

**HOUSING OUR HEROES, AN EXAMINATION OF
THE PROGRESS IN ENDING VETERANS' HOME-
LESSNESS**

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION AND HOUS-
ING AND URBAN DEVELOPMENT, AND RELATED
AGENCIES

AND THE

SUBCOMMITTEE ON MILITARY CONSTRUCTION AND
VETERANS AFFAIRS, AND RELATED AGENCIES

OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

SPECIAL HEARING

MAY 20, 2010—WASHINGTON, DC

Printed for the use of the Committee on Appropriations



Available via the World Wide Web: <http://www.gpo.gov/fdsys>

U.S. GOVERNMENT PRINTING OFFICE

58-072 PDF

WASHINGTON : 2011

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON APPROPRIATIONS

DANIEL K. INOUE, Hawaii, *Chairman*

ROBERT C. BYRD, West Virginia	THAD COCHRAN, Mississippi
PATRICK J. LEAHY, Vermont	CHRISTOPHER S. BOND, Missouri
TOM HARKIN, Iowa	MITCH McCONNELL, Kentucky
BARBARA A. MIKULSKI, Maryland	RICHARD C. SHELBY, Alabama
HERB KOHL, Wisconsin	JUDD GREGG, New Hampshire
PATTY MURRAY, Washington	ROBERT F. BENNETT, Utah
BYRON L. DORGAN, North Dakota	KAY BAILEY HUTCHISON, Texas
DIANNE FEINSTEIN, California	SAM BROWNBACK, Kansas
RICHARD J. DURBIN, Illinois	LAMAR ALEXANDER, Tennessee
TIM JOHNSON, South Dakota	SUSAN COLLINS, Maine
MARY L. LANDRIEU, Louisiana	GEORGE V. VOINOVICH, Ohio
JACK REED, Rhode Island	LISA MURKOWSKI, Alaska
FRANK R. LAUTENBERG, New Jersey	
BEN NELSON, Nebraska	
MARK PRYOR, Arkansas	
JON TESTER, Montana	
ARLEN SPECTER, Pennsylvania	

CHARLES J. HOUY, *Staff Director*

BRUCE EVANS, *Minority Staff Director*

SUBCOMMITTEE ON TRANSPORTATION AND HOUSING AND URBAN DEVELOPMENT,
AND RELATED AGENCIES

PATTY MURRAY, Washington, *Chairman*

ROBERT C. BYRD, West Virginia	CHRISTOPHER S. BOND, Missouri
BARBARA A. MIKULSKI, Maryland	RICHARD C. SHELBY, Alabama
HERB KOHL, Wisconsin	ROBERT F. BENNETT, Utah
RICHARD J. DURBIN, Illinois	KAY BAILEY HUTCHISON, Texas
BYRON L. DORGAN, North Dakota	SAM BROWNBACK, Kansas
PATRICK J. LEAHY, Vermont	LAMAR ALEXANDER, Tennessee
TOM HARKIN, Iowa	SUSAN COLLINS, Maine
DIANNE FEINSTEIN, California	GEORGE V. VOINOVICH, Ohio
TIM JOHNSON, South Dakota	THAD COCHRAN, Mississippi (<i>ex officio</i>)
FRANK R. LAUTENBERG, New Jersey	
ARLEN SPECTER, Pennsylvania	
DANIEL K. INOUE, Hawaii, (<i>ex officio</i>)	

Professional Staff

ALEX KEENAN
MEAGHAN L. MCCARTHY
RACHEL MILBERG
DABNEY HEGG
JON KAMARCK (*Minority*)
ELLEN BEARES (*Minority*)
RACHEL JONES (*Minority*)

Administrative Support

MICHAEL BAIN

SUBCOMMITTEE ON MILITARY CONSTRUCTION AND VETERANS AFFAIRS, AND
RELATED AGENCIES

TIM JOHNSON, South Dakota, *Chairman*

DANIEL K. INOUE, Hawaii	KAY BAILEY HUTCHISON, Texas
MARY L. LANDRIEU, Louisiana	SAM BROWNBACK, Kansas
ROBERT C. BYRD, West Virginia	MITCH McCONNELL, Kentucky
PATTY MURRAY, Washington	SUSAN COLLINS, Maine
JACK REED, Rhode Island	LISA MURKOWSKI, Alaska
BEN NELSON, Nebraska	THAD COCHRAN, Mississippi (<i>ex officio</i>)
MARK PRYOR, Arkansas	

Professional Staff

CHRISTINA EVANS
CHAD SCHULKEN
ANDREW VANLANDINGHAM
DENNIS BALKHAM (*Minority*)
BEN HAMMOND (*Minority*)

Administrative Support

RACHEL MEYER
KATIE BATTE (*Minority*)

CONTENTS

	Page
Opening Statement of Senator Patty Murray	1
HUD-VASH	2
Fiscal Year 2011 HUD-VASH Vouchers	3
Opening Statement of Senator Tim Johnson	4
Opening Statement of Senator Christopher S. Bond	4
Elimination of HUD-VASH Program	5
Opening Statement of Senator Kay Bailey Hutchison	7
Statement of Senator Patrick J. Leahy	8
Statement of Hon. Eric K. Shinseki, Secretary, Department of Veterans Affairs	9
Ending Homelessness Strategy	10
HUD-VASH	11
Prepared Statement of Hon. Eric K. Shinseki	12
VA's Programs	12
VA-HUD Cooperation to End Veteran Homelessness	13
Challenges in Combatting Veteran Homelessness	15
The Way Ahead	15
Statement of Hon. Shaun Donovan, Secretary, Department of Housing and Urban Development	17
Homeless Prevention and Rapid Re-housing Program (HPRP)	18
HUD-VASH	18
Prepared Statement of Hon. Shaun Donovan	19
Changing the Way We Combat Homelessness—HPRP and the 2011 HEARTH Budget Request	20
Understanding the Nature and Scope of Homelessness	21
Making Veterans' Homelessness an Interagency Priority	22
Barriers to Homelessness	25
Case Managers	27
Resources for Homeless Veterans	28
Native American Volunteers	28
5-Year Plan (VA)	29
Fiscal Year 2011 HUD-VASH Budget	29
Homeless Prevention Resources	31
Section 202 Elderly Housing	31
Regulatory and Statutory Hurdles	31
Additional Funding	32
Vermont Homeless Veterans	32
Allocation Process	33
Project Rentals	33
Rural Areas and Housing First	34
Project-based Voucher Pilot	34
Cultural Change	35
Pilot Program on Homeless Vouchers	35
Building Utilization Reuse and Review	36
Housing Options	36
Additional Committee Questions	38
Questions Submitted to Hon. Eric K. Shinseki	38
Questions Submitted by Senator George V. Voinovich	38
Statement of Barbara Poppe, Executive Director, U.S. Interagency Council on Homelessness	41
HUD-VASH	42
Rapid Re-housing	43
Prepared Statement of Barbara Poppe	43
Overview of Homelessness in the United States	44

VI

	Page
Homelessness Among Veterans	45
Interventions that Work	46
Public Comment and Engagement on Federal Strategic Plan	47
Statement of Stephen Norman, Executive Director, King County Housing Authority, Seattle, Washington	48
Prepared Statement	51
Statement of Mike Brown, Assistant Program and Case Manager, Corps of Recovery Discovery, Valley Residential Services, Walla Walla, Wash- ington	53
Prepared Statement	54

HOUSING OUR HEROES, AN EXAMINATION OF THE PROGRESS IN ENDING VETERANS' HOMELESSNESS

THURSDAY, MAY 20, 2010

U.S. SENATE, SUBCOMMITTEE ON TRANSPORTATION AND
HOUSING AND URBAN DEVELOPMENT, AND RELATED
AGENCIES; AND SUBCOMMITTEE ON MILITARY CON-
STRUCTION AND VETERANS AFFAIRS, AND RELATED
AGENCIES,

Washington, DC.

The subcommittee met at 10:01 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Patty Murray (chairman) presiding.

Present: Senators Murray, Leahy, Johnson, Pryor, Bond, Hutchison, Brownback, and Murkowski.

OPENING STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. This subcommittee will come to order.

This morning, we are holding a joint hearing with the Subcommittee on Military Construction and Veterans Affairs, and I want to thank Chairman Johnson, who is the chairman, along with Ranking Member Hutchison, as well as my own ranking member, Senator Bond, for joining me here today and for being such great partners in the effort to end homelessness among our Nation's veterans.

Every night, as many as 100,000 veterans experience homelessness. Many of these veterans have lived on the street for years and are plagued by significant challenges, such as mental illness and substance abuse. In order to heal and remain in stable housing, these veterans will need a great deal of support. But there is no question they have earned that support.

At today's hearing, we have the opportunity to discuss how to provide our veterans with the services they need to be successful. I want to welcome VA Secretary Shinseki and HUD Secretary Donovan to discuss their efforts of the two departments in ending homelessness among the Nation's veterans.

I also want to welcome our witnesses on the second panel, including, Barbara Poppe, Executive Director of the United States Interagency Council on Homelessness, who has been working to bring Federal agencies together to end homelessness.

I also want to extend a welcome to Stephen Norman, the executive director of the King County Housing Authority from Washington State. He has done a lot to help place homeless veterans in

housing, and I thank him for traveling all this way to provide some insight into the challenges and the successes he has seen locally.

And finally, I want to especially welcome Mike Brown from Washington State. I am very honored that he is with us today to share his very own story of moving from a life of homelessness and addiction to one of independence. Mike has lived many of the challenges we are going to be talking about today and is now a case manager, providing assistance to homeless veterans who face the same daunting task of rebuilding their lives that he did.

The road from homelessness to permanent, stable housing is not easy. But the good news is that we understand the solution.

HUD-VASH

Over the past decade, we have gained a great deal of experience in successfully housing the chronically homeless, many of whom are veterans. There have been multiple studies published that demonstrated the effectiveness of the permanent supportive housing model in terms of improving outcomes for the chronically homeless and saving money for the taxpayer.

The need for a solution for the veterans living on the street was why we restarted the HUD-VA Supportive Housing or HUD-VASH program 3 years ago. It was clear that we needed permanent housing and services for veterans if we were truly going to end homelessness among veterans.

By bringing together HUD and the VA, we tapped into the expertise of both of these Federal departments to bring veterans the housing and services they need. And now, we can look to the experience of veterans using HUD-VASH as a measure of the program's success.

Veterans like Terry Donscheski, a homeless veteran from Washington State who has been coping with addiction, who received a HUD-VASH voucher. He is now employed and in June will graduate from Walla Walla Community College with an associate's degree.

Stories like those of Mike and Terry remind us that we can end homelessness for veterans. It simply requires the right tools and leadership.

I want to commend Secretary Shinseki and Secretary Donovan for demonstrating the leadership and the commitment to ending homelessness among our Nation's veterans. We have a good start. There is still a great deal of work yet to be done.

After years of talking about ending veterans' homelessness, the administration has set a goal and put forth a plan. However, it is not enough just to have a goal or a plan. Any plan must be implemented well and achieve results to be successful. It is imperative that these programs be run effectively. The taxpayers and the veterans that need these services deserve nothing less.

At the outset of the resumption of the HUD-VASH program, the VA was slow to hire case managers, delaying assistance to veterans. And possibly more difficult was the challenge of instituting a new program and a new way of thinking at dozens of VA medical centers across the country.

Relationships had to be built in many communities between housing authorities and the VA. In some cases, old program rules

and comfort with the usual way of doing business in each program impeded effective collaboration. This resulted in delays in getting veterans off the street and into housing.

While we have made progress since the program began in 2008, challenges persist. I remain concerned about the low leasing levels. Only 25 percent of the vouchers from 2009 are now in use housing veterans.

HUD and the VA must impose performance measurement for PHAs and VA medical centers that hold them accountable for their ability to use these vouchers well. This includes targeting the veterans most in need; fostering partnerships on the local level not only with each other, but with homeless providers in the community; reducing the time it takes to get veterans into housing; and ensuring the long-term success of veterans.

These challenges have been identified and solutions have been suggested. Now it is time to get to work to implement solutions. Increasing the supply of permanent supportive housing for our neediest veterans is central to achieving the goal of ending homelessness among veterans within 5 years.

FISCAL YEAR 2011 HUD-VASH VOUCHERS

I think HUD-VASH is a key tool to achieving this goal. So I was both surprised and disappointed that no funding was included in the President's fiscal year 2011 budget for new HUD-VASH vouchers. I agree we need to make improvements to this program, but I don't think halting the program for a year is the answer.

Many of these veterans have lived on the street for years. They should not have to wait any longer, not when we know what works. As we continue to work to end homelessness for those veterans that have been homeless for years, or even decades, we can't ignore the many challenges facing returning veterans.

Many have significant wounds from recent conflicts, both physical and emotional. And all of them are returning to an economic climate with limited job opportunities. Last year, one in five young veterans returning from Iraq and Afghanistan was unemployed.

We must stay focused on this population and address their challenges early. Many of these new veterans home from war are at risk of homelessness, and sadly, some have already begun to appear at our homeless shelters.

As we work to address these needs, we must also be aware that many of these veterans have different needs than earlier generations of veterans. There are an increasing number of female veterans and veterans with families. The changing face of our veteran population requires that we change practices at the VA to meet these needs. We will only be successful if we have the appropriate tools to meet veterans where they are.

If we are going to avoid the mistakes that we made with veterans of prior wars, we needed to identify those most at risk of homelessness early and work on prevention strategies. That includes ensuring access to medical care, affordable housing, and education and jobs.

Our two subcommittees pushed for increased efforts around prevention by funding a pilot program in 2009 to examine how to prevent veteran homelessness, particularly among those now return-

ing from overseas. And I am pleased to see that the administration has brought greater focus to prevention.

So I look forward to today's hearing from all of our witnesses on how we can use all of these strategies—from prevention to permanent supportive housing—to achieve the goal of ending homelessness in 5 years.

With that, I will turn it over to Chairman Johnson for his statement.

OPENING STATEMENT OF SENATOR TIM JOHNSON

Senator JOHNSON. Thank you, Madam Chairman, and thank you for holding this joint hearing.

Let me start by welcoming Secretary Shinseki and Secretary Donovan before this subcommittee. Two years ago, these two subcommittees held a joint hearing to discuss this same issue and hear from the two departments on how they are working together to tackle this problem.

There is still a long ways to go, but according to the VA, the homeless rate among vets has dropped from 154,000 in 2008 to 107,000 at the end of 2009. Nevertheless, in South Dakota alone, there remain an estimated 740 homeless vets. One homeless vet is too many; 107,000 homeless vets is a tragedy.

As chairman of the MilCon/VA Appropriations Subcommittee, I have had an opportunity to meet with Secretary Shinseki and Secretary Donovan often. And I am very impressed by their commitment to ending homelessness among veterans. Working together, I believe that the VA and HUD can make a difference in the lives of homeless vets.

The HUD-VASH program is an important gateway to making this difference. I appreciate the effort that both of our witnesses are devoting to this effort, and I look forward to their testimony.

I would like to mention that our colleague Senator Jack Reed wanted to be here today, but he is chairing a Banking Subcommittee hearing. Senator Reed has been a leader on vet issues and has introduced legislation which I am proud to cosponsor to improve many of the existing programs we are discussing today.

Thank you, Madam Chairman.

Senator MURRAY. Thank you, Senator Johnson.

Senator Bond, your statement.

OPENING STATEMENT OF SENATOR CHRISTOPHER S. BOND

Senator BOND. Thank you very much, Madam Chair.

I am delighted to join you, Chairman Johnson and Senator Hutchison in welcoming Secretary Donovan and Secretary Shinseki to talk about the HUD-VASH program, the collaborative program in which HUD provides permanent housing for homeless veterans through section 8 and VA provides needed supportive service for veterans. That is a vitally important link, and we thank you for what you are doing.

We look forward to the second panel, and Ms. Poppe, Mr. Norman, Mr. Brown, the latter two being constituents of the chair, had a long way to come. We appreciate your coming here from Washington.

But as noted, this hearing is to determine the current status of the HUD-VASH program, which has been designed, as said, as a joint enterprise between VA and HUD. Now my view is we owe all veterans special thanks. As members of the military, they have been on the front line in the defense of freedom and our way of life. No harder job than serving in the military, and I can't think of a more worthwhile goal for those of us in Congress than commit both the needed funds, the strategy, and deliver the programs that will ensure there is a safety net to avoid the pitfalls of homelessness for veterans and meeting their needs as well.

There is not always an easy transition for a veteran to merge back into normal American life, but we owe them every opportunity to make that transition successfully.

ELIMINATION OF HUD-VASH PROGRAM

The VASH program was implemented in 1992 but faded under bureaucratic malaise. Working with members of the MilCon/VA Appropriations Subcommittee, Senator Murray and I provided funding for the section 8 certificates, a set-aside of \$75 million in fiscal year 2008 through fiscal year 2010. And we are looking at the question of whether to fund it again, despite the fact the administration chose to zero out funding of the program.

I cannot understand why the administration chose to eliminate the HUD-VASH program in fiscal year 2011. It is a pivotal question, and I don't know what the answer is. It is not enough that the program does not attain maximum or best use. If there is a problem, the administration and Congress need to understand the problem and fix it.

Most of the programs at HUD, to be quite frank, already have problems, or they have had. That is nothing unusual. The Secretary knows that. He has found that out.

But this program is too important to our veterans to push aside for another day or in order to fund another initiative. In my view, HUD has too many new and expensive initiatives now, and none are as important as finding the right solution for assisting homeless veterans or even risking the funding for HUD's core programs, which are the housing safety net for low-income and very low-income families.

And I would say that we are going to have a very difficult time this year in the THUD Subcommittee, Madam Chair, with all of the requests coming in for transportation, the growing costs of the essential vital core programs. And my view is we must fund those who depend upon this program to get the housing assistance they need, whether it is section 8, public housing, 202, 811, that has to be our first priority above everything else.

A lot of other things we would like to do, a lot of good ideas, but that—those things are critical, and of those critical programs, HUD-VASH program is right at the top. And if you were successful zero funding this program for a year, we all know what happens when you don't fund a program for a year. There are a lot of dedicated individuals working out in the real world where we live, and some working here in Washington on the program that have to find other jobs, and they do. And you lose a vital infrastructure.

So it makes no sense. If there is any kind of priority on this program at all, it makes no sense zero funding. And I believe that the four of us here today are committed to making sure there is funding.

I am told that the VA is committed to eliminating homelessness among veterans within 5 years, and I know that the two Secretaries before us are working hard to find the solution. But without the necessary funding or evolution of existing programs, especially for a program like HUD-VASH, I don't see us getting anywhere. I see us spinning our wheels.

Even more troubling, I understand that the HUD-VASH program is held in high esteem by veterans and veterans groups, that it is the right approach or strategy in many or even most cases, that permanent housing is key to providing a stable environment for homeless veterans, when coupled with innovative VA supportive services, which, Secretary Shinseki, are absolutely essential.

In fact, HUD-VASH is unique among programs for homeless veterans in that it focuses not just on the veteran, but rather on the veteran and his or her family, including counseling and other supportive services on what is needed to be a healthy and functioning family unit. In most or all VA programs, the veterans are the sole focus, with family uninvolved in counseling programs.

But we have seen in watching all of the challenges faced by returning service members that very often, the challenges—family is a support group. But the family also may have some problems, and we need to make sure that the family unit of the returning veteran is well served to make sure that everybody involved in the family can handle it.

So what we are here today to learn is what is working well, what is not working well even beyond the HUD-VASH program. For example, what jurisdictions have good programs? What jurisdictions have problems with VASH? What are the problems? What do we do to provide all jurisdictions with the tools they need to be successful?

I know that not all jurisdictions have the same set of issues, but we have to start with at least a best practices approach and grow success from there. That means continuing the VASH program and growing it.

Secretary Donovan, I need to make one final point, especially with reference to HUD. As I have said earlier, we need to support the core HUD programs that are part of the safety net for low and very low-income families, not try to implement a new program or idea a day, especially with the current budget recommendations, the potential huge out-year costs.

I have mentioned the budget squeeze we are going to have in this program just to do that with all of the competing demands and an expected low budget allocation. But once we get the costs of current HUD programs like section 8 under better control and fix issues with other core programs like section 202 elderly housing, section 811 housing for persons with disabilities, then we can take a look at aggressive new programs and reforms.

I understand from the HUD staff comments that 90 percent of the section 202 elderly housing delivery programs can be solved through regulatory reform. Why HUD has not completed these re-

forms is a mystery to me, since I expect and believe we all want the program to work efficiently and provide the needed housing for seniors as quickly as possible.

Mr. Secretary, I will have some questions and suggestions on regulatory reform. We stand ready to work if there are legislative impediments. But when the problem is a regulatory structure within HUD, we expect you, Mr. Secretary, to work it.

I know every Secretary at HUD wants to leave a mark, and many of your ideas, like Choice Neighborhoods, have great merit. But making HUD work with a better viable and useful IT system would be a brilliant accomplishment in itself. But I question the effort to focus your legacy through new programs, even recently announcing a rebirth of the Neighborhood Stabilization Program Part 3.

We in Congress still don't know the criteria used to fund NSP 2, which seemed to be California and Florida only, while the new program would be funded through recaptures. The press release that came out I guess last week also infers new funding will be needed or expected.

I have got a minimum amount of high enthusiasm until I see what the criteria are and how the other priorities will be met. The funding approach to say that we can start new programs is pure Alice in Wonderland, where we hear one day the administration wants to spend billions of dollars on its constituents and, on the other hand, warns that the resulting huge deficits may prove disastrous in the near future.

As you know, the CBO re-estimated that the President's budget would add some \$8.5 trillion to the national debt by 2020, with a deficit of about \$1.5 billion in this fiscal year and another \$1.3 billion in fiscal year 2011. And CBO projects that the national debt will balloon to some 90 percent of the economy by 2020, while interest payments on the debt will soar by \$800 billion over the same period. And that is assuming that our major lenders like China will continue to loan to us at low interest rates when they see that we are on a spending program like Greece's.

We are drowning in debt, and buying our way out is not working. I urge you to think hard about what your and other agencies' funding requests will mean to the Nation. As we continue to pay off banks who give huge bonuses to their risk-inclined employees, we could well end up only with an upper class and a lower class. I don't think any of us want that.

So, Madam Chair, Chairman Johnson, my colleague Senator Hutchison, I thank you.

Senator MURRAY. Thank you, Senator Bond.

Senator Hutchison.

OPENING STATEMENT OF SENATOR KAY BAILEY HUTCHISON

Senator HUTCHISON. Well, thank you, Chairman Murray, Chairman Johnson and Senator Bond.

I am very pleased to be here and to look at the major issue of homeless veterans. As has been mentioned, 107,000 are on the list of homeless veterans, but up to twice that number were homeless at some point last year. So that is not a statistic that we can allow to stand.

I appreciate that Senator Bond has gone into some detail about the program not having the priority that it has had in the past, and I think that, working together, our two subcommittees can certainly rectify that situation.

I think it is worth noting that 90 percent of the veterans who have sought services from the VA through a specific homeless program have some type of medical issue, namely, mental health or substance abuse disorders. This is particularly true for veterans who are chronically homeless.

It is alarming to imagine a correlation between mental health disorders and homelessness, especially when the signature wounds of the wars in Iraq and Afghanistan are post traumatic stress disorder and traumatic brain injury. That tells me we must work to address this problem now before it gets worse.

Equally alarming is the fact that women are the fastest-growing group of homeless veterans, now comprising roughly 5 percent of our Nation's 107,000 homeless veterans. The face of our military is changing, and women are serving in greater numbers than ever before.

Tragically, some of these women veterans who are homeless are also victims of military sexual trauma, mental health, or substance abuse disorders. Without treatment and supportive services, these conditions can and will contribute to homelessness among women veterans.

So ending this problem is certainly a big goal, but I am very pleased that both the Secretary of Housing and Urban Development and the Secretary of Veterans Affairs are going to take an active role in working together as we, in Congress, will certainly work with you to address the problem.

I will tell you now that I will have to miss the second panel because of the President of Mexico addressing the joint session, but I will certainly look at the testimony and look forward to hearing from our two witnesses.

Thank you.

Senator MURRAY. Thank you very much.

Senator Pryor, do you have an opening statement?

Senator PRYOR. No.

Senator MURRAY. Senator Murkowski, do you have an opening statement?

Senator MURKOWSKI. Thank you, Madam Chairman.

You said opening statement, as opposed to questions? We are not into the questions yet?

Senator MURRAY. Yes. We are not there yet.

Senator MURKOWSKI. I will defer until we have an opportunity for questions then.

Senator MURRAY. Very good. Senator Leahy, do you have any opening remarks?

STATEMENT OF SENATOR PATRICK J. LEAHY

Senator LEAHY. I will have questions. Especially on the question of homeless veterans, Madam Chair, Vermont now has on a per capita basis the largest number of troops overseas, and we find that on homeless vouchers, we have been cut down to 15 for the whole State from 55. And it is frustrating in Vermont because

when we have in our little State 1,200 to 1,400 soldiers in harm's way, plus all the other aspects of our veterans, 15 is not going to do it.

And I say that, I know General Shinseki has shown more energy and more concern on veterans issues than we have seen in forever, as does—if I may take a personal note, as does Mrs. Shinseki in her meetings, and I appreciate that. And I know the concerns that Secretary Donovan has.

But as we go forward to mark-up, that is going to be an area of concern for Vermont.

Senator MURRAY. Well, thank you very much.

And again, we are delighted to have two Secretaries with us this morning and two very important agencies. We will begin with Secretary Shinseki and then turn to Secretary Donovan before we do questions, Secretary.

STATEMENT OF HON. ERIC K. SHINSEKI, SECRETARY, DEPARTMENT OF VETERANS AFFAIRS

Secretary SHINSEKI. Good morning. Thank you, Chairwoman Murray, Chairman Johnson, Ranking Members Bond and Hutchison, other distinguished members of the subcommittee.

Thank you for this opportunity to discuss veterans' homelessness in that regard and the important collaboration that is under way between these two departments, as you have indicated, Veterans Affairs and Housing and Urban Development and our commitment to end veterans' homelessness within 5 years.

It is my pleasure to be testifying with Secretary Shaun Donovan this morning. His leadership and his vision have been critical to providing housing for thousands of Americans, and many of them are veterans.

I would like to acknowledge the representatives from some of our veteran services organizations who are here today. They have shared their insights certainly with me, and with VA, as we developed this 5-year plan and helped us to understand how to meet those obligations to all veterans.

Chairman Murray, Chairman Johnson, I do have a written statement, which I ask to be entered into the record.

Senator MURRAY. Your statement will be put in the record.

Secretary SHINSEKI. Thank you.

Caring for those who cannot care for themselves is a long-standing tradition in this country. It is these threads of selflessness I think are woven into our national character. Our Nation's veterans, who come from every town and village in this great land, are a vital part of that fabric.

In honoring their service, VA is keeping faith with the words of Abraham Lincoln from the century before last in which the promise was made to care for those who have borne the battle and for their families. And nowhere is our obligation to them more important, more visible, and more necessary than in our efforts to end veteran homelessness.

We have made significant progress in this critical task. I would point out that 6 years ago, 195,000 homeless veterans lived on the streets of our country. Today, that estimate is 107,000. Much of the progress is due to VA's collaborative work, specifically with the De-

partment of Housing and Urban Development, but with other departments and agencies as well, among them Labor, Education, Health and Human Services, as well as with State and local governments and then, finally, with those very important community organizations in all of your home States and districts and community organizations with whom we partner and who are, in my opinion, the real creative geniuses here in saving the homeless.

VA's record in this area, I am confident, is strong. For over 20 years, we have provided street outreach, residential and transitional housing services, vocational rehabilitation, access to primary and mental healthcare, counseling for substance abuse, and assistance with benefits to those who qualify. We have invested \$500 million on specific homeless programs this year alone. We are moving in the right direction, but I think we all agree there is more work to be done.

ENDING HOMELESSNESS STRATEGY

VA's strategy for ending homelessness emphasizes prevention and seeks to ensure that there is no wrong door for a veteran in need of help. Veterans seeking to avoid or escape from homelessness must have ready access to our existing programs and services, regardless of which facility, or which door they choose to open.

That door could be a medical center. It could be a regional office. It could be a vet center or one of those community organizations in their hometowns. Those doors should be open. They should be welcoming, and they should be capable of helping.

VA is expanding its existing programs and developing new initiatives to prevent veterans from becoming homeless and to help those who are homeless by providing more housing, increasing access to healthcare and benefits, enhancing employment opportunities, and creating residential stability.

This expansion will begin in fiscal year 2011 and continue through 2014, where we intend to meet our objectives, subject, again, to the availability of appropriations in those future years. Specifically, we have written a plan that intends to do that and outline what resources would be required. Specifically, we intend to increase the number and variety of housing options, provide more supportive services through partnerships, and improve access to mental health, substance abuse, and support services.

Over the next 5 years, our focus on ending veterans' homelessness is built upon six strategic pillars. The first is education—reaching out and educating veterans about our programs, what is available to them and getting them to take advantage of it, both the homeless and those at risk of becoming homeless.

Second, ensuring treatment options are available for primary, specialty, and especially, as mentioned earlier, mental healthcare.

Third, strengthening our strategy for preventing homelessness, the key here is prevention is a lot more efficient and easier to do than trying to recover at the far end. The key to our long-term efforts is prevention.

Fourth, increasing housing opportunities and providing appropriate supportive services more tailored to the needs of veterans.

Fifth, providing greater financial and employment support, as well as improved benefits delivery.

And finally, expanding our critically important community partnerships, our success in this venture is not possible without them.

HUD-VASH

While VA has multiple options for housing veterans, the most effective option is HUD-VASH; HUD-VA Supportive Housing, HUD-VASH, and the Nation's largest housing initiative for veterans. As of April 30, roughly 19,000 of the 20,000 HUD-VASH vouchers that were assigned in previous budgets have been assigned to veterans, and of these, 13,000 veterans are already in housing, no longer homeless. The remaining 7,000 are in search for housing and expect to be housed before the end of the year and permanently housed before the end of the year.

HUD-VASH targets the chronically homeless veterans who are hard to serve, those who may have refused care in the past and those who may have failed to complete previous programs, also those who have a history of disruptive behaviors or who do not fit easily into the existing programs. Ending veterans' homelessness requires us to find ways of helping especially these chronic homeless veterans.

We are also changing our approach to addressing homelessness and its relation to substance abuse. HUD-VASH allows substance abuse disorder specialists to better support homeless veterans and those in transition to housing with consistent, therapeutic relationships.

VA partners with thousands of community and faith-based non-profit service providers, which include not only some of the Nation's largest, like Volunteers of America, Catholic Charities, and the Salvation Army, but also many excellent smaller local groups in towns and cities all across the country.

VA is a member of and fully engaged with the U.S. Interagency Council on Homelessness, currently chaired by Secretary Donovan, which has just crafted a plan to take down a wide range of barriers to ending homelessness. To achieve VA's objective of ending veteran homelessness in 5 years, we must collaborate closely with HUD and with other members of the Interagency Council on Homelessness, with members of this subcommittee, as well as the hundreds of stakeholders who have seized the initiative regarding veterans' homelessness.

America's veterans experience among the highest rates of depression, substance abuse, and unemployment creating a kind of perfect storm to that downward spiral that all too often ends in homelessness and sometimes in suicide. The President's 2011 budget and 2012 advanced appropriation requests enable us to break that downward spiral.

PREPARED STATEMENT

With your help, the time to end veteran homelessness is now. We owe every man and woman who has worn the Nation's military uniforms a level of courage and determination that matches theirs.

Once again, thank you for the opportunity to appear today, and I look to your questions.

[The statement follows:]

PREPARED STATEMENT OF HON. ERIC K. SHINSEKI

Chairman Johnson and Chairman Murray; Ranking Member Hutchison and Ranking Member Bond; Distinguished Members of the Senate Committee on Appropriations: Thank you for this opportunity to appear with Secretary Donovan to discuss the Department of Veterans Affairs' (VA) efforts and our good works together to end homelessness among our Nation's veterans. I am proud to sit with Secretary Donovan, whose leadership has been critical in helping thousands of Americans secure permanent housing—many of them veterans.

Homelessness among our veterans is a tragedy. While there has been progress over the last several decades to address this critical problem, some veterans still sleep on the streets. Over the past 23 years, the number and percentage of our veterans in the homeless population has gone down dramatically, but our job is far from finished. Data suggest that the number of homeless veterans continues to decline because of the aggressive efforts by VA and its partners, including local and community organizations as well as State and Federal programs. Six years ago, on any given night, there were 195,000 homeless veterans; today, there are approximately 107,000. We recognize that VA and HUD provide different estimates of the number of homeless veterans. The disparity between our estimates is based on methods of data collection and the timeframe in which the data was reported. Our departments are in the process of finalizing a plan to produce a single national estimate of homeless veterans, and we expect to implement that plan in fiscal year 2011.

VA has a strong track record in decreasing the number of homeless veterans. A study completed several years ago found approximately 80 percent of veterans who complete a VA program are appropriately housed, many with employment or income support, just 1 year after treatment. This year, we are investing \$500 million on specific homeless housing programs. We are also investing an additional \$50 million in our 2010 minor construction program, with funds specifically provided by this subcommittee, to renovate VA properties and to provide housing and supportive services for homeless veterans. We are moving in the right direction, but, again, we have more work to do.

This statement describes VA's programs to end homelessness, including VA's work with HUD to provide permanent supportive housing to veterans, identifies some of the challenges we have encountered in combating veteran homelessness and our proposals to address them, and concludes by defining the way ahead.

VA'S PROGRAMS

Effectively addressing homelessness requires breaking the downward spiral that leads veterans into homelessness. VA programs constitute the country's largest integrated network of homeless treatment and critical assistance services for veterans. These programs provide a continuum of care including treatment, rehabilitation, and supportive services that assist homeless veterans in addressing health, mental health and psychosocial issues. VA also offers a full range of support necessary to end the cycle of homelessness by providing education, claims assistance, jobs, and healthcare, in addition to safe housing.

Additionally, VA works with a full range of partners to support a diverse number of programs, including the Grant and Per Diem (GPD) Program, the Health Care for Homeless Veterans Program, the Health Care for Re-entry Veterans Program, and the Mental Health Residential Rehabilitation Treatment Programs.

Our strategy for ending homelessness is to create a collaborative approach to treatment and care while ensuring there is "no wrong door" for any veteran seeking service—all veterans seeking to avoid or escape from homelessness must have easy access to programs and services. Any door a veteran seeks—a medical center, a regional office, or a community organization—must be capable of offering them assistance.

VA is expanding programs and developing new initiatives to help prevent veterans from becoming homeless and to aggressively help those who are by providing housing, increasing access to healthcare and benefits, enhancing employment opportunities, and creating greater residential stability. Specifically, we will:

- Increase all types of housing options—permanent, transitional, contracted, community-operated, and VA-operated;
- Develop more partnerships to prevent homelessness, improve employability, and increase independent living for veterans; and
- Improve access to VA and community based mental health, substance abuse, and support services.

VA is determined to end veterans' homelessness in the next 5 years while weighing the cost of our homeless initiatives against other priorities in 2012 and in the out years. Our plan to end veterans' homelessness is built on six strategic pillars:

- Reaching out to and educating homeless veterans and those at risk about our programs;
- Ensuring treatment options are available for primary, specialty, and mental healthcare, including care for substance use disorders;
- Strengthening our strategy for preventing homelessness, key to our long-term efforts;
- Increasing housing opportunities and providing appropriate supportive services tailored to veterans' needs;
- Providing greater financial and employment support to veterans, as well as improved benefits delivery;
- And, finally, expanding our critical community partnerships—success in this venture is impossible without them.

VA–HUD COOPERATION TO END VETERAN HOMELESSNESS

While VA has many options for providing veterans with housing assistance, a critical piece of these efforts is the innovative HUD–VA Supportive Housing (HUD–VASH) program. This program is the Nation's largest permanent housing initiative for veterans. It is critical to our efforts to end veteran homelessness.

The HUD–VASH program began in 1992 at 19 VA medical centers (VAMC); nearly 600 vouchers were issued. In 1994, 10 additional sites were added, and 8 of the original program sites received approximately 600 more vouchers. In 1995, 6 new sites were added and 9 existing programs were given an additional 600 vouchers. Through the end of 1995, 34 HUD–VASH programs were funded. Over time, the HUD–VASH program continued to operate and the number of original HUD–VASH program vouchers dwindled.

In 2008, Congress created a new version of HUD–VASH that was more responsive to the needs of chronically homeless veterans. The funding was available in March 2008 to begin the hiring process for VA case managers. Ten thousand vouchers were available in June of that year. In 2009, Congress funded another 10,000 vouchers and HUD distributed these to PHAs between September and November 2009. In 2010, Congress funded an additional 10,000 vouchers. We expect these vouchers will be available to PHAs in June 2010.

In September 2008, 929 veterans had been issued vouchers and 321 of them were under lease. Currently, approximately 19,000 veterans have been issued vouchers and nearly 13,000 veterans have been housed through the HUD–VASH program. The remaining 6,000 are in the housing search process. Over 20,000 veterans are actively engaged in HUD–VASH and are receiving case management services. VA and HUD monitor the placement of veterans into HUD–VASH on a monthly basis. The current placement rate for fiscal year 2010 averages 812 veterans per month. VA now provides case management services at 1 or more HUD–VASH programs in all 50 States, the District of Columbia, Puerto Rico and Guam.

Voucher Distribution

VA and HUD utilize a collaborative process to determine voucher distribution. We distribute vouchers based on data-driven, population and need-based information, as well as on the past performance of VA medical centers and Public Housing Authorities (PHA). Data used include the Community Homeless Assessment, Local Education and Networking Group (CHALENG) report, the Northeast Program Evaluation Center (NEPEC) reports, and, predominately, HUD's Continuum of Care data from its "Point in Time" surveys. We also take rural sites into consideration where homelessness is harder to detect and fewer resources are available. The Departments meet frequently to determine the optimal voucher distribution, and we endeavor to speed the delivery of vouchers for veterans' use.

Once HUD has made the final determination related to the allocation of the vouchers, VA works to make them available to homeless veterans and focuses on hiring clinical staff to support them. VA staff and community partners conduct outreach to veterans through community homeless service providers, shelters, and other groups who know how to reach veterans who may need HUD–VASH. Homeless veterans are screened to determine veteran status and eligibility for VA healthcare. To participate in the HUD–VASH program, our veterans must: (1) be homeless, (2) be eligible for VA healthcare, (3) require and agree to receive case management services, and (4) be able to live independently in the community, as defined by proficiency at activities of daily living (ADLs)—such as the ability to dress, pay bills, obtain food, cook, and complete other activities of daily living. Veterans that meet the VA's eligibility criteria are then referred to the PHA for a deter-

mination of eligibility for the voucher program. The PHA screens only for income eligibility and listing on a lifetime listing on a State sex offender registration program. If found eligible, the PHA issues a voucher to the veteran and the veteran has at least 120 days to find a suitable unit. Veterans who meet these criteria are admitted to the program. Once a voucher is issued, veterans have 120 days to obtain a lease. The PHA can grant an extension, if needed.

VA case managers work with veterans accepted into the program to begin completing requirements for the PHA application while ensuring the veteran is connected to VA healthcare and other VA and non-VA services. Veterans may need help for a variety of different issues. Barriers to placement include limited or no income, which impacts the veteran's ability to pay security deposits, utility deposits and other up-front costs not covered by the housing voucher. Additionally, case managers assist veterans who suffer from poor credit histories, issues involving child support obligations, and those who come from communities with a shortage of available housing.

Comprehensive Care Management Services

The HUD-VASH comprehensive case management program provides a wide range of supportive services, including emotional support, substance abuse counseling, housing search assistance, money management services, and referrals to appropriate mental health and medical care. Once a veteran has been admitted to HUD-VASH, his or her case manager provides a psychosocial assessment and a case management and housing service plan.

Case managers work closely with veterans to assist them with preparation for their meeting with the PHA. This includes ensuring that the veterans fill out the PHA application correctly, that they have the required documentation and a confirmed PHA appointment, and accompanying veterans to the appointments.

Case managers assist our veterans in moving into their new units by coordinating the planning process and providing referrals for furniture and other needs. The needs of the veteran determine the role of a case manager, but a typical case manager's duties will require him or her to:

- Maintain frequent contact with veterans and families after they move into their housing, often a difficult transition; the case manager provides a bridge of support from homelessness to housing and works to sustain veterans in their housing.
- Encourage those veterans who have been resistant to mental health, substance abuse, or healthcare treatment to reconsider entering an outpatient program, to see a healthcare provider, or to establish goals that will help them stay in housing.
- Work with the veteran on recovery goals—developing meaningful social connections and reconnecting with family and friends to aide in social engagement and prevent isolation.
- Provide regular home visits to check on the veteran's stability—physical and mental health status, payment of bills, household responsibilities, and overall adaptation to the new environment.
- Meet and assist the veteran at other places in the community, such as the veteran's place of employment or a benefits office.
- Provide problem solving strategies.
- Provide crisis management for veterans and families.
- Accompany the veteran to court, when necessary.
- Assist with resolving child support issues.

Case managers assist veterans who do not have income by helping with applications for appropriate benefits, job training or other employment assistance programs. For our veterans with no income, the case manager assists by locating funding sources that may provide temporary assistance for critical needs. After employment, case managers assist with establishing a bank account and financial responsibility.

Some homeless veterans have immediate family members who are also homeless or living with family or friends. Case managers help the family to reunite and assist with resources to support the family—referring family members to community providers who can assist with schools, child care, and mental health services.

HUD-VASH serves many veterans with families and children. Nearly 11 percent of all housing provided by HUD-VASH are provided to women veterans. And if current trends continue, by the time the first 20,000 vouchers are occupied, nearly 4,000 children will be safely housed and living with their veteran parents, keeping families connected and intact.

CHALLENGES IN COMBATTING VETERAN HOMELESSNESS

HUD-VASH Limitations.—The HUD-VASH section 8 voucher provides for rent, it only provides for shelter rent plus the tenant-paid utilities, except for telephone, cable and satellite television service, Internet service. However, there are necessary living expenses for deposits, furniture, and food that veterans need when they are initially housed. The solution to this challenge is to have shallow subsidies for initial housing start-up costs, provide employment or rapid job training programs, or provide streamlined benefits processes (both Social Security and VA benefits) for homeless veterans. Section 604 of the Veterans' Mental Health and Other Care Improvements Act of 2008, Public Law 110-387, authorizes VA to develop the Supported Services for Veteran Families (SSVF) Program, which will provide supportive services to very low-income veteran families in or transitioning to permanent housing, giving VA a mechanism to provide these important, shallow subsidies through private, non-profit organizations and consumer cooperatives which provide a range of support services designed to promote housing stability. The proposed regulation for this program was sent out for public comment, and input is due in June. We will publish the final regulation after staffing all input, and offer a notice of funding availability in 2011. The President's fiscal year 2011 budget request includes \$50 million to administer this program. Once implemented, the SSVF program will address veteran families' needs—including, where appropriate, costs associated with new housing.

Through the SSVF Program, VA also works to prevent veterans with a high risk of becoming homeless from losing their housing. We work with grant receiving non-profits and consumer cooperatives to secure VA and other benefits including:

- Healthcare services;
- Daily living services;
- Personal financial planning services;
- Transportation services;
- Fiduciary and payee services;
- Legal services;
- Child care services; and
- Housing counseling services.

In addition, grantees may also provide time-limited payments to third parties (landlords, utility companies, moving companies, and licensed child care providers) if these payments help veterans' families stay in or acquire sustainable, permanent housing.

Poor Credit Histories.—Veterans with poor credit histories are often automatically turned away by landlords. Case managers frequently assist veterans with the process of credit restoration services and work with them during the initial contacts to begin addressing their poor credit.

Substance Abuse and Mental Health Issues.—Homeless veterans often have serious substance use or mental health disorders. Both of these conditions compound or create significant health problems. Case managers can assist these veterans in entering treatment programs, and in developing strategies to find or retain housing if they choose not to enter treatment.

Criminal Histories.—Many landlords refuse to rent to veterans with criminal records, a problem compounded when the record involves sex offenses. VA is committed to serving homeless and at-risk for homeless veterans, including those with criminal records. We demonstrated this commitment by supporting HUD's successful effort to reduce the number of justice-related disqualifiers for veterans seeking section 8 vouchers through the HUD-VASH program. Also, VA's Health Care for Re-entry Veterans and Veterans Justice Outreach programs provide outreach and linkage to clinical and other VA services for our veterans who have been subjects of the criminal justice system.

Lack of Available Housing.—Some communities simply have a lack of affordable housing. Increasing mixed use developments and income-dependent rents would greatly improve the ability of homeless persons to obtain affordable units, as would greater access to section 8 subsidies. Section 8 subsidies will not impact the availability of affordable housing units as these vouchers will go unused if there is no housing that qualifies for such programs.

THE WAY AHEAD

VA is transforming its culture and attitudes to fit our programs to veterans, rather than trying to fit veterans into existing programs. Chronically homeless veterans are those who have been continuously homeless for at least 1 year or have experienced four or more episodes of homelessness in the past 3 years, and have a disability. Among these veterans are those with more serious mental illnesses, sub-

stance use disorders, or other disqualifying factors that may have labeled them “non-compliant” with treatment protocols or “hard to serve” in times past. They may have a history of refusing care, entering programs but failing to stay, being difficult to place in treatment due to disruptive behaviors, or not fitting models of care provided by existing programs. VA will serve these veterans, as well, by achieving our goal of ending homelessness.

We have greatly expanded the participation of homeless and formerly homeless veterans in our strategic planning through the Community Homelessness Assessment, Local Education and Networking Group (CHALENG) Program. In the past year, 10,701 homeless and formerly homeless veterans—a tenfold increase from 3 years ago—participated in CHALENG, sharing their experiences and perceptions of what VA needs to change in the delivery of effective homeless services.

At every level, we are focusing on individualized treatment plans and allowing veterans who can do so effectively to prioritize goals for themselves. VA is working toward being a treatment partner rather than a treatment prescriber.

The HUD-VASH program is a prime example of this reorientation, as indicated by its movement toward targeting chronically homeless, vulnerable veterans who are “hard to serve” and utilizing case management models with best practice outcomes. These approaches provide a low demand, low barrier strategy to engage the “hard to serve” population, allow the veteran to be the driver of care goals and to provide for basic needs while engaging them in strategies to sustain permanent housing.

Substance use disorder treatment has also undergone significant change. VA national policy no longer requires a period of sobriety prior to entry to any of the VA programs, with the possible exception of Grant and Per Diem Programs, which follow the community providers’ guidelines. However, VA continues to work to educate providers on this policy change. HUD-VASH is providing Substance Use Disorder Specialists to HUD-VASH teams to give support to veterans with substance use disorders. Addition of these specialists to the team enables the veteran to make changes toward sobriety in the environment in which they live. These specialists will also provide a link between Substance Use Treatment Programs and HUD-VASH to support transitioning veterans with a consistent, therapeutic relationship.

The newly established Center on Homelessness Among Veterans is working with community providers and university affiliates to develop new treatment models to address both the causes and effects of homelessness and explore best-practices for specific homeless veteran populations, including those “hard to serve.” Additionally, the Center has developed training for VA staff as well as community provider staff to address the unique issues of working with this difficult to reach homeless veteran population. Some VAMCs have developed specialized clinics for “hard to serve” homeless veterans. These clinics are low-demand, low-barrier programs to deliver healthcare, mental health evaluations and social work strategies to begin to meet the basic and most important needs of these veterans—food, shelter and safety.

Developing contracts with the critical community partners who have developed national models to rapidly house vulnerable, chronically homeless veterans provides another route to more quickly and efficiently move our target population into housing with supportive services, but also provides new system designs VA can replicate. Dialogue with communities about their best practice methods provides VA with more strategies and fosters development of these important potential partnerships with the common goal of ending homelessness among veterans.

One of VA’s strongest traditional community partnerships has been its transitional housing program, the Grant and Per Diem (GPD) Program. This program currently has approximately 11,500 transitional housing beds. Since 2007, approximately 15.6 percent of projects receiving VA funds and 14.5 percent of the total funding through the GPD program were designed to help rural veterans, providing an additional 397 beds for homeless veterans. VA is currently reviewing two “notices of funding availability” that we expect will add more than 2,200 new units—including targets to increase opportunities for women and those residing on tribal lands. The application deadline was March 31, 2010. This program has served almost 100,000 veterans since it began, and we expect as many as 20,000 veterans will benefit from transitional housing in fiscal year 2010.

The U.S. Interagency Council on Homelessness (USICH), of which VA is a principal partner, is currently building a plan to address a wide range of barriers to ending homelessness. This plan highlights interagency collaboration that is built on the understanding that mainstream housing, health, and human service programs must be fully engaged and coordinated to prevent future homelessness. It will incorporate clear and focused priorities and strategies that are applicable for Federal, State, local, and private sector use. USICH will provide leadership to harness public resources and the enormous wellspring of human capital in this country in order to

provide every citizen the opportunity to reach their full potential. This interagency collaboration will show how we can work together in new ways so that we can end homelessness, not only among our veterans but in the general population, and inspire citizens, nonprofits, philanthropy, and businesses to join in the effort.

CONCLUSION

Our Nation's veterans experience higher than average rates of depression, substance abuse, and unemployment—conditions that combine to form a downward spiral that all too often ends in homelessness, and sometimes in suicide. But the President's fiscal year 2011 budget and fiscal year 2012 advanced appropriation request positions VA to continue transforming into a 21st century organization and to ensure we provide timely access to benefits and high quality care to our veterans. Nowhere is this more important than in our efforts to end homelessness in the next 5 years and break the downward spiral that all too often results in homelessness. The time to end homelessness among our veterans is now. With your help, we will do it for all veterans who seek and accept services from us. We owe every man and woman, who wore our Nation's military uniforms, no less.

Chairman Johnson, Chairman Murray and ranking members—this concludes my testimony. I am happy to respond to any questions you or the subcommittee may wish to ask.

Senator MURRAY. Thank you.
Secretary Donovan.

STATEMENT OF HON. SHAUN DONOVAN, SECRETARY, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Secretary DONOVAN. Thank you, Chairwoman Murray, Chairman Johnson, Ranking Members Bond and Hutchison, members of the subcommittees.

I am pleased to join my colleague and good friend from the Department of Veterans Affairs to be with you today.

As the HUD Secretary, as well as the current Chair of the Interagency Council on Homelessness, today, on the anniversary of President Obama's signing the HEARTH Act, I want to describe what HUD is doing to prevent and end homelessness and how we are working with VA and other agencies to tackle veterans' homelessness.

With veterans comprising an estimated 12 percent of homeless adults, more homeless Vietnam-era veterans today than troops who died during the war itself, and too many of the brave Americans who deployed to the wars in Iraq and Afghanistan already living on our streets, the need for action and for collaboration is crystal clear.

As you know, the President's 2011 budget requests \$2.14 billion for HUD homeless assistance funding, a \$200 million increase compared to fiscal year 2010. This represents a 10 percent increase overall, a significant commitment to confront a significant need in a tight fiscal environment.

Indeed, it is in part because of Congress's leadership over the years that HUD's homeless programs have become more performance driven and outcome based, targeting and leveraging Federal resources at the local level to combat homelessness. This process culminated with the HEARTH Act.

Over time, research by publications such as the Journal of the American Medical Association has demonstrated that permanent supportive housing both ends homelessness for those who many thought would always live on our streets and in shelters and saves taxpayers' money as well by interrupting their costly cycling

through shelters, emergency rooms, detox centers, prisons, and hospitals.

Indeed, the impact of connecting resources to proven solutions has been clear and dramatic, in the 4 years from 2005 through 2008, as communities improve their ability to track and measure progress in this area, the number of chronically homeless individuals dropped by 30 percent.

HOMELESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)

With tools like the Homelessness Prevention and Rapid Re-housing Program, or HPRP, created in the Senate by this subcommittee in the Recovery Act and funded at \$1.5 billion, we have begun to reorient the Federal approach toward preventing homelessness. Indeed, the U.S. Conference of Mayors reported that two-thirds of cities surveyed found that HPRP is fundamentally changing the way local communities provide services and structure their response to homelessness. Our challenge now is to connect these new resources and tools to our homeless veterans.

To ensure we are meeting the needs of homeless veterans, HUD and the VA have jointly committed to reducing homelessness among veterans as a high-priority performance goal. This joint initiative helps formalize HUD's support of VA's plan to end homelessness among veterans, and I want to thank Secretary Shinseki for not only making this goal a priority, but for putting this goal within our reach.

HUD-VASH

Specifically, the two agencies will reduce the number of homeless veterans to 59,000 by June 2012. For our part, HUD is committed to assisting 16,000 homeless veterans each fiscal year to move out of homelessness into permanent housing. One of the primary vehicles for solving veterans' homelessness is the HUD-VASH program, which combines HUD's housing choice voucher rental assistance with VA's case management and clinical services.

From 2008 to 2010, the Congress provided \$75 million each year for HUD-VASH, and I want to thank this subcommittee for their leadership on that. Through this partnership, HUD and VA will provide permanent housing and services for 30,000 homeless veterans and their families. Of the more than 20,000 vouchers in the 2008 and 2009 HUD-VASH allocations, more than half are under lease, and more than 94 percent have been issued to our veterans.

Indeed, I am proud to say that in the first quarter of the calendar year, we increased the rate of issuance by 44 percent. In all, more than 19,000 HUD-VASH vouchers are in veterans' hands as we speak, helping them to find the affordable housing they need, and we are proud of this progress, which is making a real difference in the lives of homeless veterans right here in Washington, DC, where HUD, VA, and other Federal partners have been working with local agencies to identify, case manage, and place veterans into housing over the next 13 months.

Since December alone, 85 percent of these vouchers are housing veterans. In addition, as a result of your efforts, HUD is working with the VA and the Department of Labor to unveil a demonstration on preventing homelessness among veterans, which we expect

to unveil in the coming weeks. All of these efforts will be key components within the first-ever comprehensive Federal strategy to prevent and end homelessness.

As Chair, I believe the mission of the Interagency Council is simple—to bring as many partners as possible to the table to prevent and end homelessness. Nowhere is that more needed than to help homeless veterans, which is why one workgroup to develop the plan specifically focused on the prevention and elimination of homelessness among those who served in our armed forces and their families, who pay a very steep price for the sacrifices their loved ones make for the country.

Over the past several months, to help inform our thinking, we have spoken personally with nearly 1,000 stakeholders and received over 2,000 comments on our Web site. Just yesterday, as Chair, I convened the council with Secretary Shinseki for our final discussion of the plan, and we expect to deliver the plan to the President and Congress in the coming days.

With the support of your subcommittees, I am confident that, together, we will be able to document real progress in the fight to prevent and end homelessness. And so, I hope the subcommittees can see that we are serious about our commitment to solving homelessness among our veterans and making progress that would not have been possible without the efforts of the subcommittees.

PREPARED STATEMENT

While we still have a ways to go, President Obama, Secretary Shinseki, and I believe providing every American—from the most capable to the most vulnerable—the opportunity to reach his or her full potential begins with a strong commitment to preventing and ending homelessness. That is what our efforts are about. And with that, I look forward to your questions.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF HON. SHAUN DONOVAN

Chairwoman Murray, Chairman Johnson, Ranking Members Bond and Hutchison, members of the subcommittees, I am pleased to be here today.

As our Nation's 15th HUD Secretary and the current Chair of the Interagency Council on Homelessness, today I want to describe what HUD is doing to prevent and end homelessness, with an emphasis on our veterans—many of whom, despite having defended this great Nation and sacrificed so much for their country, now find themselves on our streets and in our shelters.

One year ago today, President Obama signed the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH), which restructures the McKinney-Vento Homeless Assistance Programs, consolidating the agency's homeless funding streams, increases emphasis on homeless prevention, adds rapid re-housing as a solution to homelessness and expanded HUD's definition of homelessness.

HEARTH codifies in statute the Continuum of Care (CoC) program and consolidates HUD's existing competitive homeless programs into a single, streamlined program in the CoC. The law also revamps the Emergency Shelter Grants program—renaming it the Emergency Solutions Grant (ESG) program. The new ESG will provide for flexible prevention and rapid re-housing responses to homelessness—similar to the Recovery Act Homelessness Prevention and Rapid Re-housing (HPRP) program—so that individuals and families—including veterans and their families—who are either at risk or who literally are homeless may receive assistance. Finally, the legislation provides for the Rural Housing Stability Assistance Program to provide targeted assistance to rural areas.

Since their inception, HUD's current homeless assistance programs have called on communities to identify and address the needs of all homeless persons, including

veterans. Today, veterans comprise an estimated 12 percent of homeless adults, more homeless Vietnam-era veterans today than troops who died during the war itself. We are already seeing some of the 1.6 million Americans who deployed to the wars in Iraq and Afghanistan living on our streets. And so, the need for action—and for collaboration—is crystal clear.

As such, I'll begin by describing how we are using the new resources Congress has provided and programs it has authorized that are helping communities to prevent and solve homelessness. I will follow by describing what we are doing to better understand the nature and scope of homelessness using data. And I will conclude my testimony by explaining how some of the interagency partnerships we are taking on at HUD will help us to tackle veterans homelessness as the Interagency Council on Homelessness develops a strategic plan that makes ending homelessness a Federal priority.

CHANGING THE WAY WE COMBAT HOMELESSNESS—HPRP AND THE 2011 HEARTH BUDGET REQUEST

In the Recovery Act, Congress appropriated \$1.5 billion to the Homelessness Prevention Fund, renamed the Homelessness Prevention and Rapid Re-housing program. The purpose of the program is to provide financial and other assistance to prevent individuals and families from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. The funds were provided to States, cities, and counties to administer the programs and assist eligible individuals or families.

To date, well over 150,000 households have avoided homelessness or been rapidly re-housed from emergency shelters through HPRP. And the U.S. Conference of Mayors reported that HPRP is fundamentally changing the way local communities provide services and structure their response to homelessness.

We are learning through monitoring and technical assistance site visits that many veterans are receiving financial assistance through this program, and will know the cumulative number of veterans served later this year when the grantees submit their Annual Performance Report. In addition, communities were strongly encouraged to use a portion of the HPRP funds to pay for security deposits for a participant in the HUD-VASH program. And we continue to do so. Since HUD-VASH participants would already be receiving housing and services, providing security deposits through HPRP was determined to be one way to help homeless veterans receive the money they need to secure a permanent place to live.

Many of the lessons we are learning from HPRP will be applied in the implementation of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, which will occur in 2011.

Indeed, when signed by President Obama in the spring of 2009, HEARTH restructured HUD's homeless assistance programs to incorporate nearly two decades of research and on-the-ground experience in confronting homelessness. To support implementation of this important legislation, the budget requests \$2.14 billion for homeless assistance funding—a \$200 million increase compared to fiscal year 2010. This represents a 10 percent increase overall—a significant increase in a tight fiscal environment to confront a significant need.

Because many homeless veterans access services and housing through the HUD's homeless assistance programs as well as through VA programs, this additional investment in homeless assistance programs is called for even in a difficult fiscal environment. Culminating in the HEARTH Act, HUD's homeless programs have evolved into a more performance-driven, outcome-based system for targeting and leveraging Federal resources at the local level to combat homelessness. Congress played an indispensable role in this process. In the late 1990's, when less than 20 percent of HUD homeless assistance grants were supporting permanent housing solutions for the most disabled homeless individuals and families, this subcommittee joined your colleagues in the House in requiring that at least 30 percent of these grants be spent annually on the evidence-based practice of permanent supportive housing, and set forth the ambitious goal of creating 150,000 units of permanent supportive housing for the chronically homeless.

Over time, the research foundation for this targeted investment has only solidified—key studies, including several published in the *Journal of the American Medical Association*, have demonstrated that permanent supportive housing both ends homelessness for individuals whom many thought would always live on our streets and in shelters, and saves taxpayers money by interrupting their costly cycling through shelters, emergency rooms, detox centers, prisons, and even hospitals.

As a consequence of the permanent housing set aside, maintained each year by this subcommittee in the past but now required by HEARTH, HUD's homeless as-

sistance grants produced an average of 8,878 permanent supportive housing beds annually since 2001, and a cumulative total of 71,000 beds, with an increasing percentage targeted to the chronically homeless (66 percent in fiscal year 2008 compared to 53 percent in fiscal year 2005, the first year HUD tracked such data). The impact was clear and dramatic. In the 4 years from 2005 through 2008, as communities improved their ability to track and measure progress in this area, the number of chronically homeless individuals dropped by 30 percent, a significant social welfare policy achievement.

One of the key provisions of the HEARTH Act was its codification in statute of the 30 percent permanent housing set aside pioneered by this subcommittee. Coupled with the level of funding this budget requests, and the alignment of homeless assistance grants with other HUD rental assistance subsidies (1 year terms), this provision is projected to yield over 9,500 new units of permanent supportive housing for disabled individuals and families. This will enable continued progress toward ending chronic homelessness.

The HEARTH Act also codifies in statute the unique competitive process, known as the Continuum of Care (“CoC”), in which HUD homeless assistance funding and priorities are incorporated within a robust local planning and implementation process. The CoC system provides a coordinated housing and service delivery system that enables communities to plan for and provide a comprehensive response to homeless individuals and families. Communities have worked to establish more cost-effective continuums that identify and fill the gaps in housing and services that are needed to move homeless families and individuals into permanent housing. The CoC is an inclusive process that is coordinated with non-profit organizations, State and local government agencies, service providers, private foundations, faith-based organizations, law enforcement, local businesses, and homeless or formerly homeless persons. This planning model is based on the understanding that homelessness is not merely a lack of shelter, but involves a variety of unmet needs—physical, economic, and social.

Fiscal year 2011 marks the first year for implementation of this and other key features of the HEARTH legislation including: increased investment in the evidence-based practice of homelessness prevention; support for the project operation and local planning activities needed to continue the movement of the HUD-supported homeless assistance system to a more performance-based and outcome-focused orientation; and provision of assistance that better recognizes the needs of rural communities. Also in our fiscal year 2011 budget is a request for \$85 million in Housing Choice Voucher assistance to help end homelessness. This demonstration will assess how mainstream housing and service resources can help homeless and near homeless families as well as chronically homeless individuals and families becoming stably housed. HUD’s mainstream housing vouchers will be connected to needed services funded by the Department of Health and Human Services, including Medicaid, TANF and SAMHSA funds. We will also be working closely with the Department of Education to help ensure we identify homeless children and their families who could benefit from this initiative.

On April 21, 2010, HUD published its Notice of Fiscal Year 2010 Opportunity to Register for the Continuum of Care Homeless Assistance Programs. The Notice provided instructions on how to apply for the approximately \$1.68 billion available to assist homeless individuals and families. As in previous Notices, and its Notices of Funding Availability, HUD emphasized that the needs of each subpopulation be addressed, including homeless veterans. This Notice also encouraged communities to use a portion of available bonus funds to create a new permanent housing project that will serve disabled veterans. The creation of these extra beds for disabled veterans would therefore help to meet a HUD priority. This is especially significant, because at this point in the evolution of CoC funding nearly 53 percent of the approximately 454 existing CoC communities do not have access to new project funding except through this bonus opportunity created within the annual homeless competition.

UNDERSTANDING THE NATURE AND SCOPE OF HOMELESSNESS

Of course, to use these new interventions most effectively, we need to recognize that when it comes to homelessness, one size doesn’t fit all. HUD’s 2008 Annual Homeless Assessment Report to Congress found that on a single night in January 2008, 664,000 people were homeless, including veterans, and throughout the course of a year, approximately 1.6 million found themselves without a place to call home and sought shelter. These figures have held steady from 2007 to 2008.

This report also found a troubling increase in the number of homeless families—9 percent. And with a 56 percent increase in rural and suburban family homeless-

ness—we see that homelessness is not simply an urban problem, but one every kind of community struggles with.

While this data tells us a great deal about the nature and scope of homelessness during 2008—and the 2009 data will be released to the Congress next month—it does beg many other questions about what’s happening right now:

How is the housing crisis playing out in our shelters and on our streets?

Who is homeless today and are more families on the street today than a few months ago?

In which areas and regions is homelessness on the rise, holding steady or declining?

It is these questions—and limitations to using annual data—that we are trying to answer through our new Quarterly Homelessness Pulse Report that tracks real-time changes in homelessness in a small number of geographically diverse areas of the country.

Today, I am proud to release the results of our most recent quarterly Pulse report, which compares data collected on homelessness through the end of December of this past year to earlier quarters for eight communities. The report showed an overall slight decline in the number of persons sheltered, both for families and for individuals. While this is still a small sample—and some of these communities did report increases—this data indicates that homelessness nationally may, in fact, no longer be increasing as communities begin to emerge from this housing crisis.

We continue to make enhancements to this report to get a better gauge of the impact our economy is having on homelessness. We are tracking foreclosure data, unemployment, new entrants into homelessness, and identifying prior living situations of those who become homeless. This data helps inform us and communities and how best to confront the current problem.

With respect to veterans, for the first time, HUD is working to publish in late summer a special supplemental Annual Homeless Assessment Report (AHAR) to Congress dedicated exclusively to homeless veterans. The report will contain a rich demographic portrait of veterans, their service usage patterns and reliable numbers on sheltered vets. This report will be extremely beneficial in informing local and national policy and planning efforts.

MAKING VETERANS’ HOMELESSNESS AN INTERAGENCY PRIORITY

As important as these new resources are—and our ability to understand the nature and scope of homelessness—to ensure we are meeting the needs of homeless veterans, the Department of Housing and Urban Development and the Department of Veterans Affairs have jointly committed to reducing homelessness among veterans as a High Priority Performance Goal. This joint initiative helps formalize HUD’s support of VA’s plan to end homelessness among veterans, and I want to thank Secretary Shinseki for not only making this goal a priority—but also for the leadership he has provided to put it within reach.

High Priority Performance Goal

The number of homeless veterans in the United States, as reported in the 2008 Annual Homeless Assessment Report (AHAR), is 135,583 (or 12 percent of homeless adults that used emergency or transitional housing over the course of a year). With the economic crisis and the return of veterans from Iraq and Afghanistan, this number may continue to increase. In order to better serve this population, HUD plans to increase housing resources available to homeless veterans, focus efforts to ensure that coordination between local VA Medical Centers and Continuums of Care are strengthened, and utilize Recovery Act resources provided through the Homelessness Prevention and Rapid Re-housing Program (HPRP) to assist veterans who are at-risk of becoming homeless. As such:

—Together, the two agencies will reduce the number of homeless veterans to 59,000 by June 2012. Without this intervention, we estimate that there would be 194,000 homeless veterans by June 2012.

—Toward this joint goal, HUD is committed to assisting 16,000 homeless veterans each fiscal year to move out of homelessness into permanent housing (6,000 through Continuum of Care programs, and 10,000 in partnership with VA through the HUD–VASH program).

HUD–VASH

One of the primary vehicles for preventing veterans’ homelessness is the HUD–Veterans Affairs Supportive Housing partnership, or HUD–VASH.

From 2008 to 2010, the Congress provided \$75 million each year for HUD–VASH. The program combines HUD Housing Choice Voucher rental assistance (administered through HUD’s Office of Public and Indian Housing) for homeless veterans

with case management and clinical services provided by the Department of Veterans Affairs (VA) at its medical centers in the community. Through this partnership, HUD and VA will provide permanent housing and services for approximately 30,000 homeless veterans and their family members, including veterans who have become homeless after serving in Iraq and Afghanistan.

HUD and VA are working together to ensure that the referral and voucher issuance process are working efficiently in places where the 2008 and 2009 vouchers have already been allocated to ensure that homeless veterans can be housed as quickly as possible.

As HUD-VASH shows, new partnerships often require a new way of doing business that can be challenging at first. But I'm pleased to report we are making good progress between our agencies and with housing authorities and VA Medical Centers—and we will continue to push for more effective partnerships at the local level.

Of the more than 20,000 vouchers in the 2008 and 2009 HUD-VASH allocations, 58 percent are under lease—and more than 94 percent have been issued to our veterans. That means more than 19,000 HUD-VASH vouchers are in veterans' hands as we speak—helping them to find and afford the housing they need. This represents significant progress over last year.

To address leasing and other issues, HUD and the VA are meeting on a regular basis and have held a number of Web broadcasts. In addition, for the past 2 years conferences have been held for public housing agencies and VA personnel to share experiences and identify for best practices. This year the VA is sponsoring four regional HUD-VASH conferences throughout the country to address problems and search for solutions in housing homeless veterans. Information from these conferences will be shared with all HUD-VASH sites.

Of course, HUD-VASH is only as successful as the local partnerships between VA Medical Center staff and public housing agency staff, as well as with other local service and homeless providers. Sites that have had particular success in placing veterans quickly have emphasized housing search assistance and landlord outreach. Successful sites also have identified and accessed additional resources, such as HUD's Homelessness Prevention and Rapid Re-housing program, which assists veterans in paying for security and utility deposits, first month's rent, and other items necessary to establish a new household.

For fiscal year 2011, HUD did not request funding for HUD-VASH. While the need for homeless veterans' assistance is great, with the significant level of resources that we have been provided by Congress in recent years, we want to ensure that these resources are used as effectively and efficiently as possible. And we have been working with the VA to do so this year. We will continue to assess progress being made, including in leasing up more quickly, as we consider additional resources that might be needed for HUD-VASH.

In the coming year, HUD and the VA will continue to work closely with the local staff responsible for administering this program to ensure that best practices are shared among sites, and that barriers or problems that arise are addressed quickly. HUD views Housing First as a critical element to solving veteran homelessness. Accordingly, HUD and VA are working together to assess how HUD-VASH can be enhanced through the Housing First model. Furthermore, now that the referral, voucher issuance, and leasing processes are well underway, the next phase will be to ensure veterans can maintain housing. Ongoing communication and collaboration between case managers and PHA staff will be critical to provide veterans the support they need on a case-by-case basis.

A Federal Commitment to End Homelessness—A Case Study

Allow me to give the subcommittees one example of how this partnership is making a real difference in the lives of homeless veterans right here in Washington, DC. And we believe this special project could become a model for the Nation.

Under the leadership of the U.S. Interagency Council on Homelessness and the White House Office of Urban Affairs, VA, HUD, HHS, DOJ and DOL are in the process of developing an interagency pilot program to bring the full arsenal of their resources to bear on the problem of homelessness among veterans in the District of Columbia.

The interagency partnership will build upon a Federal local partnership that recently developed between the VA and the D.C. Department of Human Services to expedite the HUD-VASH process. On December 17, 2009, the D.C. VAMC formally entered into an intergovernmental agreement with D.C. Department of Human Services (DHS) to identify, case manage and place 105 eligible veterans into housing (out of the 175 vouchers allocated to D.C. VAMC for 2009) over the next 13 months.

The partnership is already producing results. By January 15, 2010, D.C. DHS issued vouchers and leased up for nearly 90 eligible veterans. The partnership has

also developed a number of innovative strategies to ensure the program's success, such as agreements with local furniture stores that allow veterans to purchase furniture for their apartments through "furniture vouchers."

Other strategies applied by the D.C. partnership serve as an example of efforts by VASH sites to effectively streamline administrative processes and reduce the amount of time required between the referral and lease-up of a veteran family. Previously, a veteran may have needed to return 4 to 5 times to the DCHA office to receive and complete paperwork, receive instructions about the housing search and lease-up process. Veterans and their case managers now only need to come to DCHA once before signing a lease.

One of the methods applied to expedite the eligibility and leasing process was the subcontracting of a housing search specialist by DHS to identify and recruit landlords, facilitate the DCHA's inspection processes of potential units, and develop a pool of pre-inspected rent-reasonable units. Because the housing search process is ongoing and runs parallel to the process of determining the eligibility of referred veterans, veterans have a number of units from which to choose upon issuance of their voucher. This allows the veteran to lease a unit on the same day their voucher is issued. Veterans who do not want to select from the identified pool of units are still free to find a unit through their own housing search and may receive assistance with that search.

In addition, the D.C. partner agencies apply focused communication methods through the use of an online information sharing tool that enables all staff involved to track the progress of the lease-up process. Twice-a-week conference calls allow the agencies to spot and solve any problems that may arise. As a result of this and other effective strategies, between 2008 and 2009, the D.C. VASH site reduced its average lease-up time by 80 percent from 6 months to 1 month.

As successful as the D.C. effort has been to date, this is not to suggest that all communities with HUD-VASH vouchers should replicate the D.C. approach. Rather, HUD and VA are using the lessons we have learned community-by-community to help local housing and service delivery systems best meet the unique needs of the veterans in their area. These local efforts will help VA and HUD continue to improve the administration of this program.

HUD Veterans Homelessness Prevention Demonstration Project

In addition, HUD is working with the VA and DOL to unveil a demonstration on how we can best prevent homelessness among veterans.

In fiscal year 2009, HUD received an appropriation of \$10 million to develop and conduct a demonstration program on preventing homelessness for veterans. In addition to the \$10 million for the program itself, HUD received \$750,000 to conduct an evaluation of the demonstration, the results of which we intend to share with Congress and the public. The demonstration, which will be announced via a Notice, will include a small number of sites, including rural and urban areas, and will focus primarily on veterans returning from Iraq and Afghanistan. HUD is working closely with the VA and DOL on developing the demonstration program. VA received \$5 million in fiscal year 2009 for services that will be coordinated with this HUD funding. DOL will be providing assistance to the demonstration through its existing veterans' employment and training programs.

HUDVET is HUD's Veterans Resource Center that provides veterans and family members with information on HUD's community-based programs and services. HUDVET is involved in designing the Veteran Homelessness Prevention Demonstration project for which HUD is preparing to announce the selected sites. Once these sites are announced, HUDVET will be involved in assisting local efforts to prevent homelessness among OIF/OEF and other veterans, including veterans that served in the National Guard and Reserve. We expect to be unveiling this demonstration in the near future.

A Federal Strategy to Prevent and End Homelessness

Lastly, pursuant to the Hearth Act, the U.S. Interagency Council on Homelessness (USICH) is charged with developing a Federal plan to prevent and end homelessness. As the current USICH Chair and the Secretary of the agency providing most of the Federal housing resources to confront homelessness I want to highlight how important this Federal plan is.

The Council has 19 member agencies—and to solve homelessness we need to harness expertise and resources across the Federal Government. Barbara Poppe, the Council's new Executive Director, and her staff have done an outstanding job in working with the various agencies in developing this plan.

But let me say that we have solicited and received input from literally thousands of stakeholders across the Nation. I also want to highlight how involved the Federal

agencies have been, including agency heads. I have had very substantive discussions with Secretary Shinseki and other senior administration officials during this process.

As Chair, I believe the mission of the Interagency Council is simple: To bring as many partners as possible to the table—at the local, State and Federal levels to prevent and end homelessness. Nowhere is that more needed than to help homeless veterans. In fact, one workgroup to develop the plan—the Veterans Workgroup—focuses on the prevention and elimination of homelessness among adults who have served in the armed forces and their families.

We expect to deliver the plan to the President and to the Congress soon. HUD looks forward to continuing to work closely with the other Federal agencies, including the VA, with other stakeholders, to implement this plan.

With this plan and the support of your subcommittees, I am confident that, together, we will be able to document real progress in our fight to prevent and end homelessness.

CONCLUSION

And so, Chairwoman Murray, Chairman Johnson, Ranking Members Bond and Hutchison, and members of the subcommittees, I hope you can see that we are making real progress in solving homelessness—in particular among our veterans. This progress would not have been possible without the resources provided by you—and your personal commitments to this issue.

While we still have a ways to go, President Obama, Secretary Shinseki and I believe providing every American—from the most capable to the most vulnerable—the opportunity to reach his or her full potential begins with a strong commitment to preventing and ending homelessness. That is what all our efforts are about. And with that, I look forward to your questions. Thank you.

BARRIERS TO HOMELESSNESS

Senator MURRAY. Thank you very much to both of you for your testimony.

Again, I just want to note that there is a joint session of Congress with the President of Mexico. So a number of our members have not been able to be here, or have had to leave early. We will leave the record open for them to be able to submit their questions to both of you, and we will expect responses to them.

And with that, let me start with the first comment and question. For me, it isn't enough just to provide funding for HUD-VASH and simply hope that this program works. I expect to see this program getting veterans into housing and that the numbers of veterans on the streets continue to decline until we finally really do end homelessness for our veterans.

And achieving results demands that we ask some tough questions about what is working and what doesn't, and make sure we are taking steps to implement solutions and hold people accountable for these results. And then I believe that success will be measured in terms of the long-term housing stability and quality of life for those veterans in the long term.

I think you have heard from everyone up here the need for these vouchers is really clear, but the lag in getting them to the chronically homeless veterans is very troubling to us. We are now well into fiscal year 2010 and fewer than a quarter of the vouchers that were awarded in 2009 have been leased.

So I wanted to ask both of you individually do you have a goal for how long it should take for veterans to get into housing once they get a VA referral, and also, are the PHAs and VA medical centers being held accountable if they fail to meet those goals?

Secretary Shinseki, I will start with you.

Secretary SHINSEKI. Madam Chairman, I think we are learning as we go. It took us a while to get the program up and running fully. There are a number of moving pieces between both departments, including public housing authority. In some cases, there is not a clear single point where we have run into some of the time delays.

To answer your question, yes, we can be more efficient, and we have put more energy behind this. In some cases, we have had to work around some of those delays. We had other options, and so we have made those fixes on a case-by-case basis. But I think you are right. We need to look at this more systemically and get this moving properly.

I will defer to Secretary Donovan on the aspects of the process he is most familiar with. We average about 109 days right now, far too long. Our piece of that portion is about 15 percent of that time.

Senator MURRAY. Is that from when they get a referral until they get in?

Secretary SHINSEKI. That is correct. It is admission into the program and completion of the public housing authority's requirements, which is driven by PHA. There is a housing search period that ends with an inspection, and then there is a housing selection and move-in, which is really the longest period, about 42 days. Some of that we have taken steps in the 2011 budget to put in place resources that will accelerate the housing selection and move in.

We find that there are veterans that need help with the deposit and need help with turning on electricity. So we have put in place a solution for that help. And so, as I say, we learn as we go. We are better at it today. We will get better as we go through this year.

Of the 20,000 vouchers, 19,000 will be fully housed by the end of the year, and we are still working on the last 1,000.

Senator MURRAY. Okay. Secretary Donovan.

Secretary DONOVAN. Just to pick up on General Shinseki's comments, I think there are really two aspects of this that I would isolate. One is the process of getting to the point of issuing a voucher, where there is a lot of the collaboration that happens between our agencies. And we have worked hard on that, and I think we have made enormous progress.

As I said in my statement, our issuance rate in the first quarter of this year was up 44 percent, and we now are at the point, the 19,000 vouchers that are out there represent 94 percent of the vouchers that are already available. So I think we have substantially improved our working together to get vouchers issued.

We continue to see barriers for those veterans who have the vouchers in their hand to actually be able to lease-up units. And what we are seeing is a range of barriers around that, some of them not surprising. Credit checks or screening that, at times, will screen out veterans because of a history perhaps of substance abuse or a criminal record, issues like that.

We also, though, are seeing barriers like security deposits, first month's rent, which can hold back a veteran from being able to get there. One of the critical tools on that has been HPRP in the Recovery Act. I think there are certain places around the country

where those partnerships have begun to work very well, and they have helped to overcome the lease-up barriers.

There are others where we are still working on—because that is a relatively new resource—putting that in place. As Secretary Shinseki said, we are also proposing resources going forward similar to HPRP, which will allow us to use funding for those security deposits, first month's rent to help overcome some of those barriers.

And one more—I am sorry. One more idea I would just suggest as well. We have seen a number of cities, about 141 vouchers so far, used in a project-based context, including in Seattle. And what we find is that where they are used in a project base, we can overcome that lease-up because they are specifically established for veterans.

So one of the ideas that we are pursuing in the 2010 allocation is a set-aside of 400 vouchers for project-based units that we think can make sure that there is faster lease-up. That is not going to be appropriate in all cases, a project base, but we think in certain particularly tight markets that it can be very valuable.

CASE MANAGERS

Senator MURRAY. Okay. My time is up. But a panelist on the second panel is going to tell us that one of the barriers is that they don't have a steady and prompt pipeline of referrals from the VA and that slow hiring of case managers is a problem. Is either of you aware of that?

Secretary SHINSEKI. I am not aware of the specifics, but I would just describe for the chair that the process is the vouchers are allocated by location by HUD. We are not allowed to hire case managers until those have been identified and announced, and then we very quickly stand up as many case managers as we can.

Once veterans have the vouchers they have an opportunity to then decide where they want to reside, we find it is helpful to have case managers help them go through that process. Just leaving them on their own sometimes incurs more waiting and they are just not sure what the next step is, so case management helps there.

These things we are bringing together, but it begins with how many vouchers and where are they going to be allocated and then there is collaboration. But as soon as it is announced, we are not allowed to hire until announcements are made, we very quickly try to develop those case managers.

Senator MURRAY. Okay.

Secretary DONOVAN. And what I would say, there continue to be isolated challenges around this. What I would say, this is a barrier to getting, to issuing the vouchers, connecting a particular veteran through the case management to a housing authority and getting a voucher into their hand.

What I would say is that is an area where we have made substantial progress, and the fact that 94 percent of the vouchers are now issued I think demonstrates that while we haven't solved it everywhere, working together—and I would give a lot of credit to our teams—I think we have been able to make substantial progress on that challenge.

Senator MURRAY. Thank you.

RESOURCES FOR HOMELESS VETERANS

Chairman Johnson.

Senator JOHNSON. In your prepared statement, you described the HUD-VASH program as one of the primary vehicles for preventing homelessness among vets. And yet your 2011 budget request includes no money to fund it. In contrast, the VA budget includes \$75 million for the program. As you noted, this program is a partnership. How can it function if only one partner is willing to fund it?

Secretary DONOVAN. A couple of things I would say about that. First of all, I want to be very clear that while HUD-VASH is a critical part of our efforts to serve veterans, it is only a part. And roughly 1 in 10 of every other unit that we produce through our continuum of care goes to veterans. And so, the fact that we are proposing a substantial increase in funding overall for our continuum of care would mean significantly more resources for homeless veterans in 2011.

Second thing I would say is that the 30,000 vouchers that have already been authorized and appropriated will continue to be available in future years. There is turnover in those vouchers, and so, having case management and support from VA on a continuing basis for those 30,000 is absolutely critical.

And then, finally, at the time that we put our 2011 budget request, and we have talked about this with the Appropriations Committee before, we were quite concerned, frankly, with the barriers that we were seeing to lease-up. And we felt that with the 30,000 vouchers already available, we had concerns about the ability of the system to absorb an additional 10,000 vouchers in 2011.

What I would say is that since that time, since the time that we put our budget together, we have made very, very substantial progress. We still have some of the barriers that I talked about earlier in terms of actual lease-up. But I think I would say to you today that both Secretary Shinseki and I are far more confident today than we were when we put our budget together that we have the ability to actually get these vouchers issued and leased up.

And so, I think we should continue the conversation with the subcommittee as we move toward the budget about improvements that we are making and the ability to utilize an additional allocation of vouchers going forward.

NATIVE AMERICAN VOLUNTEERS

Senator JOHNSON. Secretary Donovan, as I understand it, Native American tribes are not eligible under the HUD-VASH program to receive vouchers. How can this permanent housing approach be adapted to allow tribes to participate?

Secretary DONOVAN. First of all, just to be clear, Native Americans themselves are eligible, and I think it is important that housing authorities around the country ensure that we are making connections to Native American veterans who would be eligible for the program.

But you do correctly cite the fact that the statutes that created the voucher law more broadly don't make tribes themselves eligible to administer and oversee the vouchers. That is something, obvi-

ously, if Congress were to determine that that should be changed, it is obviously something we could discuss with the subcommittees.

But currently, the opportunity for tribes to serve homeless veterans directly is through their Native American Housing Block Grant program. They can create a similar kind of rental assistance to the vouchers. It is not identical, but they can use the ongoing resources that they receive through the Native American Housing Block Grant to serve homeless veterans in a similar way to HUD-VASH, and we would be happy to follow up with you with more details about those opportunities.

5-YEAR PLAN (VA)

Senator JOHNSON. Yes. Do that.

All right, Secretary Shinseki, if HUD does not provide funding for HUD-VASH housing vouchers in fiscal year 2011, what impact will that have on your 5-year plan to address homelessness among vets?

Secretary SHINSEKI. Mr. Chairman, you are right in looking at HUD-VASH as a critical part of our plan because it is. It is incorporated into our 5-year effort.

If there is a year's break, we will adjust. I don't have definitive answers today, but we will have to look at how we adjust. And I would remind members of the subcommittee that even if HUD-VASH is not available for that period of time, we have other programs. I will be looking in transitional housing, grant per diem, and transitioning some of that toward an affordable permanent status.

I will take my lead and advice here from Secretary Donovan, who has done considerable work in this area and who understands how to sort of bridge this gap. But there would be some adjustment to the plan. For the moment, I would say we keep the 5-year target out there and force ourselves to do hard work.

FISCAL YEAR 2011 HUD-VASH BUDGET

Senator JOHNSON. Secretary Donovan, how can HUD meet its fiscal year 2011 commitment to help 16,000 homeless vets secure permanent housing when the assumption is based on the HUD-VASH program helping 10,000 of those vets?

Secretary DONOVAN. We based those projections on the existing resources and the proposed resources in 2011. And given that we have, thanks to this subcommittee, an additional 10,000 VASH vouchers that we will be allocating in the coming months and leasing up, as well as thousands of new units of supportive housing that are coming online around the country through our other programs, we believe we can meet that shorter-term goal, the high-performance goal, which is through 2012.

Let me be clear, go back to your prior question to Secretary Shinseki, the longer-term goal is dependent on and would expect future vouchers. The decision about the 2011 budget was a short-term decision. Did we have the capacity to lease up and utilize those additional vouchers in the 2011 budget timeframe? And we did have concerns at the time that the budget was put together.

As I said earlier, we have made substantial improvements since then and I think are far more confident today of our ability to lease those up than we were at the time the budget was put together.

Senator JOHNSON. My time has expired.

Senator MURRAY. Thank you.

Senator Bond.

Senator BOND. Thank you, Madam Chair.

Secretary Donovan, my question has already been entered by Chairman Johnson, and I still have some questions about it. I see the very generous budget request for VA, \$115 million for healthcare for homeless veterans, and \$151 million for HUD-VASH voucher support. I am absolutely puzzled why there was no request, you put a whole lot of money in for homeless, and you stated that only 1 in 10 homeless are vets. But taking care of the homeless veterans, even if they are only 1 in 10, has been made a very high priority by Congress through these committees.

And I suggested earlier that if they are zero funded, there is a problem. And I know that Mr. Norman, King County Housing Authority, will state that with regard to HUD-VASH in 2011, "to ensure that existing progress be sustained and built upon," some level of funding needs to be incorporated. And I agree. I think we plan to do that.

If you said that you now find that there are more housing assets available, what other—I mean, please explain why it was left out completely. Then what hurdles are left to utilize if we put in \$75 million, I guess that would be 7,500 vouchers, in other words, about a less than one-tenth of where we need to go.

But should we not be—let me ask you those questions first. Why no money? And what are the hurdles?

Secretary DONOVAN. So, again, the \$75 million is about 10,000 vouchers.

Senator BOND. Yes, okay.

Secretary DONOVAN. We, at the time that the budget was put together, felt that given the large number of veterans that all of our programs serve—and I want to be clear about that. The 1 in 10, given that veterans only make up about 1 percent of our population, the fact that they make up more than 10 percent of our homeless is actually a very disturbing figure. And we do make through a broad range of programs, particularly our continuum of care, resources available to get homeless veterans off the street, thousands and thousands of them every year through our other programs.

So I want to be very clear that the 2011 budget did, both through our budget, as well as the budget for the VA, substantially increase resources available to house homeless veterans. And we felt, at the time the budget was put together, that given the challenges we were having in issuing the vouchers, leasing them up, we were concerned that in 2011, not a long-term stoppage, but for that one year, that we were concerned about the capacity to actually utilize those vouchers. And we felt that it was a better decision to steer those resources, including the large increase in the continuum of care, to be able to best serve them.

I think since that time, since the budget was put together, we have made substantial progress, a 44 percent increase in issuance

in the first quarter of this year. I am quite proud of our teams and the effort they put together to be able to get there, and I think we are more confident today than we were then that the vouchers in 2011 could be leased up and utilized more quickly.

Senator BOND. All right. But you have got over 100,000 homeless veterans, and you are going to end it in 5 years, that means at the very least, you need to be doing 20,000 a year. If you are not using vouchers, how else are you dealing with the homeless veterans?

Secretary DONOVAN. To be clear, and we have spent a lot of work and time with Secretary Shinseki and his team, our estimate is that through those 5 years, we would need in the range of an additional 30,000 VASH vouchers. So a total of 60,000 we believe would be enough to get to the goal of ending veterans' homelessness because there are a whole set of other resources that are available.

HOMELESS PREVENTION RESOURCES

Senator BOND. Where else are you putting them? That is the question. Where are they going?

Secretary DONOVAN. In certain cases, homeless prevention resources or rapid re-housing resources are enough. Oftentimes for a family that is falling into homelessness, and we see that not just with veterans, a payment to help them with a security deposit, a short-term assistance can be enough to get them out of homelessness or to prevent homelessness.

So you don't need a long-term permanent housing subsidy for a number of them. We also see them being served in our regular voucher program, in our other supportive housing programs. As I said, 1 in 10 in the roughly 100,000 supportive housing units we have around the country go to homeless veterans, and that number is increasing each year.

So there is a range of resources. Section 8—

SECTION 202 ELDERLY HOUSING

Senator BOND. I think we would like to have a report on how they are being dealt with, if not being dealt with through the voucher program. If you have got other ways, let us know that.

And I had one other thing I need to ask on the regulatory problems. HUD has told us that 90 percent of the delay in section 202 elderly housing is the regulatory hurdles, and I would like to know what are the regulatory—have you got regulatory problems in getting out your vouchers in this or other programs? Would you please give us a general—submit for the record a general description of those regulatory hurdles and a timeline for solving those regulatory hurdles?

Secretary DONOVAN. Yes, Senator, I am not sure where the 90 percent—okay. On the staff level, there are substantial statutory issues as well.

REGULATORY AND STATUTORY HURDLES

Senator BOND. Okay. Now that is—if you have got statutory issues, let us know. If you have got regulatory problems, solve them. And we want to help, but we would like—if there are problems, maybe we better have a fuller staff discussion.

Secretary DONOVAN. I'm happy to do that.

Senator BOND. If it is statutory, let us know. We want to solve it because those problems are—those programs are critically important. If it is a regulatory problem, we will get out our cattle prod and help you get those done. I have got some folks from the country who knows how to use one.

Secretary DONOVAN. I am absolutely committed to doing that. I think HUD-VASH is a very good example of that, where you have been very clear of the need to accelerate this. Our teams have worked together. We have gotten a lot of those barriers out of the way, and we have seen a substantial improvement.

And I just want to leave this by making very clear this administration believes that HUD-VASH has been a critical tool and that as we continue to make improvements believe that it can be a critical tool going forward.

ADDITIONAL FUNDING

Senator MURRAY. So you can use additional funding in 2011?

Secretary DONOVAN. I believe—

Senator BOND. He is not supposed to say so, but we are going to give it to him anyway.

Secretary DONOVAN. What I will say is I believe we are in much better position today than we were when we put our 2011 budget together to be able to utilize that funding effectively. We still have issues to solve around the lease-up that we talked about earlier, and we will continue to push on those as well.

VERMONT HOMELESS VETERANS

Senator MURRAY. Senator Leahy.

Senator LEAHY. Thank you.

As I said earlier, I was glad to see both Secretaries here. Secretary Shinseki, I understand you are going to Vermont this weekend?

Secretary SHINSEKI. Yes, Senator, I will be in Vermont on Sunday.

Senator LEAHY. It was gorgeous there this past weekend, but it can change rapidly. A couple of weeks ago, I was there on the weekend. We mowed the lawn. On Tuesday, we had little over 2 feet of snow on it. So bad with that 2 feet of snow that the—we live on a dirt road, the local schools opened a half hour late. If it had gone to 3 feet, it would have been a whole hour late.

I have often felt, Madam Chair, that if terrorists could learn how to make it snow, they could cripple Washington for the year.

Now I would like to also, though, on a serious note, make mention of a community effort in Vermont to house homeless veterans that I thought you might find interesting. It is the Upper Valley Haven in White River Junction. They are going to open a new 20-bed adult shelter this spring. But it happened there were homeless veterans that would come to the VA hospital, which is nearby, to get care, but had no place to live. And half of the people at this shelter will be veterans.

And Secretary Donovan, I mention this, too, because your Department is supporting the project through special purpose funds

in your 2009 budget. And Secretary Shinseki, the local VA hospital staff, I compliment them. They have been extraordinarily helpful in this effort.

ALLOCATION PROCESS

Now my question to Secretary Shinseki would be to hear your thoughts on the VA's process for allocating HUD-VASH vouchers. The first two rounds, Vermont was allocated 55 vouchers. Now, as I mentioned earlier, the Vermont State Housing Authority was invited to apply for 15 this new round. We have been very successful in utilizing this program. I am just curious why the tremendous cut down to only just over a dozen of them?

Secretary SHINSEKI. Senator, let me defer to Secretary Donovan on this. The allocation is conducted by HUD. We do collaborate on this, for example, where we think more attention needs to be paid to the more rural areas. We are in dialogue, but ultimately, the decision is a HUD decision.

Secretary DONOVAN. Senator, thank you for your question.

I would just say the example that you cited, Vermont's housing community has been very creative in finding ways not just with HUD-VASH, but in other ways to serve homeless veterans. To be clear on the allocations, in 2008, there were 20 HUD-VASH vouchers allocated to Vermont. In 2009, there were 35. That is where the total 55 that you cited comes from.

And the 2010 allocation was 15. So it is slightly lower than the 2008 and significantly lower than the one last year.

Senator LEAHY. Trust me, we could use more.

Secretary DONOVAN. What we do each year is to look at our data on need, the number of homeless veterans in various geographies, and we determined this year, perhaps in part because of your effectiveness in using other tools as well to get veterans off the street, that a lower allocation was warranted. I would be happy to follow up with your team on more details on that need.

PROJECT RENTALS

Senator LEAHY. Yes, if you could. Also, the VA has wanted to allow VASH vouchers to be used for project-based rentals. The Vermont State Housing Authority asked the VA office in Boston last November if it can use project-based rentals, but it hasn't received a response yet. I know from Montpelier to Boston is almost 200 miles, but between November and May, you might mention to them, General, that a response would be nice.

Secretary SHINSEKI. I will look into it, and I will get you a response.

Senator LEAHY. I am sure you will. Because we would like to look at this project based rental as a possibility, and of course, we have issues with the slow lease-ups in the VASH program. I think it is an area where we could work with others on this. And I think the VA could make a very strong statement on their homeless program by moving into a Housing First model. I think it could be done.

RURAL AREAS AND HOUSING FIRST

I am not going to ask specific questions on it, but if both of you, if your staffs could work with mine on this, and again, there are areas that I see it as being especially helpful in rural areas, non-centralized areas, areas like our State is mostly rural. But every other State that is represented here has rural areas in it. We have not quite the population of South Dakota, but you are about eight times larger. So if I worry about our rural areas, I can imagine what yours are like.

Secretary SHINSEKI. May I respond?

Senator LEAHY. Sure.

Secretary SHINSEKI. Senator, regarding Housing First, I will credit our dialogue between Secretary Donovan and myself. Frankly, I had no background or much of a background in this area and I wasn't familiar with Housing First. Based on our discussions, I am convinced that it is a good way to go.

And so, we are beginning to relook at our policies regarding Housing First versus anything else we have there. I think I am comfortable that this will come out to a good conclusion and I'm happy to follow up with your staff as well.

Senator LEAHY. That is music to my ears. Thank you.

Secretary SHINSEKI. Okay. And on the rural issues, we have been in dialogue, both Secretary Donovan and I, on paying attention to the rural areas. And I think what I can tell you in grant per diem programs, 14 percent of our total funding have been dedicated to rural areas specifically.

We do, with the support of this subcommittee, have an opportunity to run a prevention pilot with both VA and DOD collaborating. It is a 3-year multisite pilot. HUD will select the sites. It targets rural communities. VA has the normal responsibility of coming up with case management.

We think it will begin in the fourth quarter of this year, and we think we will get as many as 210 veterans and families in the current year, this year, and then look for about 840 veterans and families in 2011. So we are paying attention to the rural aspects of the challenge.

Senator LEAHY. Thank you very much.

Thank you.

PROJECT-BASED VOUCHER PILOT

Senator MURRAY. Thank you.

Secretary DONOVAN. If I could just add very briefly? We are also implementing, thanks to your work on the HEARTH Act, the first-ever comprehensive rural homelessness program, and that will be introduced this year for the first time, given the differences and the challenges.

And also, I think, Senator Leahy, you may have had to be away from the hearing for a moment when I mentioned earlier that we are planning to implement for the first time ever a project-based HUD-VASH voucher pilot with 400 vouchers this year. It will be competitive because we do recognize that the project-based types of examples that you are talking about have been quite effective in certain places.

Senator MURRAY. Thank you.

We do want to get to our second panel. I have an additional question for each of you. I know Chairman Johnson does, and I assume Senator Bond may have additional questions.

Senator BOND. We are going to have a bunch for the record.

Senator MURRAY. For the record. Okay.

Senator BOND. We won't be ignored.

Senator MURRAY. Well, Secretary Shinseki, I just wanted to ask you quickly, you have talked about some of the really hard to serve, chronically homeless veterans, and you are open to some innovative programs such as, the Housing First model you just talked about. That is great.

CULTURAL CHANGE

But we are hearing that at some of the VA medical centers, the culture there is a little bit harder to change. What are you doing to really make sure that the changes are implemented down at the ground?

Secretary SHINSEKI. Well, we are. I work that at my level through the system, but as I go around and visit, it is checking to make sure that the word is getting there. We are working on the culture to change, advocacy is a major culture change. But accepting that dealing with homelessness is our issue, we have to solve it, and we will.

Senator MURRAY. Okay. Well, it is important to keep remembering that all the good words from back here have to go all the way down to the bottom to make it work.

Secretary SHINSEKI. I do.

PILOT PROGRAM ON HOMELESS VOUCHERS

Senator MURRAY. I think you know that.

Secretary Donovan, I wanted to ask you, our subcommittee actually had a hearing on homeless veterans a couple of years ago. It was very clear that a lot of our returning veterans are facing some unemployment issues and we know that that is one of the keys to dealing with homelessness in the long run. We are concerned about prevention, and part of that our subcommittee provided a pilot program on prevention, funding for that, directing you to work with the Department of Labor and others. Can you tell me how that is going?

Secretary DONOVAN. I think Secretary Shinseki talked very briefly about it. If I could expand, it is in the final stages of clearance through the administration. We do expect to have it, be able to announce it within the coming weeks.

We have worked very closely with the National Guard and the Reserves, looked at the data particularly on veterans returning from Iraq and Afghanistan because so many of the job issues do face recent returnees as well, to try to target them geographically in terms of the way that we would distribute it. And I would say not just in the demonstration itself, but more broadly, through the process of the Interagency Council, Hilda Solis, who is the Vice Chair of the Council, has been just a magnificent partner.

And I think whether it is through Recovery Act training dollars and a range of other opportunities, she has been a wonderful part-

ner to ramp up those efforts to connect veterans to jobs, and that is something that Secretary Shinseki has been very focused on as well.

Senator MURRAY. Okay. I appreciate it, and Chairman Johnson.

BUILDING UTILIZATION REUSE AND REVIEW

Senator JOHNSON. Secretary Shinseki, last year, we provided an additional \$50 million in military construction for the VA to renovate empty buildings on VA campuses to be used for community-operated homeless programs. What is the status of this initiative, and is the VA considering creating permanent housing for homeless vets on VA campuses?

Secretary SHINSEKI. Thank you, Mr. Chairman.

A good question and an important one, we call this our BURR program, Building Utilization Reuse and Review.

Thanks to the work of Congress, we received \$50 million that was provided by Mil Con. We have put it to work with these priorities—increased housing opportunities, specifically looking at patients with polytrauma diagnosis; preventing homelessness for veterans who are in their own homes, but who may be at risk of being homeless, using this to keep them stable; and then reducing the current homelessness veteran population. So those are the three pieces of it.

We started with 49 sites that were designated through a site review process. I can tell you that 18 sites are under development. Five contractors, developers have been selected. RFPs have been issued. RFPs are under review, and there are six pending requests for proposals, RFPs. Eight sites are moving forward in Salem, Virginia; Ashville, Bay Pines, and Lake City, Florida; Danville, Illinois; Long Beach, California; Des Moines, Iowa; and Menlo Park.

So we have gotten to identifying locations. Three sites have been designated for assisted living, and then 20 sites are still under further study. So that is sort of the stamp of where we are today.

HOUSING OPTIONS

Senator JOHNSON. Secretary Donovan and Secretary Shinseki, there seems to be a growing discussion over a permanent housing approach versus a transitional approach. Can you give us your thoughts on both approaches and what you believe is the best path forward in terms of housing programs over the next 10 years?

Secretary SHINSEKI. Mr. Chairman, I think this touches a little bit also on Senator Bond's question about why aren't you looking for 100,000 HUD-VASH? I think we need a combination of options here.

I think moving people, getting people out of homelessness, is sort of a journey and not trying to go from zero to 60 too quickly. There is a requirement for temporary housing. There is a certain requirement for transitional housing. Then, as you deal with the more serious cases, of course, you will have to have permanent housing with supportive services.

I think both of us would point out that in the long term, prevention is probably the best way to go that if we can keep people stable in their current houses and help them through the rough pe-

riod, it is good for them. And in the long run, it is a more efficient process.

When we are not able to do that, then our effort should be to as quickly as possible turn them around and get them back into either their housing or a permanent situation, that the longer they live on the streets in a homeless situation, things happen, and people change. And this is where the definition of chronic homelessness sets in.

If they are on the streets for a year, I think we call them chronically homeless, not because it is just a term, but because things begin to change, their attitude and makeup. And so, we want to avoid that. Or folks who have 4 homeless incidents in 3 years also meet this standard of chronic homelessness. So it is more than just a tag term. There is something about long-term homelessness that goes with that chronic identification.

So keep people in homes by prevention first, or a quick turn, and this is where rapid re-housing, I think, is HUD's solution to the program. We have learned from that. We have created our version of it, and it is called Support Services to Veterans' Families. It is in the 2011 budget.

But we need to get people very quickly back and not let them live on the streets for an extended period of time. And then when you are not able to do that, then you have the rest of the options to include HUD-VASH. I think you need a combination of all. I think we will get better at establishing exactly where the balance is.

And I think, in reality, at the end of the 5-year mark, the veterans we will be dealing with would be the hard to serve cases for the most part. That if we have been successful, as we intend to be, in the rest of this, we will have the very tough cases at the end. We are going to have to really be at the top of our game while we will learn over the next 2 or 3 years.

Secretary DONOVAN. I think Secretary Shinseki has said it well. It is about finding the right solution for the individual or the family, and that really varies. And I think one of the reasons we have been able to make so much progress on chronic homelessness, why the numbers the Secretary gave you earlier about the progress on veterans' homelessness as well is a lot of it is about targeting.

Collaborating across agencies and being able to really say here is an individual who has been chronically homeless, and what—the solution for them is going to be different from a family that with just a month's rent or a security deposit or even a utility bill, if they are in housing already and at risk of losing it, can be a more effective solution for them and much cheaper for the taxpayer in the long run. And so, it really is about that targeting.

Other than that, I would just say one other thing, which is that I think we have learned over time that permanent housing is something that can work faster and more effectively than we might have thought for even some of the most difficult to serve. And that is where I think this Housing First model is so critical.

There will continue to be needs for transitional housing, as we have said, but making sure that the emphasis is not on putting a Band-Aid on the solution with a shelter bed, by making sure that we are getting to the long-term solutions. And oftentimes, getting somebody stably housed in a permanent housing situation first can

lead to much longer-term benefits. It gives them a stable platform to be able to deal with many of the other issues in their lives that too often in the past we have said to them, well, go deal with those issues first and then come back, and we will find you a permanent housing solution.

We have been able to reverse that with the Housing First approach, and it has been very, very effective in a large number of cases.

Senator MURRAY. Thank you.

Senator BOND, did you want to submit—

Senator BOND. No, thank you.

Senator MURRAY. Okay. Well, I would like to thank both Secretary Donovan and Secretary Shinseki for the tremendous work on this, and you can see both of these subcommittees, bipartisan, are going to be working with you very directly to continue to work on this.

ADDITIONAL COMMITTEE QUESTIONS

So thank you. And again, we will have questions submitted for the record that we would like responses from both of you.

Thank you.

Secretary DONOVAN. Thank you and congratulations for your leadership on this. You have been a remarkable leader, as the whole subcommittee has. Thank you.

Secretary SHINSEKI. Thank you very much.

Senator MURRAY. Thank you.

[The following questions were not asked at the hearing, but were submitted to the Departments for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. ERIC K. SHINSEKI

QUESTIONS SUBMITTED BY SENATOR GEORGE V. VOINOVICH

Question. What progress is being made in the hiring of more female doctors and psychological counselors within the VA Medical System?

Answer. Females currently make up 33.65 percent of physicians in VHA thus far in fiscal year 2010. This is the highest level in the last 5 years, ranging from 29.64 percent in fiscal year 2005 to 33.24 percent at the end of fiscal year 2009.

The percentage of female physicians hired has increased over the last 5 years from 34.64 percent in fiscal year 2005 to 37.24 percent in fiscal year 2009, and is now at 38.11 percent in fiscal year 2010.

Females make up 55.91 percent of onboard psychologists (0180 series) in VHA, and they've been over 50 percent for this occupation since 2008. Hiring for this occupation is currently at 61.57 percent female so far in fiscal year 2010, which is slightly down from last year's female hiring of 64.59 percent.

Question. Has the VA given any consideration to partnering with the Department of Defense to take over the entire military discharge and release from duty processing?

Answer. VA works closely with the Department of Defense (DOD) to transfer military treatment records through the Pre-discharge programs. However, VA has not considered partnering with DOD to take over the entire military discharge and release from duty process because this process contains DOD functions that are not related to VA. For example, VA cannot take over DOD functions such as determining the character of discharge, preparing the Certificate of Discharge (DD214), or arranging the transfer of household goods.

Question. What progress is being made with the pilot program underway (in which Cuyahoga Community College in Cleveland Ohio will be participating) that brings VA benefit counselors to college campuses on a regularly scheduled basis?

Answer. VA's Vocational Rehabilitation and Employment (VR&E) program initiated the VetSuccess on Campus pilot program, which provides outreach and transi-

tion services to the general veteran population during their transition from military to college life.

VetSuccess on Campus is available to veterans enrolled at three colleges: University of South Florida, San Diego State University, and Cleveland State University. The following are the proposed sites for the expansion of the VetSuccess on Campus pilot: Community College of Rhode Island, Rhode Island College, Arizona State University, and Texas A&M (Killeen) at Ft. Hood. Cuyahoga Community College is not participating in the pilot program at this time.

The role of the VetSuccess on Campus Vocational Rehabilitation Counselor (VRC) is to liaison with the VA certifying officials, perform outreach, and communicate with veteran-students ensuring their health, educational, and benefits needs are met, resulting in the completion of their degrees. The VRC provides vocational testing, career and academic counseling, and adjustment counseling to resolve problems interfering with completion of education programs and entrance into employment. Presently, the combined veteran population served at the three pilot sites is more than 2,600.

Question. Is the VA going to expand its program of more community based Outreach and Medical facilities? I'm pleased to note one of these new medical facilities is opening in Parma, Ohio. Are more of these community based medical & psychological care facilities being planned?

Answer. Between fiscal years 2008 and 2009, VA increased the number of Community-Based Outpatient Clinics (CBOCs) by 28 to a total of 783 CBOCs. VA is activating 79 new CBOCs in fiscal year 2010. Over the past few years, VHA has increased the rigor with which it identifies high priority markets for access expansion. On an annual basis, VHA identifies those markets that have a combination of limited geographic access and projected increased demand for primary care and outpatient mental health services, since these are the services predominately provided in CBOCs. These markets are then ranked and a special emphasis is placed on planning to meet the needs of veterans in these high priority markets.

The Veterans Health Administration (VHA) is the largest integrated provider of care in the country, with over 5.5 million veterans each year receiving care at over 1,100 locations, including inpatient hospitals, healthcare centers, and community based outpatient clinics (CBOCs).

Question. Is the VA partnering in any way with the Department of Labor—or for that matter any private sector partners—on programs that provide construction skills training to homeless veterans? I'm particularly interested in learning about any programs where homeless vets would be taught construction apprenticeship skills that would then allow them to rehab older properties in cities such as Cleveland to then be used as either permanent or transitional housing for homeless veterans.

Answer. VA's Vocational Rehabilitation and Employment (VR&E) program implemented a national partnership with the Department of Labor (DOL) and State Workforce Agencies (SWA), which began with a pilot demonstration project in January 2008 at eight locations: Denver, Little Rock, Manchester, Montgomery, Oakland, Philadelphia, St. Louis, and St. Petersburg. This national partnership with DOL and SWA was fully implemented in December 2008.

All veterans receiving VR&E services to obtain employment are referred to their local SWA to receive services from the Disabled Veteran Outreach Program Specialist, Local Veterans' Employment Representative, and Intensive Services Coordinator. Additionally, VR&E Employment Coordinators work with DOL and SWA to assist veterans with securing suitable career employment.

Our Partnership with DOL is inclusive of their Office of Apprenticeship State Office. DOL's Registered Apprenticeship program complements VR&E's On-the-Job Training program by providing veterans a combination of classroom instruction and practical on-the-job training. VA's payment of subsistence allowance supplements the veteran's apprenticeship income. Registered apprenticeships are available in all 50 States and U.S. territories.

In June 2010, VA conducted initial meetings with the Habitat for Humanity, Montgomery County, Maryland, to explore the possibility of a partnership within the District of Columbia, Virginia, and Maryland areas. Preliminary discussions included the Habitat for Humanity's program that would provide the necessary training in construction skills for veterans that could enable them to assist in the building and rehabbing of properties that could potentially be used as either permanent or transitional housing for homeless veterans. Follow up meetings are planned to evaluate these possibilities.

NONDEPARTMENTAL WITNESSES

Senator MURRAY. With that, we are going to ask our second panel to come forward. And while they are approaching, we will be taking testimony in the order of Ms. Barbara Poppe, who is the Executive Director of the U.S. Interagency Council on Homelessness; Mr. Stephen Norman, executive director of the King County Housing Authority and vice president of the Council on Large Public Housing Authorities; and Mr. Mike Brown, a formerly homeless veteran and case manager for VA Grant and Per Diem Program, located in Walla Walla, Washington.

Senator MURRAY. Again, welcome to all of our panelists. Ms. Poppe, we will begin with your testimony.

STATEMENT OF BARBARA POPPE, EXECUTIVE DIRECTOR, U.S. INTER-AGENCY COUNCIL ON HOMELESSNESS

Ms. POPPE. Chairman Murray, Chairman Johnson, and Ranking Member Bond, and distinguished members of the subcommittee, thank you for the opportunity to share the vision and work that this administration is undertaking to achieve the goal of ending homelessness for veterans, as well as for children, youth, families, and single adults who experience homelessness in our country.

I will outline the highlights of my written testimony, which has been submitted to the record.

Senator MURRAY. And all of your testimony will be put in the record.

Ms. POPPE. It is my honor to serve as the Executive Director of the United States Interagency Council on Homelessness. The mission of the Council is to coordinate the Federal response to homelessness and to create a national partnership at every level of Government and with the private sector to reduce and end homelessness in the Nation while maximizing the effectiveness of the Federal contribution.

The Council consists of 19 Federal agencies with HUD Secretary Shaun Donovan serving as the current Chairman and Labor Secretary Hilda Solis as the Vice Chair. Following a very historic meeting yesterday of the full Interagency Council, I would like to report that we are very close to finalizing the first-ever Federal strategic plan to prevent and end homelessness, as was mandated by the HEARTH Act just a year ago.

Over the last few months, there have been extensive high-level discussions and unprecedented collaboration. I want to thank Secretary Donovan and Secretary Shinseki for the very hard work that they and their staffs have dedicated to our joint efforts over the past few months in crafting the plan. We expect to deliver the plan to the President and the Congress quite shortly.

The increase in homelessness over the past three decades, as you know, is the result of the convergence of three key factors. First,

the loss of affordable housing, combined with the rising housing costs. Second, household incomes that are simply insufficient to meet basic needs. And finally, the closing of State psychiatric institutions without the concurrent creation of community-based housing and services.

Veterans, as you know, are disproportionately represented among those experiencing homelessness. The targeted efforts of VA, HUD, and others have achieved positive results recently, driving both the numbers and the percentage of veterans in the ranks of homelessness down.

Despite these impressive efforts, however, there still remain between 44,000 and 66,000 veterans who experience chronic homelessness. Research indicates that those serving in the late Vietnam and post Vietnam era are at greatest risk of homelessness. Veterans returning from the current conflicts in Afghanistan and Iraq often, as you have noted, have severe disabilities that are known to be correlated with long-term unemployment, which predispose people to homelessness.

The keys to success and stability, though, are found in a permanent, affordable home, paired with sufficient income and access to healthcare and community-based services that can be provided by the VA, as well as others. In the last decade, by combining housing and supportive services to create permanent supportive housing, the number of chronically ill, long-term homeless persons has been cut by a third nationwide.

And despite the current economic crisis, the U.S. Conference of Mayors has shown that that number has remained stable and even declined. Without access, though, to stable housing and services, individuals bounce from one emergency system to the next, from streets to shelters, to public hospitals, to psychiatric institutions and detox centers, and back to the streets, seemingly endlessly.

HUD-VASH

There is an extremely high cost of this cycle of homelessness in human and economic terms. HUD-VASH is a critical component to addressing the housing and services needs of chronically homeless veterans, as well as veterans with disabilities, including mental illness.

HUD and the VA have been working extremely hard in the partnership to make this program a success for those veterans who need permanent supportive housing. In the months that I have been here, I have been impressed with the progress being made to increase the enrollment, the lease-up, as well as the adoption of best practices around Housing First.

Recognizing the risk of transitioning into civilian life, the Department of Defense, VA, and Labor are working together to make this transition more seamless. This collaboration includes the development of processes to support electronic transmission of service and healthcare records. Service members can address their housing needs as well as employment, benefits, and other essentials as part of their individual transition plan. Successful implementation of this process will do much to prevent future homelessness among our returning soldiers.

RAPID RE-HOUSING

Another best practice, though, that has proven to be very successful in communities across the country, particularly among families, is rapid re-housing. Rapid re-housing is an outcome-oriented, housing-focused strategy that could also assist veterans experiencing homelessness. This strategy is based on the principle that individuals and families first need housing to provide the foundation to address other needs, like education, training, or treatment. Permanent housing is the base that makes stability and well-being possible.

Finally, we do all live locally. And so, housing and services must work at the community level if we are to be successful in ending veterans' homelessness. Partnerships between the nonprofit and public sectors must work in a more integrated manner. I appreciate the opportunity to speak to you today about veterans' homelessness, and I look forward to working with you on ending homelessness for veterans, as well as all others, through the Federal strategic plan to prevent and end homelessness.

PREPARED STATEMENT

We do have our work cut out for us, but I am certainly buoyed by the commitment that has been shown by your subcommittee, by each of you personally, and by Secretaries Donovan, Shinseki, and the President. By working together, breaking down silos at Federal, State, and local levels, we can and will make progress.

I look forward to your questions. Thank you.

[The statement follows:]

PREPARED STATEMENT OF BARBARA POPPE

Chairman Murray, Chairman Johnson, Ranking Member Bond, Ranking Member Hutchison, and distinguished members of the two subcommittees, thank you for the opportunity to share the vision and work that this administration is undertaking to achieve the goal of ending homelessness for veterans as well as for children, youth, families and single adults experiencing homelessness.

It's my honor to serve my country as the Executive Director of the United States Interagency Council on Homelessness in this time of special focus on better meeting the needs of veterans. I was appointed by the Council in October and began the position on November 16, 2009. With more than two decades of nonprofit experience in homelessness and housing—from direct service to program director to executive leadership to most recently as a system leader—I am now working to align Federal policy with best practices in community responses to homelessness. The mission of the Council is to coordinate the Federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the Nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness. Department of Housing and Urban Development Secretary Shaun Donovan is the current Chairman and Department of Labor Secretary Hilda Solis is the current Vice Chair of the Council, which includes 19 Federal agencies. We are completing the HEARTH Act mandate to develop a Federal Strategic Plan to Prevent and End Homelessness. In addition to the implementation of the Plan, USICH will be:

- Establishing and maintaining effective, coordinated, and supportive relationships with each Federal agency;
- Organizing and supporting State/tribal/local/communities to effectively implement local plans;
- Developing means to provide an effective portal to Federal programs and initiatives;
- Establishing and maintaining effective communications with Congress;
- Aggregating and promoting research/evaluations and manage accountability/results; and

—Establishing effective partnerships with the public and private sector stakeholders.

I want to thank Secretary Donovan, Secretary Shinseki, and Secretary Solis for the hard work that they and their staffs have dedicated to our joint efforts over the past few months in crafting the Federal Strategic Plan. As Appropriators, your work and commitment to the Plan's implementation will be critical to its success as well and I look forward to engaging you and your respective staffs in the months ahead. We expect to deliver the plan to the President and Congress shortly.

Today, I will talk about homelessness in general, and then turn to speak specifically about homelessness among veterans, what can and is being done to improve their circumstances. I will then discuss the development of the Plan and our stakeholder input process.

OVERVIEW OF HOMELESSNESS IN THE UNITED STATES

Thirty years ago, homelessness was predominantly experienced by single adults—mostly men. Homelessness among families, youth, and children did not exist in the same way it does today. Economic downturns have historically led to an increase in the number of people experiencing homelessness. In the last three decades, however, the number of people experiencing homelessness has remained high even in good economic times.

From years of practice and research, we know what works to end chronic homelessness. Evidence points to the role housing plays as an essential platform for human and community development. Over the past 5 years, the public and private sectors have made remarkable progress in reducing chronic homelessness. By combining permanent housing and a pipeline of support services, we've reduced the number of chronically ill, long-term homeless individuals by nearly one-third in the last 5 years. Stable housing is the foundation upon which people build their lives—absent a safe, decent, affordable place to live, it is next to impossible to achieve good health, positive educational outcomes, or reach one's economic potential. Indeed, for many persons living in poverty, the lack of stable housing leads to costly cycling through crisis-driven systems like foster care, emergency rooms, psychiatric hospitals, detox centers, and jails. Keeping people out of homelessness in the first place or getting them back into housing as quickly as possible is cost effective and the right thing to do.

Increases in homelessness over the past decades are the result of a convergence of three key factors: The loss of affordable housing and rising housing costs; household incomes that are insufficient to meet basic needs; and the closing of State psychiatric institutions without the concomitant creation of community-based housing and services.

Lack of access to affordable housing is a significant problem for households at the lowest economic levels. Renter households earning less than 30 percent of median income face the tightest housing market. According to a HUD Study on U.S. Housing Rental Statistics, from 2001 to 2007 the Nation's affordable unassisted rental housing stock decreased by 6.3 percent, while the high-rent rental housing stock increased 94.3 percent. This translates into a loss of more than 1.2 million affordable unassisted rental units from 2001 to 2007.

Without steady income, maintaining housing is not feasible. The recession of the past 2 years has had a major negative impact on families with the loss of jobs or opportunities for new employment. It has led to a rise in family homelessness especially in suburban and rural areas. Personal financial crises such as major healthcare costs or other sudden costs can cause housing instability or homelessness. The economic circumstances of households below 30 percent of area median income generally are not affected by changes in the economy.

For a segment of those who are homeless, mental illness and lack of proper care lead to homelessness. Without the proper supports, these individuals may not be able to maintain their housing over time even with a housing subsidy.

HUD's 2008 Annual Homeless Assessment Report (AHAR) documents that on a single night, 664,000 people were homeless, the majority of whom were homeless due to lack of income but includes those temporarily homeless due to natural disaster. Of those, 58 percent were sheltered (living in emergency shelter or in transitional housing), 42 percent were unsheltered (on the streets, camping outdoors, or living in cars or abandoned buildings). Single individuals made up 62 percent and people who presented within family groups were 38 percent. Over the course of the year, the AHAR reports approximately 1.6 million people used emergency shelters or transitional housing programs. Most had relatively short lengths of stay in emergency shelters.

Over the course of 2008, people accessing shelters and transitional housing programs were individual adults (58 percent). Close to three-quarters were men. Forty-three percent of sheltered adults without families had a disabling condition and 13 percent were veterans.

HOMELESSNESS AMONG VETERANS

In 2009, the Department of Veterans Affairs (VA) estimated 107,000 homeless veterans on any given night through its Community Homeless Assessment Local Education and Networking Groups (CHALENG). This represented an 18 percent reduction from the 2008 estimate of 131,000 veterans on any given night. This reduction represents a significant step toward achieving VA's goal of eliminating homelessness among veterans. But more remains to be done.

We know that veterans accounted for a larger proportion of those experiencing homelessness compared to the overall population. In the past, the targeted efforts of the VA, HUD and others has had positive results driving both the numbers and percentage of veterans in the ranks of the homeless down. However even with the impressive efforts, approximately 44,000 to 66,000 veterans were believed to be experiencing chronic homelessness a year ago.

This population is composed of veterans from different conflicts, ranging from World War II to the current conflicts. Though research indicates that those serving in the late Vietnam and post-Vietnam era are at greatest risk of homelessness, veterans returning from the current conflicts in Afghanistan and Iraq often have severe disabilities that are known to be correlated with homelessness.

According to a 2007 study by the National Alliance to End Homelessness and the Homelessness Research Institute, nearly one-half million (467,877) veterans were severely rent burdened which means they were paying more than 50 percent of their income for rent. More than one-half (55 percent) of veterans with severe housing cost burden fell below the poverty level and 43 percent were receiving foods stamps. Female veterans, veterans with a disability, and veterans that are unmarried or separated were more likely to experience severe housing cost burden. There are also differences by period of service, with those serving during the Korean War and WWII more likely to have severe housing cost burden than veterans who served during other periods of service.

Many veterans and their families have severe rent burdens, and as with other populations, this is a risk factor for homelessness. The new Supportive Services Grants for Low Income Veterans and Families is a step in the right direction to help these veterans and one that will aid many low-income veteran families from ever becoming homeless. Closing the front door that leads to homelessness is an important step toward ending veteran homelessness.

Causes of homelessness among veterans are similar to causes of homelessness among non-veterans (i.e. shortage of affordable housing, no or limited incomes, and health issues). Pre-military service experiences have a significant effect on risk of homelessness including physical or sexual abuse as a child, other traumatic experiences, or foster care. Some have experienced sexual abuse and trauma during and/or prior to military service. In 2007, 22 percent of women veterans who used the VA for healthcare screened positive for Military Sexual Trauma (MST). For all veterans, greater attention is being paid to the needs of their families and children by the VA and the community at large.

Veterans have high rates of Post Traumatic Stress Disorder (PTSD), traumatic brain injury (TBI), and sexual trauma, especially for women. Returning veterans from Iraq and Afghanistan have even higher rates possibly associated with repeated deployments. These factors significantly impact the ability to form trusting relationships. PTSD may also contribute to substance abuse problems and relapse. Other mental or behavioral health problems and/or TBI may result in cognitive impairments (difficulties with concentration or remembering tasks), difficulties in social relationships, controlling temper or impulses, or other effects that may create barriers to employment and stable relationships. Multiple and extended deployments may contribute to unemployment and/or damage to family connections and family conflict upon return. A majority of veterans who are homeless are single; social isolation is associated with higher risk of homelessness. There is an increasing number of Iraq and Afghanistan veterans who are women who are homeless or at risk of becoming homeless, and many of whom are caring for young children.

Homelessness exacerbates poor physical and behavioral health and increases people's contact with the criminal justice system. One-half of homeless veterans had histories of involvement with criminal justice after discharge from the military. Incarcerated homeless veterans have high levels of physical and mental health and/or substance abuse problems. About one-half of homeless veterans have serious

mental illness; 70 percent have substance abuse problems; over one-half have other health problems.

Combat introduces additional factors from post-traumatic stress. Like other populations, the complexity of navigating systems makes it difficult for veterans to get their needs met. There are unique and robust programs and supports available for veterans. Although for some, their lack of awareness about programs or their ambivalence about seeking care may keep them from receiving these services. In some cases, their military discharge status or lack of records may create complications in accessing services. Veterans need the same basics—affordable housing, jobs, further education or training, and access to health and behavioral healthcare—that other single adults or families need. Veterans experiencing chronic homelessness benefit from access to permanent supportive housing as well as comprehensive healthcare and a unique array of benefits.

INTERVENTIONS THAT WORK

Recognizing the risk of transitioning into civilian life, the Departments of Defense, Veterans Affairs, and Labor are working together to make this transition more seamless. This collaboration includes the development of processes to support electronic transmission of service and healthcare records. Service members can address their housing plans—as well as employment, benefits and other essential needs—as part of their Individual Transition Plan. The Department of Defense has emphasized that post-service education and training can play a critical role toward preventing homelessness for veterans. This is essential if service members want to remain competitive in the 21st century job market. Education and training serve as gateways that lead to sustainable employment that provides the economic support needed to keep a veteran from becoming homeless. The Department of Labor includes a module on homelessness in its Transition Assistance Program (TAP) employment workshop.

For most veterans experiencing homelessness, the keys to success and stability are found in a permanent, affordable home paired with sufficient income and access to healthcare and community-based services provided by the VA and others.

In the last decade, our country made great progress in developing new approaches to tackle chronic homelessness—a disproportionate number are veterans. By combining housing and supportive services to create permanent supportive housing the number of chronically ill long-term homeless persons has been cut by nearly one-third. And despite the current economic crisis, a recent report by the U.S. Conference of Mayors showed that the number of chronically homeless individuals has remained stable and even declined. As we move forward with the Federal Strategic Plan to Prevent and End Homelessness, permanent supportive housing for chronically homeless persons offers considerable potential to address homelessness in general, as well as better use of health resources. The vast majority of chronically homeless persons have a serious mental illness, substance abuse disorder or physical disability. Permanent supportive housing provides wrap around services and is different than regular affordable housing that would fit the needs of the broader population experiencing homelessness.

There is extensive support for permanent supportive housing as the preferred strategy for addressing chronic homelessness unlike strategies for other targeted populations such as families with children and youth. Supportive housing is proven to help people who face the most complex challenges—individuals and families who are not only homeless, but who also have very low incomes and serious, persistent issues that may include substance abuse, mental illness, and HIV/AIDS—to live more stable, productive lives. Without a stable place to live and a support system to help them address their underlying problems, most people who are homeless bounce from one emergency system to the next—from the streets to shelters to public hospitals to psychiatric institutions and detox centers and back to the streets—endlessly. There is an extremely high cost of this cycle of homelessness in human and economic terms.

There are three key research findings: First, chronically homeless persons constitute a finite and aging population; second, permanent supported housing is effective at promoting residential stability among this population; and third, the cost of providing permanent supported housing can be partially or entirely offset by substantial reductions in the utilization of expensive acute care services such as emergency department visits, inpatient medical or psychiatric hospitalizations, detoxification services, and shelter and jail stays.

An article published 2 years ago in the *Journal of the American Medical Association* centered on Seattle's 1811 Eastlake supportive housing project, run by the Downtown Emergency Service Center. The researchers studied 75 of the center's

chronically homeless residents—one-half of whom had serious mental illness and all of whom struggled with alcohol addiction.

In the year before participants in the program entered supportive housing, the 75 residents collectively spent more than 1,200 days in jail, and visited the local medical center more than 1,100 times at a cost to Medicaid of more than \$3.5 million.

In the year after participants entered 1811 Eastlake, days spent in jail were cut almost in half. Medicaid costs had dropped by more than 40 percent because hospital visits had dropped by almost one-third.

HUD VASH is a critical component to addressing the housing and service needs of chronically homeless veterans. HUD and the VA have been working extremely hard in partnership to make this program a success for the veterans who need permanent supportive housing.

Twenty thousand vouchers are available across the country. Priority populations for HUD-VASH include veterans who are experiencing chronic homelessness and who suffer from a mental illness and homeless veterans with families. Currently, approximately 19,000 veterans have been identified and accepted into HUD-VASH case management and 13,000 are leased.

A significant benefit of HUD-VASH is that it offers services to homeless veterans and their families, keeping them together as they transition out of homelessness and the veteran receives needed treatment. At present projections, nearly 2,250 homeless women veterans will be occupying HUD-VASH apartments when all of the 20,000 vouchers are leased up. Current projections also indicate that nearly 4,000 children of veterans will be housed with their veteran parent through HUD-VASH.

HUD and VA are working in a strong collaborative effort to get an additional 10,000 vouchers with case management available in fiscal year 2010. In an effort to make HUD-VASH more efficient and to improve access to the program, the VA is doing the following: adjusting the case management ratio to 25:1, adding substance abuse specialty to the case management team, and partnering with known and proven community providers to target and case manage veterans receiving services in HUD-VASH.

PUBLIC COMMENT AND ENGAGEMENT ON FEDERAL STRATEGIC PLAN

Beginning in early February, the new USICH team has done outreach across the country virtually and in person, that has informed the development of the first ever comprehensive Federal Strategic Plan to Prevent and End Homelessness that was mandated by the HEARTH Act of 2009. This Plan will be delivered to Congress soon.

The Federal Strategic Plan to Prevent and End Homelessness will serve as a roadmap for joint action by Council agencies to guide the development of programs and budget proposals toward a set of measurable targets. The Plan will reflect inter-agency agreement on a set of priorities and strategies the agencies will pursue.

USICH has centered the Plan on the belief—the moral foundation—“no one should experience homelessness—no one should be without a safe, stable place to call home.” We affirmed six core values to be reflected in the plan:

- Homelessness is unacceptable
- There are no “homeless people”, but rather people who have lost their homes who deserve to be treated with dignity and respect
- Homelessness is expensive; it is better to invest in solutions
- Homelessness is solvable; we have learned a lot about what works
- Homelessness can be prevented
- There is strength in collaboration and USICH can make a difference

The process to create this Plan was designed to be transparent and provide multiple opportunities for input, feedback and collaboration. USICH provided the framework and principles to all key stakeholders for public comment prior to the drafting of the Plan. USICH has invested significant resources and time to secure public comment into the development of the Plan. This comment period occurred from early February through March 22, 2010. Through regional stakeholder forums, phone calls, and listening sessions close to 1,000 people gave input. In addition, USICH posted a public comment Web site that received nearly 8,000 visits and over 2,000 comments. The input from these sessions was valuable and has been incorporated into the development of the Plan. We look forward to sharing the Plan with you soon.

CONCLUSION

Highlighting the importance of ending homelessness, President Obama’s recent fiscal year 2011 budget request for targeted homeless assistance programs is an 11.5

percent increase over fiscal year 2010 and the largest ever by a President. Furthermore, the proposed fiscal year 2011 budget request for these programs at the VA represents a 49 percent increase. The budget proposal reflects a strong commitment by the administration to prevent and end homelessness.

The submission of the Plan to Congress is the launching of a collaborative implementation process. The key will be the implementation from stakeholders ranging from the advocacy community, State and local government, and the non-profit and private sectors.

I would like to echo Secretary Donovan's and Secretary Shinseki's appreciation that the progress made on ending homelessness would not have been possible without the resources provided by you, as well as your personal commitment to the issue. National leadership on this issue is needed now more than ever. In all of my years working to end homelessness, I have never been more hopeful of the possibility to put an end to it. Chairwoman Murray, Chairman Johnson, Ranking Members Bond and Hutchison, and members of the subcommittees, I appreciate the opportunity to speak to you today about veterans' homelessness. I look forward to working with you on ending homelessness for veterans as well as for all others through the Federal Strategic Plan to Prevent and End Homelessness. Our work is cut out for us, but I am buoyed by the commitment that has been shown by your subcommittee, by you personally, by Secretaries Donovan and Shinseki and by the President. By working together, breaking down silos at the Federal, State and local levels, we can and will make progress. I look forward to your questions. Thank you.

Senator MURRAY. Thank you very much.
Mr. Norman.

STATEMENT OF STEPHEN NORMAN, EXECUTIVE DIRECTOR, KING COUNTY HOUSING AUTHORITY, SEATTLE, WASHINGTON

Mr. NORMAN. Chairman Murray, Chairman Johnson, Ranking Member Bond, Ranking Member Hutchison, and distinguished members of the subcommittee, I have the privilege of serving as the executive director of the King County Housing Authority. The authority serves the 1.2 million people living in communities surrounding the city of Seattle. Last night, an estimated 1,700 veterans were homeless on our streets or in our shelters.

I also serve as vice president of the Council of Large Public Housing Authorities, whose members administer 35 percent of the HUD-VASH vouchers authorized over the past 3 years. I am honored to be here today and thank you for the subcommittee's commitment to ending homelessness among those who have served our country. In particular, I would like to acknowledge the tremendous leadership role played by Senator Murray, both in Washington State and nationally.

The housing authority community is strongly supportive of the VASH program. First, it is a major tool in local efforts to end homelessness among veterans in 5 years, a goal that housing authorities share with Congress, this administration, and our local communities. Studies have clearly shown that close coordination of housing and support services is the key to successfully stabilizing chronically homeless individuals.

Second, HUD-VASH represents an important model, combining HUD resources with mainstream services, an approach that must be replicated with other Federal departments, such as HHS and Labor, if we are to successfully address the broader issue of homelessness in our communities.

I am here today to tell you that the HUD-VASH program is a success. It is not housing our veterans at the rate at which we would like, success is not uniform around the country, and significant improvements can be made to the program. But the basic

premise is sound, and there are thousands of veterans now living in safe, decent housing and getting their lives together because of it.

In King County, our authority has partnered closely with the Seattle VA medical center. I have high praise for the dedicated line staff that are providing direct services to our veterans. The authority received an initial allocation of 53 vouchers in May 2008 and by August 2009 was fully leased up.

The veterans that we are housing struggle with significant disabilities. In addition, many have credit and criminal histories that have made private landlord acceptance, even with a section 8 voucher, difficult and time consuming.

We look at two key statistics in evaluating success. First, what we call the shopping success rate. I am pleased to report that all of our voucher recipients were able to successfully lease housing on the private market. The time from receipt of the voucher to move-in averaged 41 days.

A second key outcome is housing stability. At present, only 2 of these initial 53 individuals have lost their housing, a retention rate of 96 percent.

A second tranche of 52 vouchers was received in September 2009. Ninety-eight percent of those vouchers have been issued, and over one-half of those vouchers are now leased up. The program is gaining momentum.

A key element in the success of the program has been communication. Very early in the process, we developed a memorandum of understanding with the VA that laid out respective roles and expectations. Program staff met on a regular basis to evaluate progress and address operational issues. This approach, involving open, ongoing, and structured dialogue, distinguishes successful VASH programs around the country.

A number of areas have emerged, however, where we believe that the program can be strengthened. Time does not allow me to go through these in detail. I refer you to the written testimony.

But, in summary, first, the greatest frustration from the perspective of housing authorities has been the lack of a prompt and steady pipeline of referrals. Our understanding is that this delay, for the most part, has been caused by the need for local VA medical centers to hire additional caseworkers before moving forward with new referrals.

This front-end lag is repeated with each new appropriation. The VA should be empowered to initiate the hiring process earlier, or the length of time it takes to bring new case managers on board needs to be shortened.

Second, robust cross-training of VA and housing authority staff is needed. VA staff in particular requires training in section 8 program eligibility requirements and in providing housing search assistance. Training, stronger local communication protocols, and the identification and dissemination of best practices need to be institutionalized on the national level.

Third, even with a section 8 voucher, VASH clients need additional resources to pay screening fees, provide security and utility deposits, and buy a modest amount of furniture. A small flexible

allocation to the VA to address client move-in needs would go a long way to expediting the rental process.

Fourth, the VA needs to consider more extensive involvement of community-based service providers in implementing the HUD-VASH program. These groups can be essential in providing outreach to homeless veterans who are not presently being served by the VA system, in assisting in housing search, and in providing direct case management services. Contracting with outside providers may also provide a partial solution to the log-jam caused by delays in internally staffing up at the VA.

Fifth and this is a critical one. KCHA administers over 2,000 units of scatter-site housing for households with disabilities, and we have found that it is essential to have a range of housing available to support different household needs. The creation of more site-based supportive housing—typically defined as housing developed by nonprofit service providers with on-site services—will be necessary to make VASH succeed.

Site-based supportive housing provides a vital additional layer of support to help assure that individuals remain housed successfully. Local service providers tell us that up to 50 percent of chronically homeless veterans could benefit from this approach.

The ability to project base HUD-VASH vouchers is a critical element in developing supportive housing. And HUD, to its credit, has been flexible and responsive in helping to facilitate this. More work is required, however, to create an adequate pipeline of supportive housing.

Sixth, a degree of ambiguity continues to persist regarding the question of appropriate targeting. Many homeless veterans do not fit neatly into the program and treatment boxes we have created. A Housing First approach, which has been utilized effectively in stabilizing chronically homeless individuals, is beginning to be adapted more broadly by the VA. Housing First, coupled with harm reduction, may be the only way to initially engage and stabilize a sizable portion of our street population.

Finally, veterans living on our streets suffer a broad array of disabilities. A flexible funding approach that empowers local programs to allocate service resources and adjust case management ratios to reflect individual client needs should be encouraged. Additional partnerships with local providers, particularly around site-based supportive housing opportunities, may offer a partial solution to this.

The HUD fiscal year 2011 budget calls for a moratorium on new HUD-VASH vouchers. I believe it is prudent in this difficult funding environment to only ask for funds that are immediately needed. I note, however, that many locales around the country will fully lease up their 2010 voucher allocation before 2012 budget is enacted.

In King County, we anticipate that we will have exhausted our available HUD-VASH vouchers by January 2011. To close our front door, stand down, only to restart the lease-up process a year later, makes no sense operationally. Of the 1,700 homeless veterans in King County, one-half are chronically homeless. If we are serious in our commitment to addressing this issue within 5 years,

we need to sustain the momentum, the relationships, and the programs we have developed.

PREPARED STATEMENT

While it may not be necessary to fund a full round of HUD-VASH vouchers in 2011, it will be important to assure that there is an ongoing supply of new vouchers for those locales that are efficiently utilizing their present allocations, ensuring that the existing progress can be sustained and built upon.

Thank you again for your efforts on behalf of veterans.
[The statement follows:]

PREPARED STATEMENT OF STEPHEN NORMAN

Chairman Murray, Chairman Johnson, Ranking Member Bond, Ranking Member Hutchison, and Distinguished Members of the Committee: My name is Stephen Norman and I am the executive director of the King County Housing Authority. The Authority serves the metropolitan region surrounding the city of Seattle, comprising a series of urban and suburban communities that are home to over 1.2 million people. Last night an estimated 1,700 veterans were homeless on our streets or in our shelters.

I also serve as vice president of the Council of Large Public Housing Authorities, whose members administer 35 percent of the VASH vouchers authorized over the past 3 years.

I am honored to be here today and thank you for the subcommittee's commitment to ending homelessness among those who have served our country. In particular I would like to acknowledge the tremendous leadership role played by Senator Murray both in Washington State and nationally.

The Housing Authority community is strongly supportive of the VASH program:

First.—It is a major tool in local efforts to end homelessness among veterans in 5 years, an objective that Housing Authorities share with Congress, this administration and our local communities. Studies have clearly shown that close coordination of housing and support services is the key to successfully stabilizing chronically homeless individuals.

Second.—VASH represents an important model, combining HUD's housing programs with resources from a mainstream service system, an approach that must be replicated with other Federal departments such as HHS and Labor if we are to successfully address the broader issues of homelessness in our communities.

This partnership carries with it both enormous promise and new challenges arising from the need to coordinate between programs with significantly different focuses, administered by bureaucracies that speak profoundly different languages.

I am here today to tell you, however, that the VASH program is a success. It is not housing our veterans at the rate at which we would like, success is not uniform around the country, and I believe that there are significant improvements that can be made to the program, but the basic premise is sound, and there are thousands of veterans now living in safe, decent housing and going about the task of getting their lives together because of it.

In King County, our Authority has partnered closely with the VA's Puget Sound Health Care System, Seattle Division, to address local needs. I have high praise for the dedicated line staff of the VA who are providing direct services to our veterans.

The Authority received an initial allocation of 53 vouchers in May 2008, and by August 2009 was fully leased up. The veterans that we are housing struggle with significant disabilities. Many have bad credit and criminal history issues that have made brokering private sector landlord acceptance, even with a section 8 voucher, difficult and time consuming.

We look at two key statistics in evaluating success. First, what we call the shopping success rate. All of our initial voucher recipients were able, some with considerable assistance, to successfully lease housing on the private market. The time from receipt of the voucher to move-in averaged 41 days. A second key outcome is housing stability. At present only 2 of these initial 53 individuals have lost their housing, a retention rate of 96 percent.

A second award of 52 vouchers was received in September 2009. Over one-half of those vouchers are now leased up.

A key element in the success of the program has been communication. Very early in the process the Seattle and King County Housing Authorities developed an inter-

agency memorandum of understanding with the VA that laid out respective roles and expectations. Program staff from the different agencies meet on a regular basis to evaluate progress and address operational issues. This approach, involving open, on-going and structured communication, characterizes the most successful VASH programs around the country.

A number of areas have emerged, however, where we believe that the program can be strengthened:

First.—The greatest frustration from the perspective of Housing Authorities nationally in quickly leasing up these vouchers has been the lack of a prompt and steady pipeline of referrals. Our understanding is that this delay, for the most part, has been caused by the need for local VA Medical Centers to hire additional case-workers before they move forward with new referrals. This front-end lag is repeated with each new appropriation. A mechanism needs to be developed to either enable the VA to initiate the hiring process earlier or to shorten the length of time it takes to bring new case managers on board so that the program can hit the ground running.

Second.—Robust cross-training of VA and Housing Authority staff needs to take place. As I mentioned before, both the language and cultures are profoundly different. VA staff, in particular, need training in understanding the section 8 program eligibility requirements and in providing housing search assistance. In many locales across the country, including Minneapolis and Los Angeles, housing authority staff are now actively engaged in training their VA counterparts. This kind of training, stronger local communication protocols and the identification and dissemination of best practices needs to be institutionalized on the national level.

Third.—Even with a section 8 voucher, VASH clients need additional resources to pay screening fees, provide security and utility deposits and buy a modest amount of furniture. The Seattle region is somewhat unique in having passed a levy several years ago specifically dedicating a portion of the local sales tax to veterans' issues. This has enabled our VASH program to tap into local funds to address these needs. In other communities such as San Diego, Homelessness Prevention and Rapid Rehousing Program (HPRP) funds are being utilized. This coordination of other HUD funds has been very helpful, but does not provide a permanent fix as HPRP was funded under the ARRA legislation and is not on-going. A small flexible allocation to the VA to address client move-in needs would go a long way in expediting the rental process.

Fourth.—The VA needs to consider the more extensive involvement of community-based service providers in implementing the VASH program. These groups can be essential in providing outreach to homeless veterans who are not presently being served by the VA system, in assisting in housing search, as they are currently doing in Washington, DC and Oakland, and in certain instances, particularly in supportive housing already being managed by a service provider, in providing the direct case management services. Contracting with outside providers may also be one partial solution to addressing the log-jam caused by delays in internally staffing up at the VA.

Fifth.—KCHA currently administers over 2,000 units of scatter-site housing for households with disabilities and has found that it is essential to have a range of housing types available to successfully support different household needs. The creation of more site-based supportive housing—typically defined as housing developed by non-profit service providers with on-site services—is an important missing piece of the puzzle. Supportive housing is independent living with what we like to call a concierge level of services in the building—a vital additional layer that helps to assure that individuals remain successfully housed. Local service providers actively engaged with homeless veterans tell us that they believe that up to 50 percent of chronically homeless veterans could benefit from this approach. The ability to project-base VASH vouchers is a critical element in developing supportive housing and HUD to its credit has been flexible and responsive in helping to facilitate this.

An unresolved challenge to project-basing, however, is the matter of timing. In order to assist with the financial underwriting of new housing, project-based vouchers need to be committed in the pre-development stage of a project. It typically takes 18 to 24 months for this housing to actually come on line. In order to avoid placing funded vouchers on the shelf for an extended period of time, a mechanism needs to be developed to enable the forward commitment of future allocations. This will entail some level of certainty regarding the commitment of additional out-year vouchers and services, and should only be in-place until production has geared up to desired levels. Such an approach, however, is crucial for jump-starting the pipeline of supportive housing needed to effectively address this issue, while assuring that vouchers already funded are put to immediate use.

Sixth.—A degree of ambiguity persists in this program regarding the question of appropriate targeting. Many homeless, including homeless veterans, do not neatly fit into the program and treatment boxes we have created. A “housing first” approach, which is being utilized very effectively around the country in stabilizing chronically homeless individuals, is beginning to be adopted more broadly by the VA. I realize that this model may be difficult to reconcile with the traditional VA focus on success within its treatment programs. Housing First, however, coupled with harm reduction, may be the only way to initially engage and stabilize a sizable portion of our street population.

Seventh.—Veterans living on our streets suffer a broad array of disabilities including PTSD, traumatic brain injuries, depression and chemical addiction. The case management ratio established by the VA sets an across the board ratio of one case manager to every 35 clients. I respectfully suggest that local VA systems need more flexibility in matching case-load ratios to their client base. Some individuals will need more support, some less. Some will improve, some will get worse. A flexible funding approach that empowers local programs to allocate resources as needed should be considered. This will be particularly critical as the VASH program seeks to serve less engaged street homeless and to assure landlords that adequate response capacity is available to deal with individuals in crisis once they have been housed. An increased level of partnership with local providers, particularly around site-based supportive housing opportunities, may offer a partial solution to this.

The HUD fiscal year 2011 budget calls for a moratorium on new VASH vouchers, citing a backlog in unleased vouchers and a need to focus on the administration of the program. I believe it is prudent in a difficult funding environment to only ask for funds that are immediately needed. I note, however, that progress on leasing up existing vouchers is uneven. Some locales are struggling while others will fully lease up their 2010 voucher allocation before a 2012 budget is enacted. In addition, increased focus, in no small part due to hearings like this one, should significantly increase the learning curve and voucher utilization over the next 6 to 9 months.

In King County we anticipate that we will have exhausted our available VASH vouchers by January 2011. To then stand-down and close our front-door, only to restart the lease-up process a year later, makes no sense operationally. Of the 1,700 homeless veterans in King County, one-half are chronically homeless. If we are serious in our commitment to significantly address this issue within 5 years we need to sustain the momentum, the relationships and the program we have developed. While it may not be necessary to fund a full round of VASH vouchers in fiscal year 2011 it will be important to assure that there is a continued supply of new vouchers targeted to those locales that are efficiently utilizing their present allocations so that the existing progress be sustained and built upon.

Thank you again for the opportunity to report back on this program and I will be happy to answer any questions you may have.

Senator MURRAY. Thank you very much.
Mr. Mike Brown.

STATEMENT OF MIKE BROWN, ASSISTANT PROGRAM AND CASE MANAGER, CORPS OF RECOVERY DISCOVERY, VALLEY RESIDENTIAL SERVICES, WALLA WALLA, WASHINGTON

Mr. BROWN. Good morning, everybody.

My name is Mike Brown, and I am truly honored to be here today. I would like to personally thank Senator Patty Murray for inviting me to travel here from Walla Walla, Washington, to testify at this hearing.

I am a 54-year-old former Vietnam-era Army veteran. I came from a military background. My father was a career Air Force fighter pilot in Korea and Vietnam.

In 1994, I was a happily married father of two. I worked as a Transit driver for the city of Kennewick, Washington, when I found methamphetamine. Due to that relationship, it did not take me long to lose everything—my job, my family, my dignity, and my home.

The next 9 years I spent using, on the streets and avoiding the law. Finally, at my lowest point, in 2005 a Superior Court judge gave me a last chance to get help, or I was facing prison.

In late 2005, I sought help at the Walla Walla VA Medical Center in Walla Walla, Washington, where I learned about addiction and the things I needed to change. The first thing I had to do was surrender and accept help. After graduating from treatment, I went to the Corps of Recovery Discovery, which we call CORD—it is a grant per diem transitional housing program—and started pulling my life together. I spent 2 years there, learning how to live again and become a functional part of society. I moved into my own apartment in 2007 and started working full time for the CORD program.

Since 2005, I have gone from living on the streets, eating out of dumpsters, to living independently, working full time. And this past weekend, I was able to give my daughter away at her wedding, which was one of the proudest moments of my life.

Through a lot of hard work, I now am an assistant program manager and case manager, helping other veterans regain their lives back and navigating the same road. The difference for the vets coming behind me is now there is a HUD-VASH voucher to enable them to attain housing in a much quicker and affordable way.

We refer those veterans that are ready to transition to the other part of our team at the VA for application of those vouchers. The wait for those vouchers has been reasonable and timely. In my housing unit alone, there are seven veterans who have benefited from the vouchers. This has enabled them to be on their own and continue to move forward.

Some are working full time. Some are attending higher education. They are all doing well and are making positive changes toward their goals.

One of the barriers in our small community is the lack of gainful employment that pays a living wage. The vouchers are a huge benefit to enable these veterans to independent living.

PREPARED STATEMENT

I personally would like to thank all the other members on this panel. I do look forward to sharing more about my experiences with veterans. If there are any questions, I will do my best to answer them and once again, thank you all for allowing me to attend this important hearing.

[The statement follows:]

PREPARED STATEMENT OF MIKE BROWN

My name is Mike Brown, and I am truly honored to be here today. I would like to personally thank Senator Patty Murray for inviting me to travel here from Walla Walla, Washington to testify at this hearing.

I am a 54 year old former Vietnam era Army veteran. I came from a military background. My father was a career Air Force fighter pilot in Korea and Vietnam. In 1994 I was a happily married father of two. I worked as a Transit driver for the city of Kennewick, Washington when I found methamphetamine. Due to that relationship, it did not take long to lose everything. My job, my family, my dignity and my home. The next 9 years I spent using, on the streets and avoiding the law. Finally at my lowest point in 2005 a Superior Court Judge gave me a last chance to get help or I was facing prison.

In late 2005 I sought help at the WWVA Medical Center in Walla Walla, Washington. Where I learned about addiction, and the things I needed to change. The first thing I had to do was surrender, and accept help. After graduating from treatment I went to the Corps of Recovery Discovery (CORD) a grant per diem transitional housing program and started pulling my life together. I spent 2 years there, learning how to live again and become a functioning part of society. I moved into my own apartment in 2007 and started working full time for the (CORD) program. Since 2005 I have gone from living on the streets, eating out of dumpsters to living independently, working full time and this past weekend I was able to give my daughter away at her wedding which was one of the proudest moments of my life.

Through a lot of hard work I now am an assistant program manager and case manager helping other veterans regain their lives back and navigating the same road.

The difference for the vets coming behind me is now there is HUD-VASH vouchers to enable them to attain housing in a much quicker and affordable way.

We refer those veterans that are ready to transition to the other part of our team at the VA for application for those vouchers. The wait for the vouchers has been reasonable and timely.

In my housing unit alone, there are seven veterans who have benefited from the vouchers. This has enabled them to be on their own and continue to move forward. Some are working full time; some are attending higher education and are able to live within their means. Currently they all are doing well, and making positive changes toward their goals.

One of the barriers in our small community is the lack of gainful employment that pays a living wage. The vouchers are a huge benefit to enable these veterans to live independently.

I personally would like to thank all the other members on the panel. I do look forward to sharing more about my experiences with veterans. If there are any questions I will do my best to answer them.

Once again, thank you all for allowing me to attend this important hearing.

Senator MURRAY. Thank you very much.

Thank you to all of you. And Mr. Brown, let me thank you in particular for all you have gone through and the courage in coming here and sharing it and encouraging us to continue to do the right thing. I really appreciate it.

Mr. BROWN. Thank you. Thank you for all you do.

Senator MURRAY. You have come a long way, and you are now working as a case manager with other veterans who face the same challenges that you did. And I was wondering if, as a case manager, you could share with us some of the challenges that veterans face in getting into housing so we can truly understand what the barriers are.

Mr. BROWN. Well, when I graduated from the transitional program, there wasn't the voucher system. Obviously, criminal history is a tough one. I was able to find a landlord that took a chance on me.

Veterans that are trying to get their own place, they have mental health issues, paranoia, PTSD, all those issues. So it is really hard for them to even move into another place, and I think that, and in our community, gainful employment is a tough one. I struggle today, but I like where I am at and money is not why I am doing this.

Senator MURRAY. I am always curious to ask a veteran who has taken some time to get help, but has gotten help. A lot of veterans resist asking the VA for help. Can you shed any light on why that is?

Mr. BROWN. Well, just in my experience, I think they are just proud. I think that is what it is. For myself, I was proud, pride. I knew I needed help, but I didn't know how to ask.

Once they do ask, it seems to break the barriers, and they do get the help they need. It is the ones that accept the help are the ones that succeed.

Senator MURRAY. Thank you. I really appreciate your insight.

Mr. BROWN. Thank you.

Senator MURRAY. Mr. Norman, you listened to the VA and the HUD both testify this morning about some of the changes that they are planning to make and how they are going to address this. What do you think is the greatest problem that the administration needs to address first to improve HUD-VASH?

Mr. NORMAN. I think that we find that there are a considerable number of veterans who will not necessarily thrive in scatter-site apartments, which is essentially what you get with a section 8 voucher. The project basing of the vouchers and the site-based supportive housing with what we like to call a concierge level of services—which keeps an eye on the front door, is there to observe signs of folks who are starting to destabilize, and where you have the peer support that characterizes good supportive housing—is critical.

To create that inventory of supportive housing is going to take more time and more resources because you are essentially looking to create the housing or acquire and rehab housing for this purpose. And I think the flip side to this scatter-site venture program, which is working effectively and quickly, is a more robust pipeline of supportive housing being developed by the nonprofit providers in partnership with the VA.

Senator MURRAY. In your situation, you are effectively using these HUD-VASH vouchers. That experience hasn't been country-wide in some other places. In your experience with other PHAs, what are you doing that is working right that they need to be doing?

Mr. NORMAN. Well, I would preface this by saying that as I think Secretary Donovan said, there is a learning curve, and it is beginning to pay fruit. So the feedback that I have gotten from housing authorities must be prefaced by the fact that later feedback is that the situation is getting better.

I think the need to cross-train VA staff on how to effectively work on housing search, to understand that once they were in the VA management, case management program, had been referred in for a voucher that it was not the end of the process. It was really the beginning. And the ability to work with them to help them successfully acquire housing is an area which is going to need continued focus.

Senator MURRAY. Okay. Thank you.

And Ms. Poppe, the face of homeless veterans is changing. We see more women veterans today. We see more veterans with children today. I wanted to ask you what recommendations you had to the VA to help improve some of its existing programs or what it needs to do to really deal with the changing faces we see who need housing.

Ms. POPPE. Chairman, I really appreciate the opportunity to respond to that question because it is something that really pulls at me is that for years, as we have looked at the face of homeless veterans, it has largely been single men. But as you note, it is increas-

ingly women, and increasingly, it is women who have come into homelessness with their children.

A concern I would have is if we think the old models will work for this population, they simply will not be successful. To meet the needs of women, and particularly women with children, we need a response that is very definitely prevention based and that it is not one that involves the necessity of bringing women and children into a shelter or even a transitional housing environment. It is the place where I believe the rapid re-housing and the supportive housing models will work much more successfully.

What we know through 20 years of experience, as well as 20 years of literature, is that children who experience homelessness and come to emergency shelters are very much disrupted by that experience. And it creates a trauma in their lives that continues beyond the time and as they become adults. So everything we must do is to prevent these women, these women with their children from becoming homeless and having to enter into whether it is a community-based shelter environment or it would be a program, an emergency response basis.

It is much better to use rapid re-housing, supportive housing, and prevention-based models because I would not want what we create for that response to be something that we have found to be so unsuccessful across the country in really getting effective responses, particularly to children.

Senator MURRAY. Thank you very much.

Senator Johnson.

Senator JOHNSON. Ms. Poppe, we have heard from two departments on how they are collaborating to bring housing and medical services together to assist homeless vets. Can you talk a bit about how we can improve job training and employment programs for veterans?

Ms. POPPE. Senator Johnson, thank you for that question as well.

We have seen tremendous collaboration occurring between HUD and the VA and getting a greater understanding of the respective roles and how they work together. I believe that the current processes that we have been thinking about, how when we apply employment and training services to homeless veterans has been that that is a first thing to be done, and then we will get to the housing phase.

And as we are moving toward a Housing First model, it seems that what we need are employment and training programs that work more effectively in the Housing First model in that as a veteran is able to move directly from the streets or in shelters to a HUD-VASH unit, that they would be able to access employment and training services at that point and not have it be linearly sequenced in just the opposite way.

I have been doing this work for a really long time, and at the beginning, that is what we thought is that first you had to get the employment and training, and then you kind of graduated to housing. I think what we are seeing is the importance is if you get housing, accomplishment of education and training subsequent to housing makes much greater sense. And we will need to think together as to how those programs get aligned in a way that permits

a Housing First model to work with the education and training program.

Senator JOHNSON. Thank you and I don't have anything further.
Senator MURRAY. Senator Bond.

Senator BOND. Thank you very much, Madam Chair.

First, to Mr. Brown, I again congratulate you and compliment you on dealing with a problem and finding out how to help and then coming back to help others who have that problem. And we particularly appreciate your coming here.

You outlined many of the problems that have been of great concern to us. I have worked for the last 5 or 6 years with many of my colleagues to improve the services for PTSD and TBI. The invisible injuries that we are finding as a result of the IEDs and the EFPs in Iraq and now Afghanistan are causing a huge new problem.

What do you see in your work are the difficulties in dealing with people who may have PTSD? Is this a more challenging effort to deal with them?

Mr. BROWN. Thank you for the question.

Yes, sir. It is. It is really difficult with the younger ones coming back from the current war we are in right now. What I see, the success is a little bit better with the Vietnam, the older veteran. The younger ones seem—there is a kind of a higher failure in our area.

We do see success in them, but I don't know, from myself, it took me until I was 48 to actually accept help and believe in myself. And I think a lot of it is just they don't believe in themselves. And once they mix that with addiction, alcohol, it is almost twice the problem. So, and as far as getting them to believe that they can afford their own house or move into a house some day, that is a really tough, tough thing to do.

It is getting better, though. I think with the HUD-VASH system, it is really being used a lot in Walla Walla.

Senator BOND. Well, good. And we appreciate your being here.

Mr. BROWN. Thank you.

Senator BOND. Mr. Norman, your points that you have laid out at the end of your paper are very helpful, and I tried in my opening comments to refer to some of your concerns. If this program, HUD had zero dollars for vouchers in the coming year, what would be the impact on the program and the staffing set up to handle it?

Mr. NORMAN. Well, the impact on the program is that we would not be able to issue any more vouchers to new referrals. So, essentially, the front door to house some of the 800 chronically homeless veterans in our community would stop.

Senator BOND. In King County, you would be out of business there?

Mr. NORMAN. That is correct. The staffing we have is associated with the ongoing maintenance of the voucher program. So we would not actually have to have—

Senator BOND. So you do not have specific personnel allocated to the HUD-VASH program?

Mr. NORMAN. No, No, sir, they are part of our baseline team.

Senator BOND. Now you also mentioned the PTSD and the TBI. One of the things that we have tried to do is to remedy a tremen-

dous vacuum or absence of mental health specialists in both the DOD and the VA, getting people who are trained to deal with these illnesses. They were way short, and we were trying all kinds of things to get more services. Are your PTSD/TBI voucher clients able to access the service that they require?

Mr. NORMAN. Well, we are unable, sir, to make a clinical assessment as to how well they are being served.

Senator BOND. Are they being served?

Mr. NORMAN. They are connected in. And one of the strengths of the VA case management system, we believe, is that it connects them in to the larger VA support network. And Mr. Brown can probably talk more about that on a clinical level.

Senator BOND. Okay.

Mr. NORMAN. One point I would make is that the real metric that we look at is their ability to maintain housing. That is the one we could evaluate. And what we are seeing to date is a very high success rate in people being able to stay in housing once they have been placed.

Senator BOND. Now that is, being a Missouri resident and a "show me," I like the bottom line. I am less interested in the inputs, but if you say the final test is staying in and it is working, that is good.

Mr. Brown, any comments on the service available for—

Mr. BROWN. I think it is imperative that we refer them to the VA and they continue to meet with the VA even after they are in housing. I mean, that is imperative. And we are lucky in the little rural area we are, you can get to the VA walking 3 minutes. So no matter where you are at in an apartment there, you can get to the VA real quick.

So I think it is imperative. And the case manager for the HUD-VASH voucher also is a good thing. The VA case managers go to the houses, regularly meet with them, watch them, and obviously, they need to hook up with the VA.

Senator BOND. But you are seeing only the younger ones with PTSD and TBI, the success rates, the bottom line that Mr. Norman referred to is not quite as good as the older, say, more mature veterans of your age and even as high as mine.

Mr. BROWN. Yes, you are right. I don't know if there is an easy answer. I really don't, you know, for the younger ones. I guess for me I didn't change until I was old, as I said. So maybe that is what it takes. Hopefully, they—

Senator BOND. Well, there has got to be some good thing to happen with old age.

Mr. BROWN. Well, there you go.

Senator BOND. I keep looking for that. I know, Ms. Poppe, we have been here a long time. Thank you very much.

We have got the e-mail notice about the council on homelessness, and the plan is going to be a roadmap. Rather than having you try to describe it today, since we have kept everybody here for 2 hours, we will look forward to reading it, and my staff and I will look forward to following up with you. And we thank all of you for testifying.

Senator MURRAY. Thank you.

I just have one additional question for Mr. Brown. You and I were talking earlier this morning. You talked about the younger vets coming back, and I know I have met with many of them whose biggest barrier today is employment.

You work with a program called CORD to help them get some skills. Can you describe that for us a little bit?

Mr. BROWN. Well, we work with resources. I mean, WorkSource, obviously, that—without the resources, we wouldn't be able to do what we do. So we do have a rec center. We have a fully functional machine shop, welding, and we are lucky in that way. We have a music room, instruments and music.

I mean, these guys have skills that they probably haven't used in a long time. So it is really neat. I mean, we are lucky. We have 44 beds, and my boss is dedicated to helping veterans. So every bit of per diem money we get to run our program goes right back to the veterans. So the resources are wonderful.

Senator MURRAY. And connecting them to some skills that they have is an important part of the connection.

Mr. BROWN. Yes, you bring out the skills that they have forgotten for so long. So we have one gentleman. He is missing a leg all the way up to the top, and he has been on the streets. He was a biker for a lot of years.

And we took him into the machine shop, our wood working shop, and he built us benches and chairs that are just beautiful. I mean, he is like a master carpenter. And he just hid it from us. We didn't know. You know, we just gave him the tools and the materials, and 2 days later, we saw this beautiful, beautiful thing he created.

And we see that a lot with music. A lot of our veterans go in there just to meditate. We have eye rest, which is a new thing that we are trying to use for guys with PTSD to meditate and to calm down.

My boss also does silk screening. We do auto body as well. So we are lucky. We are very lucky that we have those resources.

Senator MURRAY. It seems to me that part of what you are doing is trying to find something that the vet can be proud of, and that will help keep them stable. Correct?

Mr. BROWN. Very much so. I mean, at the beginning, when I got in the program, it was more about addiction and alcoholism. And now with TBI, PTSD, we are finding veterans that don't suffer from that, but they need something to keep them busy.

Senator MURRAY. Okay, very good.

Mr. BROWN. Thank you.

Senator MURRAY. Well, I want to thank all three of you for coming and testifying today. This has been extremely helpful to both of our subcommittees as we now move forward and in the appropriations process to make sure we are providing the resources to continue to allow all of you to do the important work you do in your communities.

CONCLUSION OF HEARING

So thank you very, very much. And with that, this hearing is recessed, to reconvene subject to the call of the Chair.

[Whereupon, at 12:02 p.m., Thursday, May 20, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

○