Testimony of the

NATIONAL COALITION
for **HOMELESS VETERANS**

United States House of Representatives
Committee on Veterans' Affairs,
Subcommittee on Economic Opportunity

"Transitional Housing Reform: Examining the Future of the VA Grant and Per Diem Program"

December 06, 2022

Chairman Levin, Ranking Member Moore, and distinguished Members of the House Committee on Veterans' Affairs, Subcommittee on Economic Opportunity:

On behalf of our Board of Directors and Members across the country, thank you for the opportunity to share the views of the National Coalition for Homeless Veterans (NCHV) with you. NCHV is the resource and technical assistance center for a national network of community-based service providers and local, state and Federal agencies that provide emergency, transitional, and supportive housing, food, health services, job training and placement assistance, legal aid and case management support for thousands of homeless, at-risk, and formerly homeless veterans each year. We are committed to working with our network and partners across the country to end homelessness among veterans.

Beginning with the numbers, 83 communities and 3 states have achieved the Federal Benchmarks and Criteria for Ending Veteran Homelessness. Veteran homelessness has now decreased by 55.3 percent between 2010 and 2022. However; during that time there was a multiple year plateau capped by HUD's 2020 Point-in-Time Count data which revealed an uptick in veteran homelessness to 37,252 individuals at the advent of COVID-19 in the United States. Due to a quick bicameral response of the Committees of Veterans Affairs and Congress, along with a dedicated housing-focused effort from VA and local partners across the country, we saw a dramatic 11 percent decrease in the veteran PIT count to 33,136 homeless veterans.

NCHV thanks Congress for supporting VA's homeless programs by creating flexibility, offering new spending authorities to meet emergent needs, and ramping up the capacity of VA programs during COVID. Utilizing section 4201 authority under Chairman Levin's legislation Isakson/Roe P.L. 116-315, VAMCs have been able to provide additional services and transportation for tens of thousands of veterans during the public health emergency. The need for sufficient funding must be incorporated into non-emergency appropriations and authorizations as we move away from COVID-specific emergency funding. If we are to move out of this emergency while continuing to decrease veteran homelessness, VA must implement program expansions enacted earlier this year, and begin planning to incorporate program changes included in current legislative proposals before Congress.

The Grant and Per Diem (GPD) program has a long history of adapting to a shifting landscape, including by instituting reapplication requirements, creating program models, pushing grantees to focus on housing outcomes and shorten lengths of stay, and implementing congressionally granted authority to pay per diem for minor dependents in approved grantee facilities. In addition, since the public health emergency started, the program office has taken an intensive look at facilities, awarding two rounds of capital grants for providers to de-congregate these transitional housing facilities in accordance with improving the public health risk. These grants should be continued and expanded to include facility improvements beyond emergency needs and the end of emergency designations. The program has made dramatic and welcomed shifts increasing program focus on housing outcomes, both positive and negative, as well as ensuring access to critical health care such as substance use disorder treatment in communities. Calling out the elephant in the room, the daily per diem rate must also be addressed. At the

sunset of the public health emergency declaration, the maximum reimbursement rate GPD providers can receive will drop by 60 percent from $152.73 to $60.06 a day. This rate, intended to provide overnight housing, meals, wrap around services and supports for homeless veterans, is simply insufficient. The Grant and Per Diem program rate calculations have utilized a wholly separate and unique program's formulas since its inception, never meant for public providers of homeless services. GPD's rate is currently tied to the state domicilliaries whose administrative and overhead costs are defrayed by state funding. NCHV recommends Congress pass H.R. 5606, or the inclusive Senate companion S.2172, to directly address these issues.

Veteran Perspectives on the GPD Program

During the pandemic, NCHV conducted focus groups on GPD among veterans recently having experienced homelessness. These groups included GPD participants and alumni alongside veterans who chose other interventions to address their housing instability. In short, our findings indicate that the services and supports GPD grantees offer valuable support and engagement for veterans moving on from homelessness.

- 70% of the veterans who answered these questions indicated that they needed the services GPD provided, and that they needed temporary housing to provide an environment where they were able to pause and refocus on getting permanent housing.
- Of those participants, 40% felt they just needed to focus on housing specific issues.
- While 30% of the veterans said they needed additional time to refocus on specific things like sobriety, mental health, or other cooccurring barriers to housing stability.
- Most of the veterans in GPD felt like they were correctly matched to the model or facility they were in, *and* that they were effectively addressing their goals.
- 86% of veterans who answered this specific question felt correctly matched to the model or facilities they were in.
- Of note, many veterans also said the case management provided in GPD was critical to them finding employment and housing. There were specific services they would have been unable to access without the case management provided in the GPD, including enrolling in supplemental assistance programs (SNAP, Medicare/Medicaid, SSI/SSDI, etc. and settling eligibility for VA health care and support (disability claims, compensation, pension, etc.).

However, veterans did indicate that certain groups including LGBTQ+, senior, and women veterans, along with veterans with families, pets, or disabilities, were underserved by the program in many communities. Many supported COVID-specific programming changes including the shift to Single Room Occupancy (SRO)-style units and shifting case management requirements. They also recommended that alterations be made to improve case management quality, broaden intersystem connectivity, provide additional food options, more security within systems to also allow for storage, and to create areas where they can socialize or have privacy. Among veterans that did not choose GPD, many either were unaware of the program or had legitimate reasons for making other choices.

Provider Perspectives on the GPD Program

Staffing for both VA and providers remains a challenge. There are only so many qualified case managers available in any given region, with even fewer graduating or attaining appropriate licensures each year. This means that the community healthcare providers, VA, and service providers are all recruiting from the same pool, exacerbating staffing issues. NCHV will continue to work with Congress and VA to address this pervasive issue. To provide additional insight in a truncated timetable, NCHV was able to ask a number of GPD providers across the nation several important questions, finding on average that:

- 78% of veterans participating in GPD move on to permanent housing (PH)
- 46% of veterans that moved on to PH, did so WITH a subsidy
- 53% of veterans that moved on to PH, did so WITHOUT a subsidy
- 9.5% of veterans re-enter homelessness within 1-2 years of discharge
- 18% of veterans that exit the program disappear or are unable to be contacted/located
- Averaged an occupancy census of 87% pre-emergency
- Averaged an occupancy census of 49% during the Emergency
- Have a *current* average occupancy census of **96%**, with several providers now utilizing wait lists.

Speaking with a limited number of providers, these numbers may not be fully indicative of the entire GPD program and are biased toward those entities with the ability and staff to have provided NCHV a timely response yet can be utilized as an immediate snapshot directly from those on the front line. Providers were asked what the ramifications would be if reimbursement capability reverted to 115% of pre-emergency levels and responses included; a primary response of **loss of staff**, followed by reductions in programming for veterans, staff quality, CDC recommended sanitation and cleaning, additional sites, transportation, case management, non-congregate options, mental health services, number of meals, contract security options, and for several providers maintaining the 24 hour staffing requirements means keeping remaining staff at a detriment to operations and or bed capacity.

Communities have reached an inflection point these last few months of FY22 and now into FY23 where utilization of program funding across VA homeless veteran programs has increased dramatically per recent VA updates. Service provider censuses are no longer half of what they were due to the public health emergency, but once again approaching, and in some cases exceeding pre-COVID-19 levels of utilization which has been tenable due to current access to additional reimbursement. As funding for FY23 and FY24 remains unaccounted for through regular appropriations, providers are unable to ensure continuous access to benefits and staff, with some being forced to limit or not offer certain services altogether. Veterans and their service providers alike are having to interpret the ambiguity in levels of funding, and what services will continue to be funded as conveying the will of the combined executive and legislative branches that despite progress, programs will not continue in their current form. Within this context proper

planning is necessary to maintain continuous access to staffing and benefits by providers, as well as veterans ability to plan their entry into the GPD program is severely compromised.

The GPD Veterans Need

The GPD program must remain part of the system of care for homeless veterans. As we look toward that future, we need to proactively ensure that we have solutions available to meet the varied needs of veterans. That means scaling up interventions that create a housing-focused system in communities while also ensuring the availability of crisis-response and treatment options for those who want them. While growth in the unsheltered population forces a focus on providing crisis response services, like shelter and outreach, we also need to address the root causes of homelessness as well by committing at a national, and local level, to investing in and improving our own communities around the issues causing veterans near us to become homeless. This means addressing systemic and institutional inequities, partnering with other community partners to close gaps, addressing the shortage of affordable housing, and collectively supporting homelessness prevention and housing stability resources. Short-term panaceas like encampment sweeps, incarceration, and/or forced institutionalization only make homelessness less visible at the expense of long-term progress for people experiencing homelessness.

Rising inflation rates, the housing affordability crisis that we are experiencing, and the wind down of pandemic assistance programs like ERA (Emergency Rental Assistance) in many communities have created conditions ripe for the potential to see increasing numbers of veterans and civilians falling into homelessness. While many communities are approaching benchmarks for ending veteran homelessness, in several of those communities GPD programs, even ones that had slight bed reductions, are bordering on full censuses again. GPD programs are increasingly more appropriately sized to meet the needs of their community based on the housing market, homeless veteran inflows, and access to other resources through paired programs. Programs that are resourced to provide high quality services to veterans in high quality facilities, and programs that are housing focused and work well with the entire system of care for veterans. Communities' providers are reaching a breaking point and are grappling with what comes next, including what flexibilities are required to allow the maximum utilization of the space they have while continuing to operate a paired down program. You can help GPD providers improve their work by:

- Creating permanency among programs, particularly those for VA that were authorized through the end of public, state or local health emergencies;
- continuing to implement lessons learned and integrate feedback from those with lived experience,
- doubling back to address persistent barriers slowing the housing placement process and perpetuating inequities;
- permanently addressing instability that is bound to occur when GPD grantees see payment rates decrease; and

- focusing on making the program more accessible to underserved populations of veterans such as minority, women, aging, and LGBTQ+ in particular.

COVID-19 & Veteran Homelessness

The COVID-19 public health emergency has impacted veterans in unprecedented ways, including by increasing housing and financial instability. VA has notified grantees that the Department of Health and Human Services' public health emergency could be lifted affording service providers 60 days' notice of impending change. The most recent renewal occurred on October 13th, 2022, making January 11th, 2023 the next possible termination date. Many provisions in the Isakson/Roe bill tied to Health and Human Services' public health emergency will sunset when this termination occurs. Congress in coordination with the Department of Veterans Affairs should allow service providers to continue to:

- De-congregate essential transitional housing capacity via capital grants
- Request reimbursement for the *actual* cost of providing services for veterans
- Utilize Section 4201 authority to cover a broader range of services not solely required due to an emergency
- Provide for enhanced communication capability to further integrate access to VA's telehealth services and case management
- Provide access to additional transportation services including bikes and ride share
- Receive a waiver of property recapture provisions and allow providers to renegotiate capacity based on local need, in addition to Congress' permanent removal of real property disposition
- Allow for usage of funds for "Housing Navigators" that were deemed extremely effective throughout their continued temporary usage
- Utilize shortened inspection timelines and virtual interim appointments to not hold up development of additional affordable housing
- Have access to additional rapid relocation funds to better utilize local hotel and motel vacancies

Congress and the Centers for Disease Control recognized that homelessness makes both veterans, and the general population at large, more vulnerable to exposure to, and transmission of, highly communicable conditions like COVID-19. The ambiguous impending end of the public health emergency continues to cause uncertainty among organizations serving veterans about whether veterans' needs will continue to be met and quality of care maintained. It has been proven time and again that veteran transitional housing is necessary, yet the administration's proposed funding for this veteran support is slated for reductions below pre-pandemic levels. We must take veteran needs into consideration as we move forward to ensure veterans can access a system of care that adapts to their needs in the future.

In Summation

The public health emergency has taught those of us working on homelessness many lessons. Homeless service providers pivoted programming; reimagined what was possible for veterans; reconfigured space in congregate settings; worked incredibly hard to keep veterans in their communities safe from COVID-19; and moved as many veterans as possible into permanent housing. During the emergency, providers of transitional housing were finally able to request reimbursement from VA for closer to the actual cost of sheltering a veteran. At the sunset of the declared emergency, this maximum allowable rate will be cut by over 60 percent. Thank you for the opportunity to discuss the GPD program with you today and work toward a world where every veteran can have increased access to the means to have stable permanent housing and address any issues preventing them from thriving.