



## **NATIONAL COALITION *for* HOMELESS VETERANS**

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### **Policy Statement: Homeless Providers Grant and Per Diem Program**

WASHINGTON, May 28th, 2024 — 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 12,000 beds nationwide serving roughly 24,000 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 types 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. The Consolidated Appropriations Act of 2023, Division U, Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act of 2022 (P.L. 117-328), Removed the matching grants requirement for VA capital grants for at least five years after enactment on 12/29/2022, when the Secretary of VA will be able to require matching funds up to 30% of the cost of a project. The law also removed real property disposition requirements for grantees.

In FY 2023, GPD funded approximately 350 Per Diem Only grants, 15 Special Needs grants, 40 Transition In Place grants, 115 Case Management grants, and implemented more than 90 capital improvement grants awarded in 2021 and 2022. Capital grant recipients receive priority for Per Diem grants, which fund GPD programs' operational costs at a maximum rate of \$68.64 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. Per P.L. 116-315, the per diem rate request forms have been modified to allow for additional costs (up to \$10,000) associated with HMIS. FY 2024 GPD grants included approximately \$30 million in awards for 91 Case Management grants awarded on 10/1/23 that will support 120 case managers.

### ***Why is GPD critical?***

GPD often serves as a transition point for veterans as they obtain permanent housing; in 2023, more than 24,000 veterans were served by GPD with 11,000 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 housing themselves through employment or entitlement benefits. The most recent data from 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. 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 its authorization remains capped at \$257 million. As such, NCHV recommends that program caps be removed and 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 2025 to repair the damage done by the recent dramatic 61% reduction of funds for homeless veteran providers post public health emergency and the return of program caps.

Additionally, the program must be modernized to keep pace with the Department's goal to end and prevent veteran homelessness. VA took a major step towards this goal by issuing a reapplication revamp of the program. In 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 issued by GPD at \$64.2 million with funds from the American Rescue Plan (ARP). Public Health Emergency exposed several issues such as new models requiring increased staffing levels to safely and effectively implement. This increased cost to the grantee often cannot be offset by increased reimbursements from VA as many grantees are already receiving the statutory maximum per diem rate. **NCHV recommends Congress pass S.1436 the CHARGE Act, or H.R. 491 the Return Home to Housing Act without delay, to adjust the per diem rate to 200% of the State Home Per Diem rate.** The recently introduced veteran package named the *Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act* would provide an increase of GPD's rate to \$79.38, or 133% of the State Home Per Diem rate, for a more limited 2-year period.