

STATEMENT FOR THE RECORD



Submitted by

**Sandra A. Miller
Chair
Homeless Veterans Committee**

Before the

House Committee on Veterans Affairs

Regarding

**Evaluating Federal and Community Efforts to Eliminate Veteran
Homelessness**

December 11, 2014

Chairman Miller, Ranking Member, Michaud and distinguished members of this committee, good morning and thank you for the opportunity to present our Statement for the Record 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 Coatesville Residential Services for The Veterans Multi-Service Center, located in Philadelphia, PA, 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 continue to work in order to make an impact on this situation. 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. 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 2013 Annual Homeless Assessment Report (AHAR), a HUD and VA joint effort, there were 57,849 homeless Veterans, down 24% from the 2010 report. There are currently 58,155 vouchers authorized 43,371 have been leased up. There are over 1,500 VA HUD VASH case managers. Approximately 8% of the vouchers have gone to women Veterans.

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.

Does HUD VASH work? 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 and motivation of the Veteran or continued housing stability.

If a Veteran is placed in housing with a HUD VASH voucher and only has minimal income, though rents are inexpensive and subsidized, that income may not be enough to sustain the Veteran. Recently, Veterans in the HUD VASH program who were receiving Public Assistance at \$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 maintain their current housing arrangement with no income? Realizing that HUD VASH focuses on "housing", it is VVA's opinion that long-term, realistic, sustainable income must 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 employable Veteran to return to the work force or seeking additional income, may prove to be one of the most challenging yet vital component 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 concept of the “housing first” model and that it is ideal for some Veterans. However, VVA also believes that the “housing ready” model may be the best fit for others. In this model 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 HGPD is the Veterans 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 HGPD system due to the limited per diem funding support.

These service centers are unique and indispensable as a resource for VA frontline 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 HGPD program non-profits receive per diem at rates based on an hourly calculation per diem (\$5.42) 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 HGPD. 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.

VVA believes 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 legislation to establish this type of funding stream would not be setting a precedent. “Special Needs” grants have been doing it for years. VVA believes that these service centers can’t hang on much longer. Agencies have been advocating for years for the VA to recognize a more appropriate funding distribution process of HGPD resources for their true operational activities. Without serious and speedy activation of staffing grants the result could well be the demise of the service centers...centers that have proven to be essential community outreach efforts.

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 needs to be some consideration given to providing grant dollars through the HGPD program to these Veteran specific programs. This will enable these agencies 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 (HGPD) 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. There are 15,500 VA Homeless Grant and Per Diem beds.

The collateral expenses of a HGPD 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 HGPD 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 HGPD 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, HGPD 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,

December 11, 2014

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 HGPD 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 continues to wait to see the evaluation and study related to HGPD 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. This report was due one year from Public Law 112-154 being signed into law...it is almost two (2) years overdue. Where, again, is the accountability? And most concerning, where is the report?

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 HGPD 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 HGPD “Per Diem Only” (PDO) grant process and were awarded the ability to increase the overall number of program beds.

The original HGPD 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 HGPD offices.

VA HGPD Participant Fee Calculation

Most HGPD programs across the country charge their Residents a “program fee” or “participant fee”. Previously these “fees” could not be more than 30% of the individuals’ income, minus court ordered payments and child support. Many programs placed a maximum cap on these fees at much less than the legal 30% in order to create a vehicle for greater Veteran participant in their savings plan. These fees augmented HGPD payments in providing the non-profit with income to enhance the comprehensive programing and assist with the cost of food and services.

New verbiage in Title 38, reads, “**§ 61.82 Participant fees for supportive housing.**”

- (a) Each participant of supportive housing may be required to pay a participant fee in an amount determined by the recipient, except that such participant fee may not exceed 30 percent of the participant’s monthly income after deducting medical expenses, child care expenses, court ordered child support payments, or other court ordered payments; nor may it exceed the program’s set maximum rate or the HUD Fair Market Rent for that type of housing and its location, whichever is less. The participant fee determination and collection process/procedures should be documented in the grant recipient’s operating

December 11, 2014

procedures to ensure consistency, fairness, and accuracy of fees collected. The participant's monthly income includes all income earned by or paid to the participant.

In correspondence received from the VA National Grant & Per Diem Program Office in Tampa, Florida, Grant and Per Diem Liaisons were told, "We have been interpreting the Fair Market Rent (FMR) for "that type of housing" to mean that the total rent received would be around the amount of the Fair market rent for that type of housing. To calculate FMR, divide the housing size by total number of beds. So housing with a single bedroom with two beds would be One bedroom FMR divided by 2. Housing with two bedrooms one bed each would be Two bedrooms FMR divided by 2. A two bedroom with two beds in each bedroom would be a Two bedroom FMR divided by 4. Etc. To calculate larger congregate facilities (more than four bedrooms) you would calculate .15 times the number of bedrooms over 4 bedrooms, add 1, multiply this number to the local FMR for a four bedroom apartment, then divide that number by total number of beds to get cost per bed. Example: a 50 bedroom facility that has 100 residents in Hillsborough County Florida would be calculated this way: Start with the FMR for a 4 bedroom house, \$1520. Multiply the number of bedrooms above 4 by .15. In this example that would be 46 (50 bedrooms – the four bedrooms we started with) $46 \times .15 = 6.9$. Add 1 to that number and get 7.9. What this is saying is that there are the equivalents of 7.9 four bedroom units in this facility. So, the rent for 1 four bedroom unit is \$1520 and the rent for 7.9 four bedroom units is \$12008 ($7.9 \times \1520). Divide that number by the number of beds in the facility, 100. $\$12008/100 = \120.08 per Veteran per month, but only for months where the Vet earns income and only if this number is lower than 30% of that income. If the 30% of the monthly income is lower, the provider must use that."

This absurd calculation does not take into consideration the agencies with programs occupying space on the grounds of VA medical center/facilities, nor does it take into consideration other programs located in a "dormitory" style building. These agencies are considered "contractors" by the VA and as such they must sign a lengthy lease agreement that could also include costs not only for space utilization but other fees for services. The space utilization cost is not based on FMR but on a square footage charge. The amount of these signed VA lease agreements is quite costly to the non-profit, some over a quarter of a million dollars per year. One may wonder why some of these programs are paying the VA such large lease payments with VA homeless grant dollars. But under these circumstances, utilizing the FMR, will cause non-profits to lose a tremendous amount of their operating income resulting in the loss of essential case management staff and valuable services. Food budgets will need to be reduced and van transportation to jobs will be limited due to the cost of gas and maintenance. How can non-profit providers be expected to complete our current mission if we don't have the funds to do so?

VVA requests the VA Grant and Per Diem Program Office to reconsider the calculations they have assigned for program/participant fees. First, there is a great difference between the FMR and the VA Lease costs for VA HGPD programs on VA grounds. Second, in putting "Veterans First" it makes no sense to handcuff agencies with reduced incomes which ultimately results in less than adequate services.

VA Supportive Services for Veteran Families

Supportive Services for Veteran Families (SSVF) is a rapid re-housing program for Veterans to move quickly into housing. Rapid re-housing is time-limited assistance to get Veterans housed first and then provided supportive services directly or linked to other programs that may be needed to support stability goals.

Currently, SSVF funds can support HUD-VASH clients by providing financial and specialized support to move their clients into permanent housing. For example, a recent recipient of a HUDVASH voucher received SSVF funds to pay the rent deposit, utility costs, and moving costs. There are clear regulations detailing how SSVF funds can support HUD-VASH clients, but the ability to utilize both programs ensures that Veterans have the additional resources on the path to a successful independent transition. This creative pairing of two programs gives Veterans real hope for a better outcome.

Initially, SSVF funds could be used to support transitional housing clients who stayed under 90 days. In the past year, SSVF regulations have been further restricted in supporting transitional housing clients. Now, SSVF funds can only be used for clients who have stayed under 30 days. While transitional housing programs focus on an exit to permanent housing few programs have subsidy resources to help a Veteran gain a foothold in the market when it is time for them to leave a transitional program.

The tightening of SSVF regulations on transitional housing clients is detrimental for numerous reasons. Transitional housing clients are considered homeless and make up significant portion of the community's homeless Veteran population. Therefore, the impact of the SSVF change is notable. Transitional housing programs provide specific support, many with a focus on the resolve of issues other than homelessness alone. These could include additional support, treatment or therapy related to military sexual trauma (MST), Traumatic Brain Injury, Post Traumatic stress Disorder, surgery, terminal illness, or enormous debt resolution. They are not homeless shelters. Therefore, the restriction of SSVF funds for clients who are in GPD programs under 30 days weakens the value of these programs. This restriction could result in the inappropriate termination of GPD assistance and critical treatment or problem resolution in order to utilize SSVF funds. It is critical to revisit this new restriction because an arbitrary 30 days is no benefit to Veterans.

Ending Veteran homelessness can be done if all resources are used effectively and efficiently. By not permitting successful discharges from transitional housing, no matter the length of stay, does not support the VA commitment to ending Veteran homelessness below the Secretary level.

VVA recommends that all restrictions on SSVF concerning transitional housing be removed. These homeless Veterans need the support from SSVF like HUD-ASH clients to ensure they have the ability to keep a roof over their head. SSVF support to transitional housing Veterans will add a very powerful weapon in the war on Veteran homelessness and should not be withheld.

Closing

I have spent some time highlighting a number of items 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. VVA welcomes any opportunity to have further discussions on the content of this testimony and looks forward to working with your offices.

Funding Statement

December 11, 2014

The national organization Vietnam Veterans of America (VVA) is a non-profit veterans membership organization registered as a 501(c) (19) with the Internal Revenue Service. VVA is also appropriately registered with the Secretary of the Senate and the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995.

VVA is not currently in receipt of any federal grant or contract, other than the routine allocation of office space and associated resources in VA Regional Offices for outreach and direct services through its Veterans Benefits Program (Service Representatives). This is also true of the previous two fiscal years.

For Further Information, Contact:

Rick Weidman, Executive Director for Policy and Government Affairs

Vietnam Veterans of America

(301) 585-4000 ext. 127

Sandra A. Miller

Sandra Miller currently serves as Chair of Vietnam Veterans of America Homeless Veterans Committee. She has served on the VA Advisory Committee on Homeless Veterans since 2003. Ms. Miller was a volunteer at Philadelphia Stand Down from 1995 until 2001.

Ms. Miller currently works as the Program Director of Coatesville Residential Services for The Veterans Multi-Service. She is responsible for the operation of Residential Services, including LZ II Transitional Residence for homeless male veterans and The Mary E. Walker House for homeless female veterans. She is responsible for insuring the goals and objectives of all homeless veteran residential programs are accomplished within the prescribed time frame and funding parameters.

She served in the U.S. Navy from 1975 until 1981 as a Radioman. During Ms. Miller's military service, she received numerous awards including a Good Conduct Medal, Navy Meritorious Unit Citation w/1 Bronze Device (2 awards), Zaire Airlift Letter of Commendation, U.S. Naval Forces Europe Letter of Appreciation, and numerous Command Petty Officer of the Quarter awards. Ms. Miller was awarded the AT&T Microelectronics National Volunteer of the Year in 1995 and the Lucent Technologies Humanitarian Service Award in 1996. She also received Vietnam Veterans of America, Region II James "Pop" Johnson Memorial Distinguished Service Award in 1998 and the Chapel of Four Chaplains, Legion of Honor Award, in September 2000 for her work with homeless veterans.