

**STATEMENT OF
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BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
SUBCOMMITTEE ON ECONOMIC OPPORTUNITY
U.S. HOUSE OF REPRESENTATIVES**

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Good Morning, Chairman Levin, Ranking Member Bilirakis, and distinguished Members of the Subcommittee. Thank you for the opportunity to testify today on the topic of Veteran homelessness, specifically the Department of Housing and Urban Development (HUD)-Veterans Affairs Supportive Housing (HUD-VASH) Program and the Tribal HUD-VASH Program.

Introduction

The Department of Veterans Affairs (VA) remains committed to the goal of preventing and ending Veteran homelessness. We can and will get there. No one agency or group can end Veteran homelessness alone. The effort to prevent and end Veteran homelessness is a collaboration between Federal, State, and local governments and, most importantly, the local community. VA works with communities to help them develop the solutions that work best for them and their Veterans.

VA and other Federal, State, and local governments, as well as non-governmental organizations, recognize that ending Veteran homelessness is not a single event in time; rather, it is a deliberate effort made to achieve the goal, and continued follow-up efforts to make sure that progress toward achieving the goal is maintained. Our goal is a systemic end to Veteran homelessness, which means communities across the country:

- Have identified all Veterans experiencing homelessness;
- Can provide shelter immediately to any Veteran experiencing unsheltered homelessness who wants housing;
- Provide service-intensive transitional housing in limited instances;
- Have the capacity to help Veterans swiftly move into permanent housing; and
- Have resources, plans, and systems in place should any Veteran become homeless or be at risk of homelessness in the future.

The goal is to make sure that every Veteran has permanent, sustainable housing with access to high-quality health care and other supportive services and that Veteran homelessness in the future is prevented whenever possible or is otherwise rare, brief, and nonrecurring.

State of Veteran Homelessness

Significant progress has been made in preventing and ending Veteran homelessness. The number of Veterans experiencing homelessness in the United States declined by nearly half since 2010. The most recent HUD Point-in-Time (PIT) Count estimated that on a single night in January 2019, 37,085 Veterans were experiencing homelessness; a two percent reduction from the 37,878 reported in January 2018.

Since 2010, more than 800,000 Veterans and their family members have been permanently housed, rapidly rehoused, or prevented from falling into homelessness through HUD's targeted housing vouchers and VA's homelessness programs. In addition to the national snapshot provided by the 2019 PIT Count, as of December 4, 2019, 81 communities - which includes three States - have effectively ended Veteran homelessness, based on criteria established by VA, HUD, and the U.S. Interagency Council on Homelessness. This progress illustrates what can be achieved when government agencies work with citizens and community leaders to tailor the delivery of services in a manner that meets the needs and expectations of the community.

Preventing and Ending Veteran Homelessness Is Possible

To achieve our goal of preventing and ending Veteran homelessness, we need continued leadership, collaboration, commitment, and a sense of urgency from communities across the country. No one entity on its own can prevent and end homelessness among Veterans.

There has been unprecedented support from every branch of government; State and local leaders; and agencies to provide both the funding and human resources needed to end Veteran homelessness. Communities continue to align those resources with the most effective practices to ensure rapid, safe, and stable housing for Veterans who need it.

Progress comes when community leaders implement proven practices that are reducing homelessness among Veterans nationwide and ending it community by community. Common practices developed and implemented locally that have achieved an effective end to Veteran homelessness include:

- Identifying all homeless Veterans by name and sharing those names across systems so that no one is forgotten;
- Using and sharing data to find and serve every Veteran who needs homeless services;
- Creating coordinated assessment and entry systems to make sure there is no wrong door for Veterans seeking help, and coordinating people and services at every level to create integrated systems of care;

- Setting concrete and aspirational monthly and quarterly goals and engage the community and associated systems to meet them. This requires the direct involvement of community leaders and focused political will and can be used as a benchmark progress against specific criteria;
- Synchronizing programs to coordinate outreach and target the right type of resource to the right Veteran at the right time;
- Making sure outreach and engagement efforts are coordinated across service providers; law enforcement personnel, prisons and jails; hospitals; libraries; and job centers to proactively seek Veterans in need of assistance with housing; and
- Focusing on creating connections from homeless services, housing organizations, and VA medical centers (VAMC) to employment support services such as those provided by the Department of Labor's Homeless Veterans Reintegration Program grantees, Workforce Development Boards, and employers so that Veterans can be quickly connected to jobs.

HUD-VASH Program

One of VA's most important resources for ending Veteran homelessness is the HUD-VASH program. HUD-VASH is a collaborative program between HUD and VA, in which HUD provides eligible homeless Veterans with a Housing Choice rental voucher, and VA provides case management and supportive services so that Veterans can gain housing stability and recover from physical and mental health problems; substance use disorders; and other issues contributing to or resulting from homelessness. The program goals are to help Veterans and their families gain stable housing while promoting full recovery and independence in their community.

HUD-VASH currently has more than 100,000 vouchers allocated nationally to Public Housing Authorities (PHA). As of October 31, 2019, 80 percent of these vouchers were leased up, leaving approximately 20,000 vouchers unleased. This unleased number of 20,000 breaks down further as follows: approximately 2,500 are shelved for project-based voucher (PBV) development and thus not available for use; over 4,500 are in the hands of Veterans seeking housing; and over 1,300 are reserved for Veterans recently referred to PHA. This leaves approximately 11,000 vouchers unleased and available for use. With over 37,000 Veterans still homeless on any given night, 11,000 unused vouchers are far too many, and VA is dedicated to ensuring we maximize the utilization of HUD-VASH vouchers and assist as many homeless Veterans as possible with obtaining and sustaining housing.

There are several key reasons for the current voucher utilization rate in HUD-VASH. The reasons include: 1) the allocation strategy employed by VA and HUD over the past few years; 2) market factors, particularly low vacancy rates and high rents in communities with large numbers of vouchers; 3) vacancies in VA case management positions; and 4) reductions in the chronically homeless Veteran population.

- **Allocation Strategy:** For many years, vouchers were allocated to PHAs based on a complex formula that considered multiple indicators of need and

performance and utilization data for the local PHA and VAMC. This approach fostered a broad distribution of vouchers where they could be used (e.g., high performers received more vouchers). In more recent allocations, HUD and VA strategically shifted this approach and allocated vouchers purely based on need (e.g., those with the largest numbers of homeless Veterans received more vouchers). This shift provided enough vouchers were on the ground in high-need areas in the long term but resulted in surpluses of vouchers in the short term. To address this problem, HUD established a utilization threshold that PHAs must meet to be eligible for vouchers. This will help avoid continuing to push vouchers to communities that already have a short-term surplus and will help avoid exacerbating the low utilization rates we see nationally.

- **Market Factors:** A significant obstacle to higher voucher utilization is a lack of safe and affordable housing for Veterans holding a HUD-VASH voucher. Rents are skyrocketing in many of the same cities with the largest number of homeless Veterans and largest number of vouchers allocated. Veterans holding vouchers in these communities are finding it very difficult to find housing. To address this problem, VA and HUD are promoting all strategies that will either increase housing stock dedicated to Veterans or make the HUD-VASH voucher more competitive. The primary strategy for increasing housing stock is through the use of PBVs, where vouchers are tied to units that are dedicated to HUD-VASH Veterans or make vouchers more competitive by increasing the payment standard for HUD-VASH vouchers.
- **Vacancies in VA Case Management Positions:** VA is required by statute to ensure that Veterans in HUD-VASH are provided case management and seen as needed by a case manager. Because HUD-VASH is a permanent supportive housing program originally designed for chronically homeless Veterans with acute service needs, VA adopted a clinical model of 1 case manager for every 25 Veterans in HUD-VASH. It is not possible to provide intensive case management with caseloads significantly higher than 25. Of the 4,156 HUD-VASH positions nationally, 3,497 (84 percent) were filled as of October 31, 2019, leaving 659 positions vacant. VA aims for a filled rate of 90 percent staffing, to account for inevitable turnover related to retirements, changing positions, etc., which would yield an additional 243 case management positions. If each of these additional positions carried a caseload of 25 Veterans, HUD-VASH could house over 6,000 additional Veterans, improving voucher utilization to 88 percent of active vouchers. VA is employing multiple strategies to address its HUD-VASH vacancies. VAMCs are continually reminded of the prioritization of ending Veteran homelessness, and the importance of HUD-VASH positions in supporting this effort. Where staffing is a long-term challenge, VA is promoting the use of contracting or other alternative forms of case management. In the upcoming HUD-VASH voucher allocation from HUD, VA will require that VAMCs fill current vacancies before requesting any new positions to support the new vouchers.

Reduction in the Number of Chronically Homeless Veterans Nationally: HUD-VASH targets chronically homeless Veterans, those who need the most intensive support in order to obtain and sustain housing. This approach has been very successful, and the HUD-VASH program has directly and markedly reduced the population of chronically homeless Veterans over the past few years. In the early years of HUD-VASH, chronically homeless Veterans comprised as much as 33 percent of the homeless Veteran population. As of the most recent PIT count, that percentage dropped to an estimated 22 percent. In order to fully utilize the remaining HUD-VASH vouchers, Federal agencies are reviewing ways to broaden the population of homeless Veterans it targets for HUD-VASH by targeting specific Veteran subpopulations previously not targeted.

Tribal HUD-VASH

In FY 2015, Congress authorized HUD to set aside funds from the HUD-VASH program to expand the program into Indian Country. On March 2, 2016, HUD made \$5.9 million in awards to 26 Tribes and tribally-designated housing entities (TDHEs). The amount of the award was based on the number of housing units requested by the Tribe or TDHE, the rents established by the Tribe or TDHE, and a flat administrative fee per housing unit. Tribal HUD-VASH, therefore, accounts for less than one percent of the total HUD-VASH program nationally.

To ensure that Native American Veterans served by this program receive case management and supportive services, VA funded one case manager for each of the 26 Tribes that received grant awards. Given the unique nature of working with the Tribes and on tribal land, the Tribal HUD-VASH case manager must develop cultural competence specific to the Tribe(s) being served. Currently, 23 of these positions are filled, with three remaining vacant. In all three vacancies, the local VAMC has a temporary case manager providing Tribal HUD-VASH coverage until these positions can be permanently filled.

As of October 28, 2019, 387 Native American Veterans are being assisted under this program. Additionally, 111 Native American Veterans who previously received housing assistance and case management services have subsequently exited the program. Of these, 52 have moved into permanent housing, including 22 who went on to rent their homes without any public assistance and three who have purchased a home. Moreover, despite initial delays, all of the grantees have a VA case manager to provide case management. The Tribal HUD-VASH program is an important addition to the overall HUD-VASH program, bringing valuable permanent supportive housing resources to tribal lands.

HUD-VASH Funding

As a jointly-run program between two Federal agencies, HUD-VASH receives its funding from two separate appropriations committees. HUD has received incremental voucher assistance each year since 2008. Using the Medical Services appropriations,

VA was sufficiently able to keep its average caseload size at 25 Veterans per case manager for the 100,000 vouchers currently allocated; however, if HUD allocates new vouchers at the end of the first quarter of Fiscal Year (FY) 2020 as planned with FY 2019 funds, average caseload sizes will increase to 27 Veterans per case manager without reallocation of funds internally. The target of 25 Veterans per case manager is considered high in permanent supportive housing programs. If HUD continues to allocate new vouchers, VA will require a proportional increase in its budget for case managers to support those vouchers.

Rural Homelessness

Rural homeless individuals are often referred to as the “hidden homeless.” It is difficult to accurately estimate the size of the problem of rural homelessness due to its invisibility; the limited availability in rural areas of services intended to respond to homelessness; limitations in the definition of homelessness and the counting methods better suited for use in urban environments; and the migration of people experiencing housing instability from more to less rural areas. Rural areas often do not have sufficient resources to address housing crises, and the rural environment makes it difficult to implement evidence-based responses, such as rapid rehousing.

Because of the difficulties in accurately estimating the number of homeless individuals in rural areas, it is generally assumed that the PIT count underrepresents the need in these areas. This is important, because homeless resource allocation and distribution is based heavily on the PIT count. Thus, it is also generally assumed that rural areas are under-resourced. To address this, in FY 2016, HUD allocated 600 vouchers specifically for rural areas. VA funded 34 case manager positions to provide supportive services and case management. It should be noted that 34 Full-time Equivalent to support 600 vouchers yields an average caseload size of 17 Veterans, which is smaller (i.e., more service rich) than the target of 25 in the general program. This was done to address known challenges in providing case management in rural areas, such as large geographical catchment areas, lengthy transportation times, and scarcity of resources. Despite these targeted vouchers and dedicated rich case management support, these rural vouchers were significantly underutilized, especially compared to the general program at the time, which ended FY 2016 at over 92 percent vouchers utilized. FY 2016 was the only year in which HUD allocated vouchers specifically to rural areas.

VA remains committed to serving Veterans in all areas, including those in rural areas, and we will continue to promote strategies and innovations that will ensure that these Veterans have access to the housing and services they need.

Conclusion

Across VA, we are committed to providing the high-quality care our Veterans have earned and deserve. We continue to improve access and services to meet the needs of Veterans. We are grateful for the resources Congress provides VA to care for

Veterans, particularly HUD-VASH resources which are crucial to ending Veteran homelessness. We pledge to do all we can to ensure these resources are used as effectively and efficiently as possible. Thank you for the opportunity to appear before you today to discuss this invaluable program.