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Testimony before the Subcommittee on  
Health, Committee on Veterans' Affairs,  
House of Representatives

For Release on Delivery  
Expected at 10:00 a.m. EDT  
Thursday, September 27, 2007

# HOMELESS VETERANS PROGRAMS

## Bed Capacity, Service and Communication Gaps Challenge the Grant and Per Diem Program

Statement of Daniel Bertoni, Director  
Education, Workforce, and Income Security Issues





Highlights of [GAO-07-1265T](#), a testimony before the Subcommittee on Health, Committee on Veterans' Affairs, House of Representatives

## Why GAO Did This Study

The Subcommittee on Health of the Committee on Veterans' Affairs asked GAO to discuss its recent work on the Department of Veterans Affairs' (VA) Homeless Providers Grant and Per Diem (GPD) program.

GAO reported on this subject in September 2006, focusing on (1) VA's estimates of the number of homeless veterans and transitional housing beds, (2) the extent of collaboration involved in the provision of GPD and related services, and (3) VA's assessment of program performance.

## HOMELESS VETERANS PROGRAMS

### Bed Capacity, Service and Communication Gaps Challenge the Grant and Per Diem Program

## What GAO Found

VA estimates that about 196,000 veterans nationwide were homeless on a given night in 2006, based on its annual survey, and that the number of transitional beds available through VA and other organizations was not sufficient to meet the needs of eligible veterans. The GPD program has quadrupled its capacity to provide transitional housing for homeless veterans since 2000, and additional growth is planned. As the GPD program continues to grow, VA and its providers are also grappling with how to accommodate the needs of the changing homeless veteran population that will include increasing numbers of women and veterans with dependents.

The GPD providers we visited collaborated with VA, local service organizations, and other state and federal programs to offer a broad array of services designed to help veterans achieve the three goals of the GPD program—residential stability, increased skills or income, and greater self-determination. However, most GPD providers noted key service and communication gaps that included difficulties obtaining affordable permanent housing and knowing with certainty which veterans were eligible for the program, how long they could stay, and when exceptions were possible.

VA data showed that many veterans leaving the GPD program were better off in several ways—over half had successfully arranged independent housing, nearly one-third had jobs, one-quarter were receiving benefits, and significant percentages showed progress with substance abuse, mental health or medical problems or demonstrated greater self-determination in other ways. Some information on how veterans fare after they leave the program was available from a onetime follow-up study of 520 program participants, but such data are not routinely collected.

We recommended that VA take steps to ensure that GPD policies and procedures are consistently understood and to explore feasible means of obtaining information about the circumstances of veterans after they leave the GPD program. VA concurred and, following our review, has taken several steps to improve communications and to develop a process to track veterans' progress shortly after they leave the program. However following up at a later point might yield a better indication of success.

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Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me here today to discuss the Homeless Providers Grant and Per Diem (GPD) program, the largest program of its kind administered by the Department of Veterans Affairs (VA). On any given night in the United States, an estimated 750,000 people, including veterans, are homeless and may sleep on the streets or in shelters. Veterans constitute about one-third of the adult homeless population, and many veterans who are not yet homeless may be at risk. To address the needs of these homeless veterans, VA officials told us that through the GPD program they fund over 300 grants to local agencies to house approximately 15,000 homeless veterans over the course of a year at a cost of about \$95 million. The program is not designed to serve all homeless veterans—it focuses on transitional housing and supportive services for veterans who are most in need, including those who have had problems with mental illness, substance abuse, or both.

My statement draws on GAO's report on this program issued in September 2006 that reviewed (1) VA's estimates of the number of homeless veterans and transitional housing beds, (2) the extent of collaboration involved in the provision of GPD and related services, and (3) VA's assessment of program performance.<sup>1</sup> I have also included information we obtained in following up on VA's efforts to implement our recommendations.

In summary, VA reported in 2006 that about 196,000 veterans were homeless and that not enough transitional beds were available through VA and other organizations to meet the needs of homeless veterans eligible to use this assistance. To help meet these needs, the GPD program has quadrupled its capacity since 2000 to about 8,200 beds, and additional growth is planned. In addition to increasing transitional bed capacity, VA and its providers are also grappling with how to accommodate the needs of the changing homeless veteran population that will include increasing numbers of women and veterans with dependents. When we met with GPD providers who operate the program and their local VA liaisons, we found that they were working collaboratively with other organizations to deliver supportive services, but most also noted key resource and communications gaps. Specifically, providers reported difficulties finding

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<sup>1</sup> GAO, *Homeless Veterans Programs: Improved Communications and Follow-up Could Further Enhance the Grant and Per Diem Program*, [GAO-06-859](#) (Washington, D.C. Sept. 11, 2006).

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affordable permanent housing for veterans ready to leave the program. In addition the eligibility rules for the GPD program were not always clear, a fact that could cause confusion and could keep veterans from obtaining needed care. VA data showed that many veterans were better off in terms of housing; employment; receipt of public benefits; and progress with substance abuse, mental health, or medical problems at the time they left the program, but VA did not know how they were faring months or years later.

We recommended that VA take steps to ensure that GPD policies and procedures are consistently understood and to explore feasible means of obtaining information about the circumstances of veterans after they leave the GPD program. VA concurred and, following our review, has taken several steps to improve communications and to develop a process to track veterans' progress shortly after they leave the program. However following up at a later point might yield a better indication of success.

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## Background

The GPD program is one of six housing programs for homeless veterans administered by the Veterans Health Administration, which also undertakes outreach efforts and provides medical treatment for homeless veterans.<sup>2</sup> VA officials told us in fiscal year 2007 they spent about \$95 million on the GPD program to support two basic types of grants—capital grants to pay for the buildings that house homeless veterans and per diem grants for the day-to-day operational expenses.<sup>3</sup> Capital grants cover up to 65 percent of housing acquisition, construction, or renovation costs. The per diem grants pay a fixed dollar amount for each day an authorized bed is occupied by an eligible veteran up to the maximum number of beds allowed by the grant—in 2007 the amount cannot exceed \$31.30 per person per day. VA pays providers after they have housed the veteran, on a cost reimbursement basis. Reimbursement may be lower for providers whose costs are lower or are offset by funds for the same purpose from other sources.

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<sup>2</sup>The other five programs are the Contracted Residential Treatment Program, the Domiciliary Residential Rehabilitation and Treatment Program, the Compensated Work Therapy/Transitional Residence Program, the Loan Guarantee for Multifamily Transitional Housing, and the Housing and Urban Development-VA Supported Housing program.

<sup>3</sup> On a limited basis, special needs grants are available to cover the additional costs of serving women, frail elderly, terminally ill, or chronically mentally ill veterans.

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Through a network of over 300 local providers, consisting of nonprofit or public agencies, the GPD program offers beds to homeless veterans in settings free of drugs and alcohol that are supervised 24 hours a day, 7 days a week. Most GPD providers have 50 or fewer beds available, with the majority of providers having 25 or fewer. Program rules generally allow veterans to stay with a single GPD provider for 2 years, but extensions may be granted when permanent housing has not been located or the veteran requires additional time to prepare for independent living. Providers, however, have the flexibility to set shorter time frames. In addition, veterans are generally limited to a total of three stays in the program over their lifetime, but local VA liaisons may waive this limitation under certain circumstances. The program's goals are to help homeless veterans achieve residential stability, increase their income or skill levels, and attain greater self-determination.

To meet VA's minimum eligibility requirements for the program, individuals must be veterans and must be homeless. A veteran is an individual discharged or released from active military service. The GPD program excludes individuals with a dishonorable discharge, but it may accept veterans with shorter military service than required of veterans who seek VA health care. A homeless individual is a person who lacks a fixed, regular, adequate nighttime residence and instead stays at night in a shelter, institution, or public or private place not designed for regular sleeping accommodations.<sup>4</sup> GPD providers determine if potential participants are homeless, but local VA liaisons determine if potential participants meet the program's definition of veteran. VA liaisons are also responsible for determining whether veterans have exceeded their lifetime limit of three stays in the GPD program and for issuing a waiver to that rule when appropriate. Prospective GPD providers may identify additional eligibility requirements in their grant documents.

While program policies are developed at the national level by VA program staff, the local VA liaisons designated by VA medical centers have primary responsibility for communicating with GPD providers in their area. VA

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<sup>4</sup>The definitions appear at 42 U.S.C. § 11302 and 38 C.F.R. § 61.1.

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reported that in fiscal year 2007, there were funds to support 122 full-time liaisons.<sup>5</sup>

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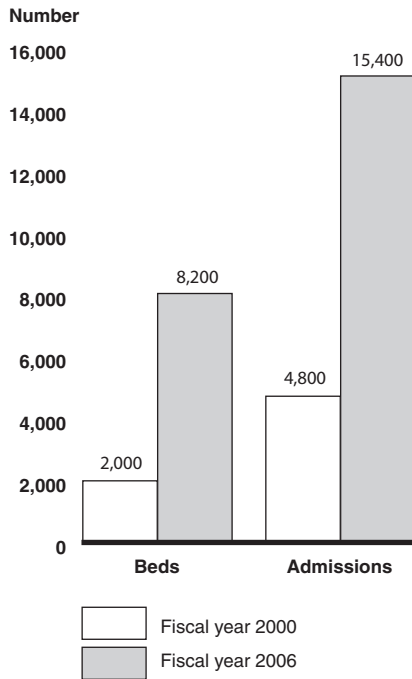
## VA Has Expanded GPD Program Capacity to Help Meet Homeless Veterans' Needs, but Demand Still Exceeds Supply

Since fiscal year 2000, VA has quadrupled the number of available beds and significantly increased the number of admissions of homeless veterans to the GPD program in order to address some of the needs identified through the its annual survey of homeless veterans. In fiscal year 2006, VA estimated that on a given night, about 196,000 veterans were homeless and an additional 11,100 transitional beds were needed to meet homeless veterans' needs. However, this need was to be met through the combined efforts of the GPD program and other federal, state, or community programs that serve the homeless. VA had the capacity to house about 8,200 veterans on any given night in the GPD program. Over the course of the year, because some veterans completed the program in a matter of months and others left before completion, VA was able to admit about 15,400 veterans into the program, as shown in figure 1. Despite VA rules allowing stays of up to 2 years, veterans remained in the GPD program an average of 3 to 5 months in fiscal year 2006.

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<sup>5</sup> Liaisons told us in 2006 that they experienced large caseloads and multiple GPD responsibilities—including eligibility determination, verification of intake and discharge information, case management, fiscal oversight, monitoring program compliance and inspections of GPD facilities, among other duties. To address some of these concerns, VA obtained funding to increase the number of full-time positions to 122.

**Figure 1: Numbers of GPD Admissions and Beds in Fiscal Years 2000 and 2006**



Source: GAO analysis of VA data in annual reports from the Northeast Program Evaluation Center.

The need for transitional housing beds continues to exceed capacity, according to VA's annual survey of local areas served by VA medical centers. The number of transitional beds available nationwide from all sources increased to 40,600 in fiscal year 2006, but the need for beds increased as well. As a result, VA estimates that about 11,100 more beds are needed to serve the homeless, as shown in table 1. VA officials told us that they expect to increase the bed capacity of the GPD program to provide some of the needed beds.

**Table 1: Available and Needed Transitional Beds for Homeless Veterans, Fiscal Year 2006**

Transitional beds needed	51,700
Total transitional beds available, including GPD	40,600
Additional beds still needed	11,100

Source: GAO analysis of VA's annual survey estimates rounded to nearest 100.

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Most homeless veterans in the program had struggled with alcohol, drug, medical or mental health problems before they entered the program. Over 40 percent of homeless veterans seen by VA had served during the Vietnam era, and most of the remaining homeless veterans served after that war, including at least 4,000 who served in military or peacekeeping operations in the Persian Gulf, Afghanistan, Iraq, and other areas since 1990. About 50 percent of homeless veterans were between 45 and 54 years old, with 30 percent older and 20 percent younger. African-Americans were disproportionately represented at 46 percent, the same percentage as non-Hispanic whites. Almost all homeless veterans were men, and about 76 percent of veterans were either divorced or never married.

An increasing number of homeless women veterans and veterans with dependents are in need of transitional housing according to VA officials and GPD providers we visited. The GPD providers told us in 2006 that women veterans had sought transitional housing; some recent admissions had dependents; and a few of their beds were occupied by the children of veterans, for whom VA could not provide reimbursement. VA officials said that they may have to reconsider the type of housing and services that they are providing with GPD funds in the future, but currently they provide additional funding in the form of special needs grants to a few GPD programs to serve homeless women veterans.

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## GPD Providers Collaborate to Offer a Range of Services, but Face Challenges in Helping Veterans

VA's grant process encourages collaboration between GPD providers and other service organizations. Addressing homelessness—particularly when it is compounded by substance abuse and mental illness—is a challenge involving a broad array of services that must be coordinated. To encourage collaboration, VA's grants process awards points to prospective GPD providers who demonstrate in their grant documents that they have relationships with groups such as local homeless networks, community mental health or substance abuse agencies, VA medical centers, and ancillary programs. The grant documents must also specify how providers will deliver services to meet the program's three goals—residential stability, increased skill level or income, and greater self-determination.

The GPD providers we visited often collaborated with VA, local service organizations, and other state and federal programs to offer the broad array of services needed to help veterans achieve the three goals of the GPD program. Several providers worked with the local homeless networks



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to identify permanent housing resources, and others sought federal housing funds to build single-room occupancy units for temporary use until more permanent long-term housing could be developed.<sup>6</sup> All providers we visited tried to help veterans obtain financial benefits or employment. Some had staff who assessed a veteran's potential eligibility for public benefits such as food stamps, Supplemental Security Income, or Social Security Disability Insurance. Other providers relied on relationships with local or state officials to provide this assessment, such as county veterans' service officers who reviewed veterans' eligibility for state and federal benefits or employment representatives who assisted with job searches, training, and other employment issues. GPD providers also worked collaboratively to provide health care-related services—such as mental health and substance abuse treatment, and family and nutritional counseling. While several programs used their own staff or their partners' staff to provide mental health or substance abuse services and counseling directly, some GPD providers referred veterans off site—typically, to a VA local medical center.

Despite GPD providers' efforts to collaborate and leverage resources, GPD providers and VA staff noted gaps in key services and resources, particularly affordable permanent housing for veterans ready to leave the GPD program. Providers also identified lack of transportation, legal assistance, affordable dental care,<sup>7</sup> and immediate access to substance abuse treatment facilities as obstacles for transitioning veterans out of homelessness. VA staff in some of the GPD locations we visited told us that transportation issues made it difficult for veterans to get to medical appointments or employment-related activities. While one GPD provider we visited was able to overcome transportation challenges by partnering with the local transit company to obtain subsidies for homeless veterans, transportation remained an issue for GPD providers that could not easily access VA medical centers by public transit. Providers said difficulty in obtaining legal assistance to resolve issues related to criminal records or

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<sup>6</sup>Through the local Continuum of Care networks, the Department of Housing and Urban Development contracts with public housing agencies for the rehabilitation of residential properties that provide multiple single-room dwelling units. These agencies make Section 8 rental assistance payments generally covering the difference between a portion of the tenant's income (normally 30 percent) and the unit's rent to participating owners (i.e., landlords) on behalf of homeless individuals who rent the rehabilitated dwellings.

<sup>7</sup> VA issued a directive for a onetime dental care opportunity for homeless veterans (VHA Directive 2002-080) in line with 38 U.S.C. § 101 note. VA officials told us that funding was provided in 2006 to implement this directive.

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credit problems presented challenges in helping veterans obtain jobs or permanent housing. In addition, some providers expressed concerns about obtaining affordable dental care and about wait lists for veterans referred to VA for substance abuse treatment.

We found that some providers and staff did not fully understand certain GPD program policies—which in some cases may have affected veterans' ability to get care. For instance, providers did not always have an accurate understanding of the eligibility requirements and program stay rules, despite VA's efforts to communicate its program rules to GPD providers and VA liaisons who implement the program. Some providers were told incorrectly that veterans could not participate in the GPD program unless they were eligible for VA health care. Several providers understood the lifetime limit of three GPD stays but may not have known or believed that VA had the authority to waive this rule.<sup>8</sup> As a consequence, we recommended that VA take steps to ensure that its policies are understood by the staff and providers with responsibility for implementing them.

In response to our recommendation that VA take steps to ensure that its policies are understood by the staff and providers with responsibility for implementing them, VA took several steps in 2007 to improve communications with VA liaisons and GPD providers, such as calling new providers to explain policies and summarizing their regular quarterly conference calls on a new Web site, along with new or updated manuals. Language on the number and length of allowable stays in the providers' guide has not changed, however.

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<sup>8</sup> VA may waive the lifetime limit on program stays if the services offered are different from those previously provided and may lead to a successful outcome. The VA liaisons must review and approve or deny the waiver based on their best clinical assessment of the individual case.

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## VA Data Show Many Veterans Have Housing and Jobs on Leaving the Program and Plans Are Under Way for Follow-up

VA assesses performance in two ways—the outcomes for veterans at the time they leave the program and the performance of individual GPD providers. VA's data show that since 2000, a generally steady or increasing percentage of veterans met each of the program's three goals at the time they left the GPD program.

Since 2000, proportionately more veterans are leaving the program with housing or with a better handle on their substance abuse or health issues. During 2006, over half of veterans obtained independent housing when they left the GPD program, and another quarter were in transitional housing programs, halfway houses, hospitals, nursing homes, or similar forms of secured housing.<sup>9</sup> Nearly one-third of veterans had jobs, mostly on a full-time basis, when they left the GPD program. One-quarter were receiving VA benefits when they left the GPD program, and one-fifth were receiving other public benefits such as Supplemental Security Income. Significant percentages also demonstrated progress in handling alcohol, drug, mental health, or medical problems and overcoming deficits in social or vocational skills. For example, 67 percent of veterans admitted with substance problems showed progress in handling these problems by the time they left. Table 2 indicates the numbers or percentages involved.

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<sup>9</sup> Independent housing comprises apartments, rooms, or houses. While independent housing may be a more desirable outcome, for some veterans, including those with severe disabilities, secured housing may be more appropriate.

**Table 2: Number Served by VA's Health Care for Homeless Veterans and Grant and Per Diem Program and Veterans' Outcomes, Fiscal years 2000 and 2006**

<b>Participants served and outcomes</b>	<b>2000</b>	<b>2006</b>
Number of		
• veterans treated by VA's Health Care for Homeless Veterans' (HCHV) staff	43,082	60,857
• intake assessments of homeless veterans by HCHV staff <sup>a</sup>	34,206	38,667
• admissions of veterans to GPDs	4,841	15,433
• discharges from GPDs	4,020	15,037 <sup>b</sup>
Days a veteran stays at a GPD, on average	91	139 <sup>c</sup>
Housing stability outcomes:		
Number of discharges from GPDs with		
• independent housing	1,163	7,723
• placement in halfway house or institution such as hospital, nursing home, or domiciliary	991	3,648
Increased income or skills outcomes:		
Number of discharges from GPDs with		
• full-time or part-time employment	1,404	4,766
• VA benefits <sup>d</sup>	Not Available	3,648
• Other public benefits <sup>d</sup>	Not Available	3,001
Greater self-determination outcomes:		
Percentage of discharges from GPDs with		
• improved alcohol, drug, mental health <sup>e</sup>	38-42	60-67
• improved medical, social/vocational condition <sup>e</sup>	43-46	57-62
• success in meeting GPD provider requirements	30	47

Source: GAO analysis of VA data aggregated from individual discharge forms completed by VA or GPD providers for veterans at the time they leave the program and compiled in annual reports by VA's evaluation center.

<sup>a</sup>Intake assessments are completed by HCHV staff when they first encounter a homeless veteran, unless the contact is casual and no services are offered or referrals made. After a year, new assessments are required if VA care or services are provided and VA staff have not been working with the veteran.

<sup>b</sup>Number of discharges with complete data on their status is 14,710 and is used to calculate all numbers below.

<sup>c</sup>Mean is shown. Median is 81 days.

<sup>d</sup>Numbers shown here include veterans who receive both types of benefits as well as those who receive only the designated benefits.

<sup>e</sup>Percentages are ranges showing the highest and lowest of each of two or three outcome measures.

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VA's Office of Inspector General (OIG) found when it visited GPD providers in 2005-2006 that VA officials had not been consistently monitoring the GPD providers' annual performance as required.<sup>10</sup> The GPD program office has since moved to enforce the requirement that VA liaisons review GPD providers' performance when the VA team comes on-site each year to inspect the GPD facility.

To assess the veterans' success, VA has relied chiefly on measures of veterans' status at the time they leave the GPD program rather than obtaining routine information on their status months or years later. In part, this has been due to concerns about the costs, benefits, and feasibility of more extensive follow-up. However, VA completed a onetime study in January 2007 that a VA official told us cost about \$1.5 million. The study looked at the experience of a sample of 520 veterans who participated in the GPD program in five geographic locations, including 360 who responded to interviews a year after they had left the program. Generally, the findings confirm that veterans' status at the time they leave the program can be maintained.

We recommended that VA explore feasible and cost-effective ways to obtain information on how veterans are faring after they leave the program. We suggested that where possible they could use data from GPD providers and other VA sources, such as VA's own follow-up health assessments and GPD providers' follow-up information on the circumstances of veterans 3 to 12 months later. VA concurred and told us in 2007 that VA's Northeast Program Evaluation Center is piloting a new form to be completed electronically by VA liaisons for every veteran leaving the GPD program. The form asks for the veterans' employment and housing status, as well as involvement, if any, in substance abuse treatment, 1 month after they have left the program. While following up at 1 month is a step in the right direction, additional information at a later point would yield a better indication of longer-term success.

Mr. Chairman, this concludes my remarks. I would be happy to answer any questions that you or other members of the subcommittee may have.

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<sup>10</sup> Veterans Affairs Office of Inspector General, *Evaluation of the Veterans Health Administration Homeless Grant and Per Diem Program*, Report No. 04-00888-215 (Washington, D.C.: Sept. 20, 2006).

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## Contact and Acknowledgements

For further information, please contact Daniel Bertoni at (202) 512-7215. Also contributing to this statement were Shelia Drake, Pat Elston, Lise Levie, Nyree M. Ryder, and Charles Willson.

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