effect of releasing dedicated funding for homeless programs and hope the Secretary will permanently restore specific purpose funding for these important supportive services.

Homelessness is defined under the McKinney-Vento Act as occupying public or private space not generally intended or used for sleeping, including living in the streets, cars, or those residing in emergency shelters. Some advocates believe this definition actually underestimates the population, particularly for women who are more likely to stay in unsafe housing situations (such as those with abusive domestic partners) in order to remain housed. According to researchers, veterans are at greater risk of homelessness than civilian peers. Approximately 80 percent of homeless veterans have mental health conditions or substance use disorders. PTSD and service in Iraq or Afghanistan are modest risk factors for experiencing homelessness, but

socioeconomic status and behavioral health are more significant risk factors. For both women and men, being black and unmarried are significant risk factors. Recipients for disability compensation are at lower risk of homelessness, possibly because the steady income may assist a veteran in obtaining stable housing.

Women veterans are at especially high risk of homelessness (with increased risk of 2.4 percent compared to 1.4 percent of male veterans). Loss of employment and dissolution of marriages contributes to women being at higher risk for homelessness and living in poverty than civilian peers or male veterans. Homeless women veterans tend to be younger than male peers, and 21 percent of women veterans have dependent children and they are 8 percent more likely to have non-military related PTSD. They are more likely to seek intensive services for treatment of mental health issues than their male peers. Additionally, because of their increased likelihood of having dependents which gives them priority for housing vouchers, women are 19-20 percent more likely to be referred to HUD-VASH programs than men. For these reasons, policy changes effectuating cuts to homeless programs may be particularly perilous for them.

VA has several evidence-based practices being used to assist homeless veterans including Mission-Vet (Maintaining Independence and Sobriety through System Integration) and Getting to Outcomes. These practices are targeted at veterans with co-occurring morbidities and are shown to keep veterans in housing placements more effectively than usual practice. About half of the veterans who have used HUD-VASH vouchers have accomplished their goals or no longer require services. Most leave the program after identifying appropriate benefits or securing employment.

Grant and per diem (GPD) programs, which provide transitional housing and supportive services through community agencies, are another important stepping stone to stable housing and recovery for disabled homeless veterans. In 2016, more than 16,500 veterans exited these programs to permanent housing; however, without the support of case management for HUD-VASH vouchers many veterans using these programs will likely struggle more to achieve stable, independent housing and lives.

In addition to housing programs, VA offers health care services specifically for homeless veterans and a range of mental health programs that meet their needs. Domiciliary programs offer a therapeutic environment for many homeless veterans, allowing them to seek intensive treatment for substance use disorders and mental health conditions. Psychosocial rehabilitation, often provided through the domiciliaries is another program from which it appears that funds are being diverted. Some veterans also seek vocational rehabilitation through VHA's compensated work therapy programs. Unfortunately, some of the centralized funding for many of the supportive mental health and mental health research programs administering and improving care for homeless and other veterans has also been released to the field. While the effect of the releasing centralized funds may not have the same dramatic impact on VA's mental health programs it would on the supported housing programs, the release of these funds may impact the overall quality of the mental health services upon which many veterans rely.

The Department of Labor (DoL) also offers a job-focused, case-managed approach to assisting homeless veterans with job training, search and placement services through the Homeless Veterans Reintegration Program (HVRP). As homeless veterans become stable, these programs can offer assistance with vocational rehabilitation and even remedial academic skills to bolster their ability to live and work independently. The HVRP is funded under veterans programs, but administered under DoL Veterans Employment Training Services. DAV has been a long-term supporter of adequate funding and permanency for veterans' employment and/or training programs (Resolution No. 251). Since FY 2002, Congress has authorized \$50 million for this program doing so again for FY 2018. However, over time the value of this authorization has eroded. In FY 2015, DoL claims HVRP exceeded its target of placing 65 percent of program participants in jobs (it placed 69 percent of participants). It also exceeded its target of placing 62 percent of women participants in jobs (it placed 68 percent of women participants). It also did so at a significantly lower cost per participant than it estimated (\$2,007 compared to \$2,242). Given the long-term success and efficiency of the program, Congress should add funds to compensate for inflation and meet veterans' increased demand for these services.

Mr. Chairman, VA can be proud of the comprehensive array of services it provides to homeless veterans, but it cannot reduce funding levels for the program or leave it to local management to determine priorities and expect to see the same results and success rate of reducing veterans' homelessness. VA must continue its commitment as stated until no veteran has to call the street his or her home.

This concludes my statement and I am happy to respond to any questions you may have.