



NATIONAL COALITION *for* HOMELESS VETERANS

1001 Connecticut Avenue NW • Suite 840 • Washington, DC 20036
(202) 546-1969 • Email: info@nchv.org

Policy Statement: Homeless Providers Grant and Per Diem Program

WASHINGTON, May 25th, 2022 — The Homeless Providers Grant and Per Diem (GPD) Program, permanently authorized by Congress in 2006 and administered by the U.S. Department of Veterans Affairs (VA), has been the foundation of community-based homeless veterans assistance since authorized in 1994. With nearly 12,800 beds nationwide serving roughly 21,000 men and women each year, the GPD Program is often the first and most significant step toward recovery for veterans experiencing homelessness. By helping homeless veterans obtain stable housing, health services, employment and other income supports, the GPD Program has helped hold the line against increases in veteran homelessness despite continued economic stagnation, the housing crisis, high veteran unemployment and drawdown of active duty forces from recent conflicts.

The effects of military service under stressful conditions – particularly combat exposure – typically do not manifest themselves right away. By maintaining the infrastructure of the homeless veteran response system – with the Grant and Per Diem Program at its core – and ramping up VA’s ability to prevent veteran homelessness through the Supportive Services for Veteran Families (SSVF) Program, America can ensure that returning veterans will always have the support they need in times of crisis.

How does the GPD Program work?

The Grant and Per Diem program is modeled on the idea that for some populations of homeless veterans, the best way to help them exit homelessness is to address the causes of their homelessness, and to equip them to solve their problems permanently. These can be economic hardships, employment challenges, behavioral disorders, substance abuse disorders, or legal challenges among many other possible challenges. In this model, the philosophy most closely mirrors the “teach a man to fish” maxim. Critically, the modern GPD must be chosen by the veteran as their preferred avenue to recovery.

GPD features several types of funding, two significant silos are: “Capital” and “Per Diem” grants. Capital grants provide up to 65% of the cost to acquire, renovate or construct facilities that are used to provide short-term supportive housing and service centers for homeless veterans. These funds may also be used to purchase vans to conduct outreach or provide needed transportation for homeless veterans. The capital grant matching requirements were waived due to COVID-19 to enhance facility decongregation efforts providing up to 100% of the cost.

Capital grant recipients receive priority for Per Diem grants, which fund GPD programs’ operational costs at a maximum rate of \$60.06 per day per veteran housed. By incorporating additional funding streams and collaborating with other local community- and faith-based service providers, grantees maximize the benefits of this relatively modest investment from the

federal government with the objective of returning clients to permanent housing and income security as quickly as possible.

Why is GPD critical?

GPD often serves as a transition point for veterans as they obtain permanent housing; in 2021, more than 21,000 veterans were served by GPD with 7,461 of those homeless veterans transitioning to permanent housing. GPD graduates receive treatment for primary and mental health issues, substance abuse disorders, or help with securing employment or other income, which allows them to achieve and sustain permanent housing without the use of long-term or permanent housing subsidies. The goal of GPD is permanent housing, with the majority of graduates sustaining that housing themselves through employment or entitlement benefits.

The most recent data from the VA points to a need to maintain the current number of beds nationwide to continue to provide emergency housing and rapid stabilization services to homeless veterans with specialized needs – women veterans, single veterans with dependent children, veterans transitioning out of incarceration, veterans with mild to moderate mental illnesses, veterans who become homeless due to sudden or worsening economic hardship and loss of employment. Most of these clients will be able to stabilize and advance to permanent housing with relatively short-term supports.

What should Congress do?

NCHV recommends that Congress increase appropriations for the Grant and Per Diem Program to the level of need demonstrated in communities. The maintenance level of funding for current GPD beds is \$500 million, though it's authorization remains capped at \$270 million. As such, NCHV recommends that this program receive additional funding until data can demonstrate a different level of need in communities across the country. Funding authorization limits were waived under the CARES Act for the program's emergency needs and the program will need sufficient appropriations again for Fiscal Year 2023 to stave off a dramatic 2/3 reduction of funds for homeless veteran providers post health emergency.

Additionally, the program must be modernized in order to keep pace with the department's goal to end and prevent veteran homelessness. 2021 GPD issued an additional round of capital grants at \$50 million dollars waiving matching and recapture thresholds with the intent to help GPD providers update and decongregate their facilities with money received from the CARES Act. A second round of these expanded capital grants was recently issued by GPD at \$64.2 million with funds from the American Rescue Plan (ARP). the VA took a major step towards this goal by issuing a reapplication revamp of the program.

COVID exposed several issues like the new models and public health updates require increased staffing levels to safely and effectively implement. But, this increased cost to the grantee often cannot be offset by increased reimbursements from VA because many grantees are already receiving the statutory maximum per diem rate. NCHV recommends Congress pass S.2172 without delay, to adjust the per diem rate to 200% the state Home rate.