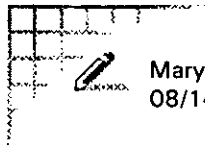


**NLWJC - Kagan**

**DPC - Box 058 - Folder-007**

**Veterans Issues - Homeless Vets**

Veterans - Homeless vets



Mary L. Smith  
08/14/98 03:45:29 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Thomas L. Freedman/OPD/EOP

cc:

Subject: Draft Homeless veterans proposal



HOME0807. Here is a very draft proposal to increase funding for homeless veterans programs that Tom and I have been working on. The cost is about \$50-\$60 million per year, as it is drafted. It would try to reach thousands more homeless veterans per year. If this is something you're interested in, we should push VA to include it in their FY2000 budget. Thanks, Mary

## DRAFT

This is a very rough draft of an initiative that we received from the VA to address more fully the needs of homeless veterans. According to the Federal Plan to Break the Cycle of Homelessness, there are as many as 600,000 homeless persons on any given night. The National Coalition of Homeless Veterans estimates that there are 275,000 homeless veterans on any given night. They estimate that there would be double that number over the course of a year. This initiative would reach \_\_\_\_\_ additional veterans per year for a total of -----.

### I. FEDERAL PROGRAMS TO ADDRESS HOMELESSNESS

The McKinney Act, which was enacted in 1987, is the major federal legislation addressing homelessness. McKinney funding for targeted homeless assistance has increased dramatically, from \$490 million in FY 1987 to \_\_\_\_\_ in FY 1998. The McKinney Act grant assistance programs fund activities that provide homeless men, women, and children, with emergency food and shelter, surplus goods and property, transitional housing, some supportive housing, primary health-care services, mental health care, alcohol and drug abuse treatment, education, and job training. HUD currently administers nearly 70 percent **check** of the McKinney Act funds, or spends approximately \$1 billion on homelessness per year (OMB).

The total VA budget for Homeless is \$90 million per year **check**. There are three major VA programs that work with the homeless:

1. Grant per diem. This program gives grants to community-based organizations to acquire transitional beds. In FY 94 through FY 97, 101 grants were awarded to 84 non-profit or state or local government agencies in 36 states. There is \$5 million per year for new grants. Pays up to \$16/day for ongoing operational costs.
2. Homeless Chronically Mentally Ill Veterans Program. The HCMI program places homeless veterans needing more intensive treatment into one of its roughly 125 contracted community-based facilities. The program serves over 19,000 homeless veterans per year, with over 3,000 receiving residential treatment. The average cost per day is \$38.
3. Domiciliary Care. Treatment takes place in approximately 1500 dedicated beds at VA medical center domiciliaries.

### SPECIFIC PROPOSAL FROM VETERANS AFFAIRS

## A. Increase Funding for VA's Homeless Grant and Per Diem Program

### Background

This program allows for the provision of grants and per diem payments to assist public and non-profit organizations establish and operate new supportive housing and service centers for homeless veterans. Since the first round of funding in 1994, the VA has awarded 101 grants to 84 community agencies in 36 states and the District of Columbia. Total VA funding for these projects was over \$21 million, or approximately \$5 million annually. When these projects are completed, approximately 1,700 new community-based beds will be available for homeless veterans. With the current round of funding that number is expected to grow to 2,200 beds in the future.

1. **Increase funding for new grants by \$7 million.** This additional \$7 million, added to the \$5 million already funded by the VA for a total of \$12 million, would create approximately 1000-5000 new beds annually with services for homeless veterans. 75% of the beds would be for VA-eligible persons.
2. **Increase per diem funding by \$7 million.** This funding is for ongoing operations, and it subsidizes providers, paying no more than one-half of their operating costs. Currently, approximately 5,500 veterans receive services from existing programs. **Check:** [It costs approximately \$6,000 per year to pay per diem to service providers on an annualized basis. This would pay for approximately 2,250 different veterans receiving care from VA. **Check 2250 x 6000 = 13,500,000**] Within 2 years, more 10,000 homeless veterans annually could be completing treatment in VA quality-approved community setting operated by nonprofit entities, Native American tribes, or state and local governments.
3. **Provide \$5 million in new per diem funding.** P.L. 102-590 that created the Homeless Grant and Per Diem Program did not require an entity to receive a grant in order to be eligible for per diem; however, VA, by regulation and in an attempt to protect its grant investment, has limited per diem to programs that receive a grant. This would help to pay for care of approximately 2000 veterans in non-grantee, yet VA-approved, community-based programs.

**Part A summary: \$24 million in funding (\$19 million if existing \$5 million not counted) for treatment and services for more than 5,000 veterans annually with service provided in community-based settings.**

## B. Increase Funding for Dedicated Staff and Contract Care Dollars at Each VA Medical Center.

## Background

There are approximately 171 VA Medical Centers across the country. At 61 of these centers, there are dedicated staff with contract dollars to buy services from community service providers for homeless veterans. At those sites approximately 75 veterans are serviced at each site for an approximate total of 4,500 veterans. At 10 additional medical centers there are dedicated staff without contract care money.

1. **Increase funding by \$27 million so that each of the approximately 171 VA Medical Centers in the country will have dedicated staff and contract dollars to address the needs of homeless veterans.** If this proposal is initiated with an average of 1.5 FTE per site for a cost of \$100,000 annually and contract care dollars for residential contract care and transportation for a cost of \$150,000 per site annually, there would be, for the first time, a comprehensive nationwide system to address the needs of homeless veterans by having dedicated staff at each VA Medical Center. Costs are approximately \$250,000 annually per site. **Check**{This would allow as many as 6,000 new veterans to be treated in community residential settings. A total of up to 12,000 homeless veterans could be treated annually under this program by expanding the existing program} **New:** Dedicated staff at all VA Medical Centers would mean that more than 100,000 veterans could be seen and interviewed by VA clinicians in outreach activities over a three-year period. The additional staff (150 FTE) would, on average spend half their time on outreach activities thereby seeing an additional 10,200 veterans each year or more than 30,000 veterans over a three-year period.
2. **Provide \$2 million in new funding for Homeless Women Veterans Programs.** These funds would be used to develop up to 20 new programs for outreach, case management, and to provide residential care for homeless women veterans. Less than 3 percent of veterans treated under current programs are women. Special programs are needed because current offerings are male dominated making many women veterans uncomfortable, particularly considering a high rate of sexual trauma among women veterans. These programs would be largely contracted community care. The Department of Veterans Affairs estimates that up to 1,000 women veterans could be served under this initiative.
3. **Provide \$2 million in new funding for Compensated Work Therapy.** VA's medical care program offers Compensated Work Therapy (CWT) to help homeless veterans become gainfully employed. This program offers many veterans with significant barriers to employment, particularly homelessness, with job readiness experiences. At present, this program helps approximately 3,500 **check** veterans annually to be able to move directly into

competitive work in the community, and helps another 10,000 who need additional skills development and training. This program ties very closely with a number of programs at the Department of Labor to help veterans gain employment. The VA estimates that an additional \$2 million could help more than 2,000 veterans by expanding ten sites and ten program augmentations of CWT sites. **Check if this is 20 or just 10?**

**Part B summary: \$31 million in funding to provide a VA continuum of care for all check the word "all" veterans, including some hard-to-reach rural and women veterans with an estimated 9,000 new veterans being assisted.**

**C. Collaboration to Provide Care and Services Needed by Homeless Veterans.**

- 1. Increase funding by \$10 million for the Homeless Veterans Reintegration Program (HVRP).** The Department of Labor's Homeless Veterans Reintegration Program (HVRP) provides grants to community-based, nonprofit organizations that work directly with homeless veterans. Currently, this program receives \$2.5 million and has 2 operating sites. The VA estimates that an increase of funding of \$10 million for a total of \$12.5 million would permit grants to be awarded to one or more projects in approximately 37 states. The VA estimates that with an additional \$10 million would allow up to 100 grantees to be funded and that up to 45,000 veterans could be served with up to 30,000 placed back on the employment rolls over a three-year period.
- 2. Provide an additional \$2.5 million for Stand Downs.** At almost 100 sites across the country each year, community-sponsored events called "Stand Downs" bring homeless veterans together with community-based service providers; state and local government service providers; VA health care and benefits staff; and many others prepared to assist homeless veterans and their families with housing, health care, employment, legal matters, education, transportation, and other barriers preventing them from reintegrating into the social mainstream. The VA estimates that, with an additional \$2.5 million, more than 100 sites would be able to conduct these one-stop service delivery programs for homeless veterans. A three-year study of 227 events showed that more than 80,000 veterans and their family members were assisted by these events. The VA proposes that these additional funds could be used to help between 25,000 and 50,000 veterans attend "Millennium Stand Downs," which is a White House project (involving Dena Wood and John Hanson) with a goal of ensuring that all veterans will have safe lodging and will be able to secure treatment at the Millennium. The VA estimates that over a three-year period, between 50,000 and 100,000 veterans could be engaged in first-step recovery activities.

- 3. Fund an additional \$0.5 million to provide excess property to homeless veterans.** The VA, along with the General Services Administration and the Department of Defense, provide excess property each year to homeless veterans. Primarily, this program provides clothing such as boots, hats, coats, pants, shirts, and other excess military personal clothing items. However, sleeping bags, blankets and other items are sometimes available as well. A current inventory lists over 220 items with a total value of more than \$11 million. This Hammer Award-winning program has distributed more than \$35 million of property to homeless veterans during the last four years. The VA proposes a new initiative to add donated civilian clothing, furniture, and equipment to assist thousands of homeless veterans and community-based homeless veterans service providers. The VA estimates that an additional \$0.5 million could secure additional warehouse space and pay for shipping costs associated with this initiative and could help approximately 25,000 to 50,000 veterans. The VA estimates that approximately 70,000 to 125,000 veterans would be assisted by this initiative over a three-year period.
- 4. Fund an additional \$0.5 million for the North East Program and Evaluation Center.** The North East Program and Evaluation Center (NEPEC) reviews, monitors, and evaluates VA's homeless programs. With all the additional programs and sites suggested under this initiative, additional funding would be needed to ensure a quality review with reliable information. According to the VA, NEPEC's high-quality standards of review are unmatched under any existing home program in the country and is the best protection in order to ensure that the highest quality evaluation is conducted.

**Part C summary: \$3.5 million in funding for VA and \$10 million for the Department of Labor for job training and services for more than 115,000 homeless veterans annually.** While some of these veterans may be duplicated, it would certainly represent the largest commitment ever made to improve the lives of homeless veterans.

#### **D. Improvement of HUD's McKinney Act Funding Sources for Veterans.**

##### Background:

Veteran-specific HUD McKinney Act funded projects are disproportionately under funded, and many projects claiming to be veterans' projects are not really targeted to veterans. After HUD's last round of funding, the VA contacted each of the projects listed by HUD as veteran-targeted or veteran-specific and found that many were not targeted or designed to serve veterans. According to information supplied by HUD, more than \$21 million was earmarked for "veteran" projects; however, VA discovered that more than \$9.5 million was not available for veterans. In its

assessment, the VA excluded projects where less than one-third of their clients would be veterans. In fact, the VA found that many of the projects stated that no veterans or less than ten percent of the population to be served were expected to be veterans.

1. **Veteran representation on HUD's local planning boards.** Veterans Service Organizations believe that there is a strong need to have veterans' advocates at the local level because there is no existing mechanism to assist veterans at the national level to ensure that the needs of homeless veterans are addressed.
2. **Require HUD to use the "CHALENG for Veterans" Report.** For more than four years, VA has conducted meetings with strong participation from the veterans community in order to examine the services available locally for homeless veterans, identify the unmet needs of homeless veterans, and develop local action plans to address those unmet needs. This meeting and report called "CHALENG for Veterans" occurs at each VA medical center across the country and contains local resource information and a "veterans community view" of the unmet needs of veterans in the area. The overall information is folded into a national report. The VA proposes to require HUD and its local planning process to use the "CHALENG for Veterans" report to ensure that the needs of homeless veterans will be met under HUD's local continuum of care plans. As with any reporting system, the weight each community would give to this information would vary; however, the VA believes that it is imperative that this information be available.
3. **Provide an additional \$4 million to HUD-VASH.** In this joint Supported Housing program with the Department of Housing and Urban Development, VA staff at 35 VA Medical Centers provide ongoing case management and other needed assistance to homeless veterans in permanent housing supported by nearly 2,000 specially-designed HUD rental assistance vouchers. Long-term housing has been identified as one of the top unmet needs of veterans for several years in the CHALENG report. Each VA employee, usually a social worker, manages approximately 30 voucher recipients. The VA estimates that up to 500 HUD Section 8 vouchers are expected to expire in the near future. The VA proposes that all current vouchers for veterans should be held and that more vouchers should be offered for seriously mentally and physically ill homeless veterans. The VA recommends that thirty additional sites be added and that 1,800 vouchers be added. The VA estimates that an additional \$4 million will permit approximately 1,800 veterans to gain long-term housing which will reduce their dependence on the VA health care system. [HUD costs associated with this proposal have not been estimated.]



4. **Americorps.** Military service and civilian volunteer service are highly compatible under the Corporation for National Service's "Collaboration for Homeless Veterans." LA VETS is a National Direct grantee from the Corporation and operates a highly effective program with approximately 90 full-time members. Approximately 40 percent of those members are veterans and many of those veterans have been homeless. The VA estimates that a near tripling of full-time members to 250 nationwide would mean operating programs in at least 20 states and providing outreach and coordinating community resources with VA health care for at least 50,000 homeless veterans.

**Part D summary:** \$4 million in funding to provide long-term housing for approximately 1,800 veterans.

#### **FINAL COSTS/SUMMARY**

This proposal would constitute the single largest investment into breaking the cycle of homelessness among veterans. This proposal seeks to increase residential alternatives, community-based contracted care, job preparation activities, stand down activities, the distribution of clothing, and long-term housing. This proposal is estimated to positively impact 100,000 to 150,000 veterans annually. Additional funding for the VA would be \$60.5 million and additional funding for the Department of Labor's Homeless Veterans Reintegration Program (HVRP) would be \$10 million. HUD's Section 8 costs are not contained in this estimate. [There appears to be a significant effort to increase section 8 long-term housing alternatives and this would simply urge a portion of those new voucher to be dedicated under this effort. Additional resources in the amount of \$5 million per year for the next two years would be needed. After three years, the increased funding could be reduced to the present level if projections of services are achieved.]

The VA estimates that if 40,000 veterans are returned to work by the third year of this initiative and that each veteran earns \$1,000 per month, the economy will be enriched with \$480 million in paid wages and, that assuming an overall tax rate of 15 percent, there will be \$72 million in additional tax revenues.

#### **Estimate of Vetans Impacted by Program Area Over a Three-Year Period**

	Existing and New	New Only
Outreach	100,000	30,000
Stand Downs	105,000	37,000
Clothing Distribution		

Contract Care	31,000	19,000
Per Diem	42,000	30,000
CWT	40,000	9,000
HVRP	45,000	30,000
Americorps	25,000	15,000
<b>TOTAL</b>	<b>388,000</b>	<b>170,000</b>

	Year 1	Year 2	Year 3
Outreach and Community Contract Clinical Care	27	27	27
New Grants	12	12	12
Per Diem for Grantees	7	7	7
Per Diem for Non-Grantees	5	5	5
Compensated Work Therapy	2	2	2
Stand Downs	2.5	2.5	2.5
Excess Property Distribution	0.5	0.5	0.5
Program Monitoring	0.5	0.5	0.5
<i>Ongoing Efforts</i>		5	10
<b>TOTAL Per Year</b>	<b>56.5</b>	<b>61.5</b>	<b>66.5</b>
<b>Additional Funding - Other Agency Collaborations</b>			
HUD-VASH	1	2	3
HVRP	10	10	10
<b>TOTAL Per Year</b>	<b>11</b>	<b>12</b>	<b>13</b>