

STUART COLLUCK—HEATHER FRENCH HENRY HOMELESS  
VETERANS ASSISTANCE ACT

—————  
OCTOBER 16, 2001.—Ordered to be printed  
—————

Mr. SMITH of New Jersey, from the Committee on Veterans' Affairs,  
submitted the following

R E P O R T

[To accompany H.R. 2716]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2716) to amend title 38, United States Code, to revise, improve, and consolidate provisions of law providing benefits and services for homeless veterans, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REFERENCES TO TITLE 38, UNITED STATES CODE.**

(a) **SHORT TITLE.**—This Act may be cited as the “Stuart Collick—Heather French Henry Homeless Veterans Assistance Act”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

- Sec. 1. Short title; table of contents; references to title 38, United States Code.
- Sec. 2. Definitions.
- Sec. 3. National goal to end homelessness among veterans.
- Sec. 4. Sense of the Congress regarding the needs of homeless veterans and the responsibility of Federal agencies.
- Sec. 5. Consolidation and improvement of provisions of law relating to homeless veterans.
- Sec. 6. Evaluation of homeless programs.
- Sec. 7. Study of outcome effectiveness of grant program for homeless veterans with special needs.
- Sec. 8. Additional programmatic expansions.
- Sec. 9. Coordination of employment services.
- Sec. 10. Use of real property.
- Sec. 11. Meetings of Interagency Council on Homeless.
- Sec. 12. Rental assistance vouchers for HUD Veterans Affairs Supported Housing program.

(c) **REFERENCES TO TITLE 38 UNITED STATES CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

**SEC. 2. DEFINITIONS.**

For purposes of this Act:

(1) The term “homeless veteran” has the meaning given such term in section 2002 of title 38, United States Code, as added by section 5(a)(1).

(2) The term “grant and per diem provider” means an entity in receipt of a grant under section 2011 or 2012 of title 38, United States Code.

**SEC. 3. NATIONAL GOAL TO END HOMELESSNESS AMONG VETERANS.**

(a) NATIONAL GOAL.—Congress hereby declares it to be a national goal to end chronic homelessness among veterans within a decade of the enactment of this Act.

(b) COOPERATIVE EFFORTS ENCOURAGED.—Congress hereby encourages all departments and agencies of Federal, State, and local governments, quasi-governmental organizations, private and public sector entities, including community-based organizations, faith-based organizations, and individuals to work cooperatively to end chronic homelessness among veterans within a decade.

**SEC. 4. SENSE OF THE CONGRESS REGARDING THE NEEDS OF HOMELESS VETERANS AND THE RESPONSIBILITY OF FEDERAL AGENCIES.**

It is the sense of the Congress that—

(1) homelessness is a significant problem in the veterans community and veterans are disproportionately represented among homeless men;

(2) While many effective programs assist homeless veterans to again become productive and self-sufficient members of society, current resources provided to such programs and other activities that assist homeless veterans are inadequate to provide all needed essential services, assistance, and support to homeless veterans;

(3) the most effective programs for the assistance of homeless veterans should be identified and expanded;

(4) federally funded programs for homeless veterans should be held accountable for achieving clearly defined results;

(5) Federal efforts to assist homeless veterans should include prevention of homelessness; and

(6) Federal agencies, particularly the Department of Veterans Affairs and the Department of Housing and Urban Development, should cooperate more fully to address the problem of homelessness among veterans.

**SEC. 5. CONSOLIDATION AND IMPROVEMENT OF PROVISIONS OF LAW RELATING TO HOMELESS VETERANS.**

(a) IN GENERAL.—(1) Part II is amended by inserting after chapter 19 the following new chapter:

**“CHAPTER 20—BENEFITS FOR HOMELESS VETERANS**

“SUBCHAPTER I—PURPOSE; DEFINITIONS; ADMINISTRATIVE MATTERS

“Sec.

“2001. Purpose.

“2002. Definitions.

“2003. Staffing requirements.

“2004. Employment assistance.

“SUBCHAPTER II—COMPREHENSIVE SERVICE PROGRAMS

“2011. Grants.

“2012. Per diem payments.

“2013. Authorization of appropriations.

“SUBCHAPTER III—TRAINING AND OUTREACH

“2021. Homeless veterans’ reintegration programs.

“2022. Coordination of outreach services for veterans at risk of homelessness.

“2023. Demonstration program relating to referral and counseling for veterans transitioning from certain institutions who are at risk for homelessness.

“SUBCHAPTER IV—TREATMENT AND REHABILITATION FOR SERIOUSLY MENTALLY ILL AND HOMELESS VETERANS

“2031. General treatment.

“2032. Therapeutic housing.

“2033. Additional services at certain locations.

“2034. Coordination with other agencies and organizations.

“SUBCHAPTER V—HOUSING ASSISTANCE

“2041. Housing assistance for homeless veterans.

“2042. Supported housing for veterans participating in compensated work therapies.

“2043. Domiciliary care programs.

“SUBCHAPTER VI—LOAN GUARANTEE FOR MULTIFAMILY TRANSITIONAL HOUSING

“2051. General authority.

“2052. Requirements.

“2053. Default.

“2054. Audit.

## “SUBCHAPTER VII—OTHER PROVISIONS

- “2061. Grant program for homeless veterans with special needs.
- “2062. Dental care.
- “2063. Technical assistance grants for nonprofit community-based groups.
- “2064. Annual report on assistance to homeless veterans.
- “2065. Advisory Committee on Homeless Veterans.

## “SUBCHAPTER I—PURPOSE; DEFINITIONS; ADMINISTRATIVE MATTERS

**“§ 2001. Purpose**

“The purpose of this chapter is to provide for the special needs of homeless veterans.

**“§ 2002. Definitions**

“In this chapter:

- “(1) The term ‘homeless veteran’ means a veteran who—
  - “(A) lacks a fixed, regular, and adequate nighttime residence; or
  - “(B) has a primary nighttime residence that is—
    - “(i) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, grant per diem shelters and transitional housing for the mentally ill);
    - “(ii) an institution that provides a temporary residence for individuals intended to be institutionalized; or
    - “(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.
- “(2) The term ‘grant and per diem provider’ means an entity in receipt of a grant under section 2011 or 2012 of this title.

**“§ 2003. Staffing requirements**

“(a) VBA STAFFING AT REGIONAL OFFICES.—The Secretary shall ensure that there is assigned at each Veterans Benefits Administration regional office at least one employee assigned specifically to oversee and coordinate homeless veterans programs in that region. In any such regional office with at least 140 employees, there shall be at least one full-time employee assigned to such functions. The programs covered by such oversight and coordination include the following:

- “(1) The housing program for veterans supported by the Department of Housing and Urban Development.
- “(2) Housing programs supported by the Secretary under this title or any other provision of law.
- “(3) The homeless veterans reintegration program of the Department of Labor under section 2021 of this title.
- “(4) The programs under section 2033 of this title.
- “(5) The assessments required by section 2034 of this title.
- “(6) Such other duties relating to homeless veterans as may be assigned.

“(b) VHA CASE MANAGERS.—The Secretary shall ensure that the number of case managers in the Veterans Health Administration is sufficient to assure that every veteran who is provided a housing voucher through section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is assigned to, and is able to be seen as needed by, a case manager.

**“§ 2004. Employment assistance**

“The Secretary may authorize homeless veterans receiving care through vocational rehabilitation programs to participate in the compensated work therapy program under section 1718 of this title.

## “SUBCHAPTER II—COMPREHENSIVE SERVICE PROGRAMS

**“§ 2011. Grants**

“(a) AUTHORITY TO MAKE GRANTS.—(1) Subject to the availability of appropriations provided for such purpose, the Secretary shall make grants to assist eligible entities in establishing programs to furnish, and expanding or modifying existing programs for furnishing, the following to homeless veterans:

- “(A) Outreach.
- “(B) Rehabilitative services.
- “(C) Vocational counseling and training
- “(D) Transitional housing assistance.

“(2) The authority of the Secretary to make grants under this section expires on September 30, 2005.

“(b) CRITERIA FOR AWARD OF GRANTS.—The Secretary shall establish criteria and requirements for the award of a grant under this section, including criteria for enti-

ties eligible to receive such grants, and shall publish such criteria and requirements in the Federal Register. The criteria established under this section shall include the following:

“(1) Specification as to the kinds of projects for which such grant support is available, which shall include—

“(A) expansion, remodeling, or alteration of existing buildings, or acquisition of facilities, for use as service centers, transitional housing, or other facilities to serve homeless veterans; and

“(B) procurement of vans for use in outreach to, and transportation for, homeless veterans to carry out the purposes set forth in subsection (a).

“(2) Specification as to the number of projects for which grant support is available.

“(3) Appropriate criteria for the staffing for the provision of the services for which a grant under this section is furnished.

“(4) Provisions to ensure that the award of grants under this section—

“(A) shall not result in duplication of ongoing services; and

“(B) to the maximum extent practicable, shall reflect appropriate geographic dispersion and an appropriate balance between urban and non-urban locations.

“(5) Provisions to ensure that an entity receiving a grant shall meet fire and safety requirements established by the Secretary, which shall include—

“(A) such State and community requirements that may apply; and

“(B) the fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association.

“(6) Specifications as to the means by which an entity receiving a grant may contribute in-kind services to the start-up costs of any project for which support is sought and the methodology for assigning a cost to that contribution for purposes of subsection (c).

“(c) FUNDING LIMITATIONS.—A grant under this section may not be used to support operational costs. The amount of a grant under this section may not exceed 65 percent of the estimated cost of the expansion, remodeling, alteration, acquisition, or procurement provided for under this section.

“(d) ELIGIBLE ENTITIES.—The Secretary may make a grant under this section to an entity applying for such a grant only if the applicant for the grant—

“(1) is a public or nonprofit private entity with the capacity (as determined by the Secretary) to effectively administer a grant under this section;

“(2) has demonstrated that adequate financial support will be available to carry out the project for which the grant has been sought consistent with the plans, specifications, and schedule submitted by the applicant; and

“(3) has agreed to meet the applicable criteria and requirements established under subsections (b) and (g) (and the Secretary has determined that the applicant has demonstrated the capacity to meet those criteria and requirements).

“(e) APPLICATION REQUIREMENT.—An entity described in subsection (d) desiring to receive assistance under this section shall submit to the Secretary an application. The application shall set forth the following:

“(1) The amount of the grant requested with respect to a project.

“(2) A description of the site for such project.

“(3) Plans, specifications, and the schedule for implementation of such project in accordance with requirements prescribed by the Secretary under subsection (b).

“(4) Reasonable assurance that upon completion of the work for which assistance is sought, the program will become operational and the facilities will be used principally to provide to veterans the services for which the project was designed, and that not more than 25 percent of the services provided will serve clients who are not receiving such services as veterans.

“(f) PROGRAM REQUIREMENTS.—The Secretary may not make a grant to an applicant under this section unless the applicant, in the application for the grant, agrees to each of the following requirements:

“(1) To provide the services for which the grant is furnished at locations accessible to homeless veterans.

“(2) To maintain referral networks for, and aid homeless veterans in, establishing eligibility for assistance, and obtaining services, under available entitlement and assistance programs.

“(3) To ensure the confidentiality of records maintained on homeless veterans receiving services under the grant.

“(4) To establish such procedures for fiscal control and fund accounting as may be necessary to ensure proper disbursement and accounting with respect to the grant and to such payments as may be made under section 2012 of this title.

“(5) To seek to employ homeless veterans and formerly homeless veterans in positions created for purposes of the grant for which those veterans are qualified.

“(g) SERVICE CENTER REQUIREMENTS.—In addition to criteria established under subsection (b), the Secretary shall, in the case of an application for a grant for a service center for homeless veterans, require each of the following:

“(1) That such center provide services to homeless veterans during such hours as the Secretary may specify and be open to such veterans on an as-needed, un-scheduled basis.

“(2) That space at such center will be made available, as mutually agreeable, for use by staff of the Department of Veterans Affairs, the Department of Labor, and other appropriate agencies and organizations in assisting homeless veterans served by such center.

“(3) That such center be equipped and staffed to provide, or to assist in providing, health care, mental health services, hygiene facilities, benefits and employment counseling, meals, transportation assistance, and such other services as the Secretary determines necessary.

“(4) That such center may be equipped and staffed to provide, or to assist in providing, job training and job placement services (including job readiness, job counseling, and literacy and skills training), as well as any outreach and case management services that may be necessary to carry out this paragraph.

“(h) RECOVERY OF UNUSED GRANT FUNDS.—(1) If a grant recipient (or entity eligible for such a grant) under this section does not establish a program in accordance with this section or ceases to furnish services under such a program for which the grant was made, the United States shall be entitled to recover from such recipient or entity the total of all unused grant amounts made under this section to such recipient or entity in connection with such program.

“(2) Any amount recovered by the United States under paragraph (1) may be obligated by the Secretary without fiscal year limitation to carry out provisions of this subchapter.

“(3) An amount may not be recovered under paragraph (1) as an unused grant amount before the end of the three-year period beginning on the date on which the grant is awarded.

#### “§ 2012. Per diem payments

“(a) PER DIEM PAYMENTS FOR FURNISHING SERVICES TO HOMELESS VETERANS.—(1) Subject to the availability of appropriations provided for such purpose, the Secretary, pursuant to such criteria as the Secretary shall prescribe, shall provide to a recipient of a grant under section 2011 of this title (or an entity eligible to receive a grant under that section which after November 10, 1992, establishes a program that the Secretary determines carries out the purposes described in that section) per diem payments for services furnished to any homeless veteran—

“(A) whom the Secretary has referred to the grant recipient (or entity eligible for such a grant); or

“(B) for whom the Secretary has authorized the provision of services.

“(2) The rate for such per diem payments shall be the rate authorized for State homes for domiciliary care under section 1741(a)(1)(A) of this title.

“(3) In a case in which the Secretary has authorized the provision of services, per diem payments under paragraph (1) may be paid retroactively for services provided not more than three days before the authorization was provided.

“(b) INSPECTIONS.—The Secretary may inspect any facility of an entity eligible for payments under subsection (a) at such times as the Secretary considers necessary. No per diem payment may be made to an entity under this section unless the facilities of that entity meet such standards as the Secretary shall prescribe.

“(c) LIFE SAFETY CODE.—(1) Except as provided in paragraph (2), a per diem payment may not be provided under this section to a grant recipient unless the facilities of the grant recipient meet the fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association.

“(2) During the five-year period beginning on the date of the enactment of this section, paragraph (1) shall not apply to an entity that received a grant under section 3 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (Public Law 102-590; 38 U.S.C. 7721 note) before that date if the entity meets fire and safety requirements established by the Secretary.

“(3) From amounts available for purposes of this section, not less than \$5,000,000 shall be used only for grants to assist entities covered by paragraph (2) in meeting the Life Safety Code of the National Fire Protection Association.

#### “§ 2013. Authorization of appropriations

“There are authorized to be appropriated to carry out this subchapter amounts as follows:

- “(1) \$60,000,000 for fiscal year 2002.
- “(2) \$75,000,000 for fiscal year 2003.
- “(3) \$75,000,000 for fiscal year 2004.
- “(4) \$75,000,000 for fiscal year 2005.

#### “SUBCHAPTER III—TRAINING AND OUTREACH

##### “§ 2021. Homeless veterans’ reintegration programs

“(a) IN GENERAL.—Subject to the availability of appropriations provided for under subsection (d) and made available for such purpose, the Secretary of Labor shall conduct, directly or through grant or contract, such programs as the Secretary determines appropriate to provide job training, counseling, and placement services to expedite the reintegration of homeless veterans into the labor force.

“(b) REQUIREMENT TO MONITOR EXPENDITURES OF FUNDS.—(1) The Secretary of Labor shall collect such information as the Secretary considers appropriate to monitor and evaluate the distribution and expenditure of funds appropriated to carry out this section. The information shall include data with respect to the results or outcomes of the services provided to each homeless veteran under this section.

“(2) The information under paragraph (1) shall be furnished to the Secretary of Labor in such form as the Secretary considers appropriate.

“(c) ADMINISTRATION THROUGH THE ASSISTANT SECRETARY OF LABOR FOR VETERANS’ EMPLOYMENT AND TRAINING.—The Secretary of Labor shall carry out this section through the Assistant Secretary of Labor for Veterans’ Employment and Training.

“(d) ANNUAL REPORT TO CONGRESS.—The Secretary of Labor shall submit to Congress an annual report that evaluates services furnished to veterans under this section, and includes an analysis of the information collected under subsection (c).

“(e) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out this section amounts as follows:

- “(A) \$50,000,000 for fiscal year 2002.
- “(B) \$50,000,000 for fiscal year 2003.
- “(C) \$50,000,000 for fiscal year 2004.
- “(D) \$50,000,000 for fiscal year 2005.
- “(E) \$50,000,000 for fiscal year 2006.

“(2) Funds appropriated to carry out this section shall remain available until expended. Funds obligated in any fiscal year to carry out this section may be expended in that fiscal year and the succeeding fiscal year.

##### “§ 2022. Coordination of outreach services for veterans at risk of homelessness

“(a) OUTREACH PLAN.—The Secretary, acting through the Under Secretary for Health, shall provide for appropriate officials of the Mental Health Service and the Readjustment Counseling Service of the Veterans Health Administration to initiate a coordinated plan for joint outreach to veterans at risk of homelessness, including particularly veterans who are being discharged from institutions (including discharges from inpatient psychiatric care, substance abuse treatment programs, and penal institutions).

“(b) MATTERS TO BE INCLUDED.—The outreach plan under subsection (a) shall include the following:

- “(1) Strategies to identify and collaborate with external entities used by veterans who have not traditionally used Department services to further outreach efforts.
- “(2) Strategies to ensure that mentoring programs, recovery support groups, and other appropriate support networks are optimally available to veterans.
- “(3) Appropriate programs or referrals to family support programs.
- “(4) Means to increase access to case management services.
- “(5) Plans for making additional employment services accessible to veterans.
- “(6) Appropriate referral sources for mental health and substance abuse services.

“(c) COOPERATIVE RELATIONSHIPS.—The plan shall identify strategies for the Department to enter into formal cooperative relationships with entities outside the Department to facilitate making services and resources optimally available to veterans.

“(d) REVIEW OF PLAN.—The Secretary shall submit the plan under subsection (a) to the Advisory Committee on Homeless Veterans for its review and consultation.

“(e) OUTREACH PROGRAM.—(1) The Secretary shall carry out an outreach program to provide information to homeless veterans and veterans at risk of homelessness. The program shall include at a minimum—

- “(A) provision of information about benefits available to eligible veterans from the Department; and

“(B) contact information for local Department facilities, including medical facilities, regional offices, and veterans centers.

“(2) In developing and carrying out the program under paragraph (1), the Secretary shall, to the extent practicable, consult with appropriate public and private organizations, including the Bureau of Prisons, State social service agencies, the Department of Defense, and mental health, veterans, and homeless advocates—

“(A) for assistance in identifying and contacting veterans who are homeless or at risk of homelessness;

“(B) to coordinate appropriate outreach activities with those organizations; and

“(C) to coordinate services provided to veterans with services provided by those organizations.

“(f) SUBMISSION OF REPORT.—Not later than two years after the date of the enactment of this section, the Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a report on the Secretary’s plan under subsection (a), including goals and time lines for implementation of the plan for particular facilities and service networks.

**“§ 2023. Demonstration program relating to referral and counseling for veterans transitioning from certain institutions who are at risk for homelessness**

“(a) PROGRAM AUTHORITY.—The Secretary and the Secretary of Labor (hereinafter in this section referred to as the ‘Secretaries’) shall carry out a demonstration program for the purpose of determining the costs and benefits of providing referral and counseling services to eligible veterans with respect to benefits and services available to such veterans under this title and under State law.

“(b) LOCATION OF DEMONSTRATION PROGRAM.—The demonstration program shall be carried out in at least six locations. One location shall be a penal institution under the jurisdiction of the Bureau of Prisons.

“(c) SCOPE OF PROGRAM.—(1) To the extent practicable, the demonstration program shall provide both referral and counseling, and in the case of counseling, shall include counseling with respect to job training and placement, housing, health care, and such other benefits to assist the eligible veteran in the transition from institutional living.

“(2)(A) To the extent that referral or counseling services are provided at a location under the program, referral services shall be provided in person during the 60-day period that precedes the date of release or discharge of the eligible veteran under subsection (f)(1)(B), and counseling services shall be furnished after such date.

“(B) The Secretaries may furnish to officials of penal institutions outreach information with respect to referral and counseling services for presentation to veterans in the custody of such officials during the 18-month period that precedes such date of release or discharge.

“(3) The Secretaries may enter into contracts to carry out the counseling required under the demonstration program with entities or organizations that meet such requirements as the Secretaries may establish.

“(4) In developing the demonstration program, the Secretaries shall consult with officials of the Bureau of Prisons, officials of penal institutions of States and political subdivisions of States, and such other officials as the Secretaries determine appropriate.

“(d) REPORT.—(1) Not later than two years after the commencement of the demonstration program, the Secretary (after consultation with the Secretary of Labor) shall submit to the Committees on Veterans’ Affairs of the Senate and the House of Representatives a report on the program.

“(2) The report under paragraph (1) shall include the following:

“(A) A description of the implementation and operation of the program.

“(B) An evaluation of the effectiveness of the program.

“(C) Recommendations, if any, regarding an extension of the program.

“(e) DURATION.—The authority of the Secretaries to provide counseling services under the demonstration program shall cease on the date that is four years after the date of the commencement of the demonstration program.

“(f) DEFINITIONS.—In this section:

“(1) The term ‘eligible veteran’ means a veteran who—

“(A) is a resident of a penal institution or an institution that provides long-term care for mental illness;

“(B) is expected to be imminently released or discharged (as the case may be) from the facility or institution; and

“(C) is at risk for homelessness absent referral and counseling services provided under the program (as determined under guidelines established by the Secretaries).

“(2) The term ‘imminent’ means, with respect to a release or discharge under paragraph (1)(B), the 60-day period that ends on the date of such release or discharge.

“SUBCHAPTER V—HOUSING ASSISTANCE

“§ 2042. **Supported housing for veterans participating in compensated work therapies**

“The Secretary may authorize homeless veterans in the compensated work therapy program to be provided housing through the therapeutic residence program under section 2032 of title or through grant and per diem providers under subchapter II of this chapter.

“§ 2043. **Domiciliary care programs**

“(a) **AUTHORITY.**—The Secretary may establish up to 10 programs under section 1710(b) of this title (in addition to any such program that is established as of the date of the enactment of this section) to provide domiciliary services under such section to homeless veterans.

“(b) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary \$5,000,000 for each of fiscal years 2003 and 2004 to establish the programs referred to in subsection (a).

“SUBCHAPTER VII—OTHER PROVISIONS

“§ 2061. **Grant program for homeless veterans with special needs**

“(a) **ESTABLISHMENT.**—The Secretary shall carry out a program to make grants to health care facilities of the Department and to grant and per diem providers in order to encourage development by those facilities and providers of programs targeted at meeting special needs within the population of homeless veterans.

“(b) **SPECIAL NEEDS.**—For purposes of this section, homeless veterans with special needs include homeless veterans who—

- “(1) are women;
- “(2) are 50 years of age or older;
- “(3) are substance abusers;
- “(4) are persons with post-traumatic stress disorder;
- “(5) are terminally ill;
- “(6) are chronically mentally ill; or
- “(7) have care of minor dependents or other family members.

“(c) **FUNDING.**—(1) From amounts appropriated to the Department for ‘Medical Care’ for each of fiscal years 2003, 2004, and 2005, the amount of \$10,000,000 shall be available for the purposes of the program under this section.

“(2) The Secretary shall ensure that funds for grants under this section are designated for the first three years of operation of the program under this section as a special purpose program for which funds are not allocated through the Veterans Equitable Resource Allocation system.

“§ 2062. **Dental care**

“(a) **IN GENERAL.**—For purposes of section 1712(a)(1)(H) of this title, outpatient dental services and treatment of a dental condition or disability of a veteran described in subsection (b) shall be considered to be medically necessary, subject to subsection (c), if—

- “(1) the dental services and treatment are necessary for the veteran to successfully gain or regain employment;
- “(2) the dental services and treatment are necessary to alleviate pain; or
- “(3) the dental services and treatment are necessary for treatment of moderate, severe, or severe and complicated gingival and periodontal pathology.

“(b) **ELIGIBLE VETERANS.**—Subsection (a) applies to a veteran who is—

- “(1) enrolled for care under section 1705(a) of this title; and
- “(2) who is receiving care (directly or by contract) in any of the following settings:

- “(A) A domiciliary under section 1710 of this title.
- “(B) A therapeutic residence under section 2032 of this title.
- “(C) Community residential care coordinated by the Secretary of Veterans Affairs under section 1730 of this title.
- “(D) A setting for which the Secretary provides funds for a grant and per diem provider.

“(c) **LIMITATION.**—Dental benefits provided by reason of this section shall be a one-time course of dental care provided in the same manner as the dental benefits provided to a newly discharged veteran.



**“§ 2063. Technical assistance grants for nonprofit community-based groups**

“(a) GRANT PROGRAM.—The Secretary shall carry out a program to make technical assistance grants to nonprofit community-based groups with experience in providing assistance to homeless veterans in order to assist such groups in applying for grants under this chapter and other grants relating to addressing problems of homeless veterans.

“(b) FUNDING.—There is authorized to be appropriated to the Secretary the amount of \$750,000 for each of fiscal years 2002 through 2005 to carry out the program under this section.

**“§ 2064. Annual report on assistance to homeless veterans**

“(a) ANNUAL REPORT.—Not later than April 15 of each year, the Secretary shall submit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a report on the activities of the Department during the calendar year preceding the report under programs of the Department under this chapter and other programs of the Department for the provision of assistance to homeless veterans.

“(b) GENERAL CONTENTS OF REPORT.—Each report under subsection (a) shall include the following:

“(1) The number of homeless veterans provided assistance under those programs.

“(2) The cost to the Department of providing such assistance under those programs.

“(3) Any other information on those programs and on the provision of such assistance that the Secretary considers appropriate.

“(4) The Secretary’s evaluation of the effectiveness of the programs of the Department (including residential work-therapy programs, programs combining outreach, community-based residential treatment, and case-management, and contract care programs for alcohol and drug-dependence or use disabilities) in providing assistance to homeless veterans.

“(5) The Secretary’s evaluation of the effectiveness of programs established by recipients of grants under section 2011 of this title and a description of the experience of those recipients in applying for and receiving grants from the Secretary of Housing and Urban Development to serve primarily homeless persons who are veterans.

“(c) HEALTH CARE CONTENTS OF REPORT.—Each report under subsection (a) shall include the following with respect to programs of the Department addressing health care needs of homeless veterans:

“(1) Information about expenditures, costs, and workload under the program of the Department known as the Health Care for Homeless Veterans program (HCHV).

“(2) Information about the veterans contacted through that program.

“(3) Information about processes under that program.

“(4) Information about program treatment outcomes under that program.

“(5) Information about supported housing programs.

“(6) Information about the Department’s grant and per diem provider program under subchapter II of this chapter.

“(7) Other information the Secretary considers relevant in assessing the program.

**“§ 2065. Advisory Committee on Homeless Veterans**

“(a)(1) There is established in the Department the Advisory Committee on Homeless Veterans (hereinafter in this section referred to as the ‘Committee’).

“(2) The Committee shall consist of not more than 15 members appointed by the Secretary from among the following:

“(A) Veterans service organizations.

“(B) Advocates of homeless veterans and other homeless individuals.

“(C) Community-based providers of services to homeless individuals.

“(D) Previously homeless veterans.

“(E) State veterans affairs officials.

“(F) Experts in the treatment of individuals with mental illness.

“(G) Experts in the treatment of substance use disorders.

“(H) Experts in the development of permanent housing alternatives for lower income populations.

“(I) Experts in vocational rehabilitation.

“(J) Such other organizations or groups as the Secretary considers appropriate.

“(3) The Committee shall include, as ex officio members—

- “(A) the Secretary of Labor (or a representative of the Secretary selected after consultation with the Assistant Secretary of Labor for Veterans’ Employment);
- “(B) the Secretary of Defense (or a representative of the Secretary);
- “(C) the Secretary of Health and Human Services (or a representative of the Secretary); and
- “(D) the Secretary of Housing and Urban Development (or a representative of the Secretary).

“(4) The Secretary shall determine the terms of service and pay and allowances of the members of the Committee, except that a term of service may not exceed three years. The Secretary may reappoint any member for additional terms of service.

“(b)(1) The Secretary shall, on a regular basis, consult with and seek the advice of the Committee with respect to the provision by the Department of benefits and services to homeless veterans.

“(2)(A) In providing advice to the Secretary under this subsection, the Committee shall—

- “(i) assemble and review information relating to the needs of homeless veterans;
- “(ii) provide an on-going assessment of the effectiveness of the policies, organizational structures, and services of the Department in assisting homeless veterans; and
- “(iii) provide on-going advice on the most appropriate means of providing assistance to homeless veterans.

“(3) The Committee shall—

“(A) review the continuum of services provided by the Department directly or by contract in order to define cross-cutting issues and to improve coordination of all services with the Department that are involved in addressing the special needs of homeless veterans;

“(B) identify (through the annual assessments under section 2034 of this title and other available resources) gaps in programs of the Department in serving homeless veterans, including identification of geographic areas with unmet needs, and provide recommendations to address those program gaps;

“(C) identify gaps in existing information systems on homeless veterans, both within and outside of the Department, and provide recommendations about redressing problems in data collection;

“(D) identify barriers under existing laws and policies to effective coordination by the Department with other Federal agencies and with State and local agencies addressing homeless populations;

“(E) identify opportunities for increased liaison by the Department with non-governmental organizations and individual groups addressing homeless populations;

“(F) with appropriate officials of the Department designated by the Secretary, participate with the Interagency Council on the Homeless under title II of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11311 et seq.);

“(G) recommend appropriate funding levels for specialized programs for homeless veterans provided or funded by the Department;

“(H) recommend appropriate placement options for veterans who, because of advanced age, frailty, or severe mental illness, may not be appropriate candidates for vocational rehabilitation or independent living; and

“(I) perform such other functions as the Secretary may direct.

“(c)(1) Not later than March 31 of each year, the Committee shall submit to the Secretary a report on the programs and activities of the Department that relate to homeless veterans. Each such report shall include—

“(A) an assessment of the needs of homeless veterans;

“(B) a review of the programs and activities of the Department designed to meet such needs;

“(C) a review of the activities of the Committee; and

“(D) such recommendations (including recommendations for administrative and legislative action) as the Committee considers appropriate.

“(2) Not later than 90 days after the receipt of a report under paragraph (1), the Secretary shall transmit to the Committees on Veterans’ Affairs of the Senate and House of Representatives a copy of the report, together with any comments and recommendations concerning the report that the Secretary considers appropriate.

“(3) The Committee may also submit to the Secretary such other reports and recommendations as the Committee considers appropriate.

“(4) The Secretary shall submit with each annual report submitted to the Congress pursuant to section 529 of this title a summary of all reports and recommendations of the Committee submitted to the Secretary since the previous annual report of the Secretary submitted pursuant to that section.

“(d) The Committee shall cease to exist December 31, 2006.”

(2) The tables of chapters before part I and at the beginning of part II are each amended by inserting after the item relating to chapter 19 the following new item:

“20. Benefits for Homeless Veterans ..... 2001”.

(b) HEALTH CARE.—(1) Subchapter VII of chapter 17 is transferred to chapter 20 (as added by subsection (a)), inserted after section 2023 (as so added), and redesignated as subchapter IV, and sections 1771, 1772, 1773, and 1774 therein are redesignated as sections 2031, 2032, 2033, and 2034, respectively.

(2) Subsection (a)(3) of section 2031, as so transferred and redesignated, is amended by striking “section 1772 of this title” and inserting “section 2032 of this title”.

(c) HOUSING ASSISTANCE.—Section 3735 is transferred to chapter 20 (as added by subsection (a)), inserted after the heading for subchapter V, and redesignated as section 2041.

(d) MULTIFAMILY TRANSITIONAL HOUSING.—(1) Subchapter VI of chapter 37 (other than section 3771) is transferred to chapter 20 (as added by subsection (a)) and inserted after section 2043 (as added by subsection (a)), and sections 3772, 3773, 3774, and 3775 therein are redesignated as sections 2051, 2052, 2053, and 2054, respectively.

(2) Such subchapter is amended—

(A) in the heading, by striking “FOR HOMELESS VETERANS”;

(B) in subsection (d)(1) of section 2051, as so transferred and redesignated, by striking “section 3773 of this title” and inserting “section 2052 of this title”; and

(C) in subsection (a) of section 2052, as so transferred and redesignated, by striking “section 3772 of this title” and inserting “section 2051 of this title”.

(3) Section 3771 is repealed.

(e) REPEAL OF CODIFIED PROVISIONS.—The following provisions of law are repealed:

(1) Sections 3, 4, and 12 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (Public Law 102–590; 38 U.S.C. 7721 note).

(2) Section 1001 of the Veterans’ Benefits Improvements Act of 1994 (Public Law 103–446; 38 U.S.C. 7721 note).

(3) Section 4111.

(4) Section 738 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11448).

(f) EXTENSION OF EXPIRING AUTHORITIES.—Subsection (b) of section 2031, as redesignated by subsection (b)(1), and subsection (d) of section 2033, as so redesignated, are amended by striking “December 31, 2001” and inserting “December 31, 2006”.

(g) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of chapter 17 is amended by striking the item relating to subchapter VII and the items relating to sections 1771, 1772, 1773, and 1774.

(2) The table of sections at the beginning of chapter 37 is amended—

(A) by striking the item relating to section 3735; and

(B) by striking the item relating to subchapter VI and the items relating to sections 3771, 3772, 3773, 3774, and 3775.

(3) The table of sections at the beginning of chapter 41 is amended by striking the item relating to section 4111.

#### SEC. 6. EVALUATION OF HOMELESS PROGRAMS.

(a) EVALUATION CENTERS.—The Secretary of Veterans Affairs shall support the continuation within the Department of Veterans Affairs of at least one center for evaluation to monitor the structure, process, and outcome of programs of the Department of Veterans Affairs that address homeless veterans.

(b) ANNUAL PROGRAM ASSESSMENT.—Section 2034(b), as transferred and redesignated by section 5(b)(1), is amended—

(1) by inserting “annual” in paragraph (1) after “to make an”; and

(2) by adding at the end the following new paragraph:

“(6) The Secretary shall review each annual assessment under this subsection and shall consolidate the findings and conclusions of those assessments into an annual report to be submitted to Congress.”

#### SEC. 7. STUDY OF OUTCOME EFFECTIVENESS OF GRANT PROGRAM FOR HOMELESS VETERANS WITH SPECIAL NEEDS.

(a) STUDY.—The Secretary of Veterans Affairs shall conduct a study of the effectiveness during fiscal year 2002 through fiscal year 2004 of the grant program under section 2061 of title 38, United States Code, as added by section 5(a), in meeting the needs of homeless veterans with special needs (as specified in that section). As part of the study, the Secretary shall compare the results of programs carried

out under that section, in terms of veterans' satisfaction, health status, reduction in addiction severity, housing, and encouragement of productive activity, with results for similar veterans in programs of the Department or of grant and per diem providers that are designed to meet the general needs of homeless veterans.

(b) REPORT.—Not later than March 31, 2005, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report setting forth the results of the study under subsection (a).

**SEC. 8. ADDITIONAL PROGRAMMATIC EXPANSIONS.**

(a) ACCESS TO MENTAL HEALTH SERVICES.—Section 1706 is amended by adding at the end the following new subsection:

“(c) The Secretary shall develop standards to ensure that mental health services are available to veterans in a manner similar to the manner in which primary care is available to veterans who require services by ensuring that each primary care health care facility of the Department has a mental health treatment capacity.”.

(b) COMPREHENSIVE HOMELESS SERVICES PROGRAM.—Subsection (b) of section 2033, as transferred and redesignated by section 5(b)(1), is amended—

(1) by striking “not fewer” in the first sentence and all that follows through “services) at”; and

(2) by adding at the end the following new sentence: “The Secretary shall carry out the program under this section in sites in at least each of the 20 largest metropolitan statistical areas.”.

(c) OPIOID SUBSTITUTION THERAPY.—Section 1720A is amended by adding at the end the following new subsection:

“(d) The Secretary shall ensure that opioid substitution therapy is available at each Department medical center.”.

**SEC. 9. COORDINATION OF EMPLOYMENT SERVICES.**

(a) DISABLED VETERANS' OUTREACH PROGRAM.—Section 4103A(c) is amended by adding at the end the following new paragraph:

“(11) Coordination of services provided to veterans with training assistance provided to veterans by entities receiving financial assistance under section 2021 of this title.”.

(b) LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES.—Section 4104(b) is amended by adding at the end the following new paragraph:

“(13) Coordinate services provided to veterans with training assistance for veterans provided by entities receiving financial assistance under section 2021 of this title.”.

**SEC. 10. USE OF REAL PROPERTY.**

(a) LIMITATION ON DECLARING PROPERTY EXCESS TO THE NEEDS OF THE DEPARTMENT.—Section 8122(d) is amended by inserting before the period at the end the following: “and is not suitable for use for the provision of services to homeless veterans by the Department or by another entity under an enhanced-use lease of such property under section 8162 of this title”.

(b) WAIVER OF COMPETITIVE SELECTION PROCESS FOR ENHANCED-USE LEASES FOR PROPERTIES USED TO SERVE HOMELESS VETERANS.—Section 8162(b)(1) is amended—

(1) by inserting “(A)” after “(b)(1)”; and

(2) by adding at the end the following:

“(B) In the case of a property that the Secretary determines is appropriate for use as a facility to furnish services to homeless veterans under chapter 20 of this title, the Secretary may enter into an enhanced-use lease without regard to the selection procedures required under subparagraph (A).”.

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply to leases entered into on or after the date of the enactment of this Act.

**SEC. 11. MEETINGS OF INTERAGENCY COUNCIL ON HOMELESS.**

Section 202(c) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11312(c)) is amended to read as follows:

“(c) MEETINGS.—The Council shall meet at the call of its Chairperson or a majority of its members, but not less often than annually.”.

**SEC. 12. RENTAL ASSISTANCE VOUCHERS FOR HUD VETERANS AFFAIRS SUPPORTED HOUSING PROGRAM.**

Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is amended by adding at the end the following new paragraph:

“(19) RENTAL VOUCHERS FOR VETERANS AFFAIRS SUPPORTED HOUSING PROGRAM.—

“(A) SET ASIDE.—Subject to subparagraph (C), the Secretary shall set aside, from amounts made available for rental assistance under this sub-

section, the amounts specified in subparagraph (B) for use only for providing such assistance through a supported housing program administered in conjunction with the Department of Veterans Affairs. Such program shall provide rental assistance on behalf of homeless veterans who have chronic mental illnesses or chronic substance use disorders, shall require agreement of the veteran to continued treatment for such mental illness or substance use disorder as a condition of receipt of such rental assistance, and shall ensure such treatment and appropriate case management for each veteran receiving such rental assistance.

“(B) AMOUNT.—The amount specified in this subparagraph is—

“(i) for fiscal year 2003, the amount necessary to provide 500 vouchers for rental assistance under this subsection;

“(ii) for fiscal year 2004, the amount necessary to provide 1,000 vouchers for rental assistance under this subsection;

“(iii) for fiscal year 2005, the amount necessary to provide 1,500 vouchers for rental assistance under this subsection; and

“(iv) for fiscal year 2006, the amount necessary to provide 2,000 vouchers for rental assistance under this subsection.

“(C) FUNDING THROUGH INCREMENTAL ASSISTANCE.—In any fiscal year, to the extent that this paragraph requires the Secretary to set aside rental assistance amounts for use under this paragraph in an amount that exceeds that set aside in the preceding fiscal year, such requirement shall be effective only to such extent or in such amounts as are or have been provided in appropriation Acts for such fiscal year for incremental rental assistance under this subsection.”.

#### INTRODUCTION

H.R. 2716, as amended, addresses a wide range of issues regarding homeless veterans in the United States. These issues emerged from continuing reports that homeless assistance programs authorized by Federal law and conducted by a variety of Federal, state, municipal and voluntary agencies, under direct, grant or contract programs, are not fully effective in addressing chronic homelessness in the American veteran population. The Committee held hearings, meetings and conducted other oversight during the course of this session, and developed this consensus legislation.

On April 3, 2001, the Subcommittee on Health, Committee on Veterans' Affairs, held a hearing concerning the current state of health care in the VA, with special concern about the mental health programs, homeless assistance and rehabilitation programs, the specialized and unique health care programs and resources in VA dedicated to the most vulnerable and seriously ill veterans. Those testifying at the hearing included: the Honorable Thomas L. Garthwaite, Under Secretary for Health, Department of Veterans Affairs; Dr. Frances M. Murphy, Deputy Undersecretary for Health, Department of Veterans Affairs; Dr. John G. Clarkson, Senior Vice President Medical Affairs and Dean University of Miami School of Medicine, Miami, FL; Dr. George Thibault, Chairman, Special Medical Advisory Group, Department of Veterans Affairs, Vice President and Chairman of Clinical Affairs, Partners Health Care, Inc.; Mr. James R. Fischl, Director, National Veterans Affairs and Rehabilitation Commission, The American Legion; Mr. Paul A. Hayden, Associate Director, National Legislative Service, Veterans of Foreign Wars; Ms. Joy J. Ilem, Assistant National Legislative Director, Disabled American Veterans; Mr. John Bollinger, Deputy Executive Director, Paralyzed Veterans of America; Mr. Richard Jones, National Legislative Director, AMVETS; Mr. Bobby J. Harnage, Sr., National President, American Federation of Government Employees; Ms. Ellen M Pitts, R.N., President, VA Medical Center, Brockton, MA, Local R1-187, National Association of

Government Employees; and Ms. Elaine Gerace, R.N., Divisional President, VA Medical Center, Syracuse, NY, Local 200B, Service Employees International Union.

On June 20, 2001, the Committee's Subcommittee on Health held a hearing to receive testimony concerning serious mental illness, including substance use disorder and homelessness in veterans. Those testifying at the hearing included: the Honorable Thomas L. Garthwaite, Under Secretary for Health, Department of Veterans Affairs; Mr. Peter H. Dougherty, Director, Homeless Veterans Programs, Office of Public and Intergovernmental Affairs, Department of Veterans Affairs; Dr. Paul Errera, Connecticut VA Health System, and former Director, VHA Mental Health and Behavioral Sciences Service; Dr. Laurent S. Lehmann, Chief Consultant, Mental Health and Behavioral Sciences Services, Department of Veterans Affairs; Dr. Miklos Losonczy, New Jersey VA Health System and Co-chair, VA Advisory Committee on Serious Mental Illness; Dr. Richard McCormick, Ohio VA Health System and Co-chair, VA Advisory Committee on Serious Mental Illness; Dr. Bruce Rounsaville, Connecticut VA Health System and Professor of Psychiatry, Yale University; Ms. Linda Boone, Executive Director, National Coalition for Homeless Veterans; Dennis Culhane, Ph.D., Associate Professor, University of Pennsylvania, Fred Frese, Ph.D., Chair, Veterans Committee, National Alliance for the Mentally Ill; Mr. Ralph Ibson, Vice President for Government Affairs, National Mental Health Association; Mr. Richard Fuller, National Legislative Director, Paralyzed Veterans of America; Ms. Joy J. Ilem, Assistant National Legislative Director, Disabled American Veterans; Ms. Linda Spoonster-Schwartz, Associate Research Scientist, Yale University School of Nursing; and Mr. Richard Weidman, Executive Director, Government Relations, Vietnam Veterans of America.

On September 20, 2001, the Committee on Veterans' Affairs held a hearing to receive information on the matter of homelessness among veterans, and received testimony on this measure, H.R. 2716, the Homeless Veterans Assistance Act of 2001, introduced by Mr. Smith, Chairman of the Committee on Veterans' Affairs, and other Members on August 2, 2001, and another measure, H.R. 936, the Heather French Henry Homeless Veterans Assistance Act of 2001, introduced by the Committee's Ranking Member, Mr. Evans, and other Members, on March 8, 2001. Those testifying at the hearing included: Dr. Frances M. Murphy, Deputy Under Secretary for Health, Department of Veterans Affairs; Mr. Peter H. Dougherty, Director, Homeless Veterans Programs, Office of Public and Intergovernmental Affairs, Department of Veterans Affairs; the Honorable Roy A. Bernardi, Assistant Secretary for Community Planning & Development, Department of Housing and Urban Development; Mr. John B. Garrity, Director, Office of Special Needs Assistance, Department of Housing and Urban Development; Mrs. Heather French Henry, Miss America 2000; Mr. John Kuhn, Chief, VA New Jersey Homeless Services, Department of Veterans Affairs, accompanied by Ms. Angela Gipson, Mr. Stuart Collick, and Mr. Walter McConnell; Mr. Carl Blake, Associate Legislative Director, Paralyzed Veterans of America; Mr. Brian E. Lawrence, Associate National Legislative Director, Disabled American Veterans; Ms. Jacqueline Garrick, Deputy Director, Health Care, National Veterans Affairs & Rehabilitation Commission, The American Le-

gion; Ms. Linda Boone, Executive Director, National Coalition for Homeless Veterans; Mr. Theodore R. Jones, Chief Steward, Local 1647, American Federation of Government Employees, AFL-CIO; Mr. Len Selfon, Director, Veterans Benefits, Vietnam Veterans of America; and Mr. Richard Schneider, Director, Veterans and State Affairs, Non Commissioned Officers Association.

On October 4, 2001, the Subcommittee on Health met and unanimously ordered H.R. 2716 reported favorably to the full Committee with an amendment in the nature of a substitute.

On October 10, 2001, the full Committee met and ordered H.R. 2716 reported favorably to the House with an amendment in the nature of a substitute by unanimous voice vote.

#### SUMMARY OF THE REPORTED BILL

H.R. 2716, as amended, would:

1. Provide that this bill may be cited as the “Stuart Collick—Heather French Henry Homeless Veterans Assistance Act”.
2. Establish a national goal to end chronic homelessness among veterans within a decade and encourage all governmental and private agencies to work together to achieve this goal.
3. Provide a “Sense of the Congress” regarding the needs of homeless veterans and the responsibility of federal agencies in meeting those needs.
4. Consolidate and improve laws relating to homeless veterans into a new chapter of title 38, United States Code. Include provisions to increase per diem payments for the care of homeless veterans by community providers to the rates paid to state home domiciliaries, authorize appropriations for the Homeless Veterans’ Reintegration Program, coordinate outreach services among agencies dealing with homeless individuals, and undertake an outreach demonstration program within VA. Other provisions would authorize establishment of a grant program for homeless veterans with special needs, limited dental care for veterans using VA homeless programs, technical assistance to nonprofit community based groups, and to establish an Advisory Committee on Homeless Veterans.
5. Establish evaluation centers for programs that serve homeless populations and require annual program assessments to be submitted to Congress.
6. Require a study of outcome effectiveness of grant program for homeless veterans with special needs.
7. Require VA to develop a standard for access to mental health services; expand the comprehensive homeless services program; and expand opioid substitution therapy to every VA medical center.
8. Require Disabled Veterans’ Outreach Program specialists and Local Veterans’ Employment Representatives to coordinate employment services with entities receiving financial assistance under homeless veterans’ reintegration programs.
9. Establish priorities for homeless programs when VA considers disposing of real property or entering into enhanced-use lease arrangements.

10. Require an annual meeting of the Interagency Council on Homeless.
11. Set aside rental assistance vouchers for HUD VA-Supported Housing Program.

#### BACKGROUND AND DISCUSSION

The Committee's objective is to end chronic homelessness among the veteran population within a decade of enactment of this bill through establishment of a statutory national goal in this regard and the necessary means to effect its achievement. The Committee believes that this goal can best be achieved through educational initiatives, innovative approaches at prevention, expansion of current programs, applications of greater accountability for federally-funded programs, and improved cooperation and coordination among federal agencies with similar missions to stem and end homelessness.

##### SUBCHAPTER I—PURPOSE; DEFINITIONS; ADMINISTRATIVE MATTERS

*Staffing requirements.*—Current law regarding staffing requirements at VBA Regional Offices requires VA's comprehensive homeless centers to include the services of Veterans Benefits Administration employees, as the Secretary deems appropriate. Directors of each regional benefits office are also required to assess needs of homeless veterans living within the areas served by the regional offices.

With a current VA backlog of over one-half million benefits claims, the Committee is concerned that homeless veterans have immediate needs for benefits and VA services that cannot be reasonably addressed within the timeframe in which claims are normally adjudicated. Section 2003(a) of a new chapter 20, title 38, United States Code, would require VA to designate at least one full-time Veterans Benefits Administration employee in each Regional Office with more than 140 employees to oversee and coordinate homeless veterans programs including assuring identification and expedited treatment of claims for benefits filed by homeless veterans, the Department of Housing and Urban Development housing program for veterans, VA housing programs, the Homeless Veterans' Reintegration Program, VA's Comprehensive Homeless Service Centers, and coordination of needs assessments through the "CHALENG" process.

*Employment Assistance.*—It is not clear under current law that participants in VA's vocational rehabilitation programs may be placed in compensated work therapy (CWT) programs. As amended, the bill would authorize participants in vocational rehabilitation programs to participate in VA's compensated work therapy programs, as well as other appropriate assistance, to aid their return to the employment market.

##### SUBCHAPTER II—COMPREHENSIVE SERVICE PROGRAMS

In addition to providing medical and social services directly, VA is authorized by Public Law 102-590 to make grants to nonprofit entities to assist them in providing such services. To date, VA has awarded over \$50 million in grants to assist public and nonprofit agencies in constructing, acquiring and/or renovating facilities to



create supportive housing or service centers for homeless veterans. A companion per diem program assists non-VA organizations to defray the operational costs of homeless residential and rehabilitation services. By the end of fiscal year 2000, VA had provided services to over 10,000 veterans under the per diem component of this program.

From 1994 to 2000, 243 grants were awarded in 44 states and the District of Columbia. When these projects are completed, approximately 5,000 new community-based beds will be available for homeless veterans. It is estimated that approximately 1,250 beds will be available for spouses and children of homeless veterans or other homeless persons. At the end of fiscal year 2000, 71 programs had been activated and are operating more than 2,076 beds. Additionally, 17 independent homeless veterans service centers will be established. It is estimated that approximately 14,000 homeless veterans will receive services from programs funded by VA's grant and per diem program.

In order to effectively carry out the programs offered in this subchapter, the appropriations authorized would expand the authority to make grants to eligible entities to furnish existing programs, assist entities in applying for these grants, and provide entities per diem payments at the same rate authorized for State home domiciliary care programs. In addition, VA would no longer require providers to calculate the value of its in-kind assistance in establishing its rates. Grants would also be available to assist eligible entities in meeting the Life Safety Code of the National Fire Protection Association. The Committee's view is that expanding the levels of support to these vital programs would bring more specialized service and care to the homeless veterans. The level of funding authorized would be: fiscal year 2002, \$60,000,000; fiscal year 2003, \$75,000,000; fiscal year 2004, \$75,000,000; and fiscal year 2005, \$75,000,000.

#### SUBCHAPTER III—TRAINING AND OUTREACH

*Homeless Veterans' Reintegration Program.*—Current law authorizes the Secretary of Labor to conduct such programs as the Secretary determines appropriate to provide job training, counseling, and placement services to homeless (or formerly homeless) veterans. The average cost of placing homeless veterans in employment through this program is approximately \$1,250 per veteran. It is likely one of the more cost-efficient programs in the federal government. In order to maximize the benefits provided by this program, the revised measure would authorize an appropriation of \$50 million for each of fiscal years 2002 through 2005.

*Coordination of outreach services for veterans at risk of homelessness.*—While there are currently many veterans being served by programs operated or funded by the Department of Veterans Affairs, many additional agencies inside and outside federal government also serve veterans. There is no current mechanism by which such services are coordinated for veterans.

This measure would require VA to develop a plan to identify and collaborate with appropriate external agencies to make mentoring and support programs, family support, case management, and employment services optimally available to veterans. The plan is also

required to address the need for appropriate referral resources for mental health and substance abuse services.

The Committee strongly believes that VA must establish community partnerships to achieve the goals of the plan. This measure would require VA to enter into formal relationships with outside providers to ensure that all agencies agree on clear objectives to better meet the needs of the homeless veterans and to identify and respond to veterans who may be at risk of homelessness.

The provision would also require VA to develop a program of outreach with appropriate external agencies, such as state social service departments, long-term psychiatric facilities, substance abuse treatment facilities, jails and prisons, and the Federal Bureau of Prisons. The program would require VA to share information about veterans' benefits and to make local contact information available to appropriate agencies. The Committee expects VA to develop these programs in consultation with appropriate outside agencies.

*Demonstration program relating to referral and counseling for veterans transitioning from certain institutions who are at risk for homelessness.*—New section 2023 of title 38, United States Code, would authorize the Secretary of Veterans Affairs, in conjunction with the Secretary of Labor, to carry out a demonstration program to provide referral and counseling services to eligible veterans prior to release or discharge from a penal institution or long-term mental health institution. The program would be conducted at six locations, including at least one penal institution under the jurisdiction of the Federal Bureau of Prisons.

VA has identified common characteristics as both contributing factors to unlawful behavior and potential entry points for treatment intervention. The Department of Justice estimated that there were 234,000 incarcerated veterans in 1999. A report produced by Christopher J. Mumola, Policy Analyst for the Bureau of Justice, (Mumola, 2001), yielded the following profile:

- More than 35 percent of veterans on probation served during the Vietnam era, with 24 percent having seen combat.
- More than 90 percent of veterans on probation had received honorable discharges.
- More than 97 percent were male, and almost three-quarters were Caucasian and high school graduates.
- The median age of veterans on probation was 39 years, with 70 percent 35 or older.
- Veterans were 50 percent more likely to be guilty of a violent offense, especially sexual assault, while at least as likely to be guilty of property offense.
- Veterans reported much higher rates of alcohol abuse, DWI offenses and being under the influence of alcohol at the time of their offenses than non-veteran counterparts.
- Probationary veterans were more likely to display indicators of mental illness.

Another report from the Bureau of Justice from 1998 (Ditton, 1998) found that, based on self-reporting, mental health problems are not uncommon among prisoners.

Mentally ill prisoners were twice as likely to have been homeless during the twelve months prior to their arrest, and incarcerated veterans constitute a large population with significant psychosocial needs. The most recent Department of Justice statistics (Mumola, 2000) indicate that 13 percent of inmates in state correctional facilities are veterans, with approximately 20 percent of these veterans having served in combat. Although some of these veterans may find their way to services offered by the Veterans Health Administration, often this is only after a psychiatric decompensation, a deterioration of a medical condition, or a return to criminal or other self-destructive behavior such as substance use.

Recognizing the need for earlier intervention, the Committee's intent is that outreach information be provided to incarcerated veterans during the 18-month period that precedes date of release. As the discharge date moves nearer for each inmate, referral and counseling would be provided in person to ensure each veteran in the demonstration project has available appropriate information before discharge into the community.

Before entering an institution such as a prison, jail, or facility for the severely mentally ill, a veteran's circumstance may have left him without family support or resources. Because of incarceration, a family may have lost means of financial stability. Release from jail or a mental hospital might find the veteran without an alternative to returning to the street, essentially with nowhere to go and no one to provide personal support. While the individual may have attained freedom from incarceration or institutionalization, without employment, the veteran could easily revert to behaviors that led to the earlier confinement, including illegal substance abuse.

#### SUBCHAPTER IV—HOUSING ASSISTANCE

*Supported housing for veterans participating in compensated work therapy programs administered by the VA.*—The Committee believes VA should provide maximum flexibility in housing options for veterans participating in compensated work therapy programs administered by the VA. This measure would authorize VA to provide placements not only in therapeutic residence programs, but also to VA's grant and per diem providers in the community.

*Domiciliary care programs.*—The domiciliary care program has been functioning within VA since before the beginning of this century; it originally provided long-term care to disabled veterans. Since its inception, many changes have taken place to provide the program with a more clinical focus. The VA Domiciliary Care for Homeless Veterans (DCHV) program began in 1987 with the enactment of Public Law 100-71, and is distinct in most VA medical centers from existing domiciliary care programs. A VA domiciliary for homeless veterans provides residential rehabilitation and health maintenance for veterans who do not require hospital or nursing home care, but are unable to live independently because of medical or psychiatric disabilities. Veterans must be homeless or in living situations that compromise their ability to maintain residential stability (*i.e.*, living in a car, a shelter, etc.). Eligible ambulatory veterans receive necessary medical and psychiatric care, rehabilitative assistance, and other therapeutic interventions on an outpatient basis from the host medical center, while residing in the

structured, therapeutic, homelike environment of the domiciliary. The goal of the program is to return the veteran to independent functioning in the community. At present there are 35 VA domiciliaries for homeless veterans in the VA health care system.

Some of the specialized therapeutic programs offered include: restoration, substance-use treatment and education, post-psychiatric care adjustment, geriatric care, behavior modification, health promotion, TIGER (training in group effectiveness and resourcefulness) or human relations training, and post-discharge community support and aftercare. Patients may be assigned incentive therapy wherein they will receive nominal remuneration for therapeutic work assignments throughout the medical center or domiciliary. Patients also may participate in training and/or “work-out/live-in” programs.

Section 2043 would give the Secretary of Veterans Affairs the authority to establish up to 10 new domiciliary care programs. This authority would relieve VA of the burden of finding private therapeutic programs for veterans ready to change their current situations. The Committee has received testimony that veterans with mental illness, substance-use disorder, or homelessness have been turned away from VA facilities due to lack of space. This program has been very effective, with nearly 50,000 homeless veterans utilizing the services since inception.

The funding authorized \$5,000,000 for each of fiscal years 2003 and 2004, would establish the additional programs in areas the Secretary deems appropriate.

#### SUBCHAPTER VI—OTHER PROVISIONS

*Grant Program for Homeless Veterans with Special Needs.*—The Committee’s view is that many programs have demonstrated effectiveness in meeting the needs of homeless veterans who are capable of regaining sobriety, stability and reintegrating into work environments. Homeless veterans who, due to severe mental or physical illness or infirmity, may still benefit from programs to reduce the symptoms of their illnesses or promote their independence and productivity, but may not be as well served by these “mainstream” programs. In addition, some veterans—particularly women veterans—are often restricted from programs by virtue of having dependent children who cannot be served by these programs, or by other constraints.

The Committee believes also that some of these populations may not benefit from the work-oriented therapy that has proven effective for many homeless veterans. For such veterans, programs with different goals and orientations may be appropriate. For example, for veterans with terminal illness or extreme frailty, provision of a comfortable living environment and palliative care may be appropriate. Veterans with severe and chronic mental illnesses that preclude a successful outcome from vocational rehabilitation may be assisted by programs that help them stabilize and find productive activity. Family-centered programs may be most effective for veterans with dependent minors.

The Committee is committed to stimulating program innovations through a competitive grant project that would fund the best proposals from VA or community-based organizations providing care on a per diem basis. The total amounts authorized for such grants

would be \$10 million in each of fiscal years 2003, 2004 and 2005. Section 7 of this bill requires a study of the effectiveness of programs developed under these special grants to meet the specific needs of targeted populations. It also assures that these funds will remain available for the grantees for three fiscal years after implementation.

*Dental Care.*—The Committee observes that annual reports required under section 2034 (as redesignated), known as the Community Homelessness Assessment, Local Education and Networking Groups (or CHALENG) for Veterans, have noted the non-availability of dental care services for homeless veterans as a major deficiency. This deficiency was reported by both VA staff and community providers. Homeless veterans and their advocates have also testified to both the medical necessity of a dental benefit and the impediment severe dental pathology can be to regaining employment.

Under current law, VA provides “medically necessary” dental care to veterans receiving inpatient hospital care. VA does not currently have the authority to extend the benefit to other health care settings in which homeless veterans often obtain care, such as domiciliary programs, therapeutic residences, community residential care centers, or community-based organizations under VA’s homeless grant and per diem program.

The Committee believes Congress should extend a dental benefit to veterans receiving care in these settings under certain conditions—to alleviate pain, to help with employment prospects, or for periodontal or gingival conditions. This benefit for homeless veterans would be structured similar to the dental care offered to recently discharged veterans, and would not be a continuing VA benefit.

*Technical assistance grants for nonprofit community-based groups.*—VA currently spends about \$32 million annually on its homeless grant and per diem program. The Committee expects this commitment to substantially expand, consistent with the level of appropriations authorized for each of the next four fiscal years. Homeless grant and per diem applicants are usually untrained in developing grant proposals. They are also often compelled to seek grants from a variety of sources in order to assure the ongoing integrity of their programs for veterans. An expert adviser would better ensure the quality of proposals submitted to VA and other agencies for approval. It would also provide an established clearinghouse of information to identify additional funding sources. The Committee expects that this small investment would significantly improve the grant program for VA and many community-based organizations.

*Advisory Committee on Homeless Veterans.*—The Secretary of Veterans Affairs has announced his intention to establish an Advisory Committee on Homeless Veterans. While the Committee applauds this decision and is assured that this Administration will carry out that intention, it is less clear what a future Administration may intend for this Advisory Committee. The language in this measure would authorize the Secretary to establish an Advisory Committee in much the same manner he has proposed, but would require that it remain in place for at least the next five years. The

Committee believes a statutory Advisory Committee connotes a priority to homeless veterans. Also, an Advisory Committee provides VA an active advisory body that can explore a wide range of cross-cutting issues under its purview with other agencies of government and other institutions committed to ending homelessness.

*Evaluation of Homeless Programs.*—VA currently operates an evaluation center (the Northeast Program Evaluation Center) that is responsible for reviewing a wide range of programs within VA that address mental illness, substance abuse, and homelessness. This Center regularly develops reports for VA's internal use that are available to the Congress. The Committee does not wish to change the function or mission of this research body, but does seek to ensure VA's ongoing commitment to its maintenance.

#### ADDITIONAL PROGRAMMATIC EXPANSIONS

*Access to Mental Health Services.*—A recent report states that only about 40 percent of more than 230 responding community based outpatient clinics that VA operates or sponsors offer any form of mental health treatment capability to enrolled veterans. Given the preponderance of mental illness in the veteran population using VA medical care, this ratio appears to be much too low to meet enrolled veterans' needs. The Committee believes that VA should ensure that it standardizes access to mental health treatment within community based outpatient clinics. From the Committee's perspective, this would mean that larger community based outpatient clinics need to have a regular and ongoing source of specialized mental health treatment available to the clinic's patients, while smaller clinics would be able to provide such treatment through telecommunications, clinics with mental health care professionals with shared duty assignments at other VA medical facilities, or through referrals to mental health care services in their communities. To this end, the Committee's bill requires VA to promulgate a national policy standard to address the provision of mental health care services in all locations at which such services are needed.

*Comprehensive Homeless Services Programs.*—Public Law 105-114 established eight comprehensive homeless centers. These centers provide convenient means for homeless veterans to address a variety of their needs. Some comprehensive centers offer meals, a place to shower or wash clothing, assistance with claims for VA benefits or job placement, and referrals to outside shelters or residence placements. The additional programs authorized by this provision could differ in their size and range of services, but they would all bring together a number of elements that would become easy for homeless veterans to use. The Committee believes the number of these centers should be expanded to the 20 largest metropolitan areas without them.

*Opioid Substitution Therapy.*—Currently VA offers opioid substitution therapy (also referred to as "methadone maintenance") in 38 VA medical centers, according to testimony received at the Committee's hearing on September 20, 2001. However, VA indicates that the VA health care system may require additional service sites to meet their patients' needs for substance abuse services. Opioid substitution therapy has proven effective in helping veterans ad-

dicted to heroin and other illegal drugs address these addictions, lower the risk of adverse health outcomes, including hepatitis and auto-immune disorders from dirty needles, and eventually help them become independent from drug addiction. The Committee believes that opioid substitution therapy should be available to veterans at every VA medical center.

*Coordination of Employment Services.*—This provision requires Disabled Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representatives (LVER) to coordinate services with entities that receive funding through the Department of Labor's Homeless Veterans' Reintegration Program (HVRP). The DVOP and LVER representatives can be active participants in their community-based HVRP programs, but not every local program benefits from such participation. This provision would ensure that federal, state and local efforts to place veterans in meaningful employment would be coordinated.

*Use of Real Property Limitation on Declaring Property Excess to the Needs of the Department.*—VA is authorized to dispose of excess property through the same process for disposing of federal property used by the General Services Administration. While homeless providers have a high priority in competing for excess federal property, there is not a requirement for VA to address the needs of homeless veterans prior to making such a determination.

The Committee believes that VA should make a determination that unneeded federal property is not required to serve homeless veterans before disposing of the property. Section 10 of the bill would require VA to determine that it should not develop additional services, either itself or by offering the property to a provider that would develop it to serve homeless veterans under an enhanced use lease before it could dispose of its property. This provision would also waive the competitive process for assessing bids for enhanced use leases when homeless providers apply for these leases. This will give homeless providers priority over other parties interested in obtaining enhanced-use leases.

*Meetings of Interagency Council on Homeless.*—The Interagency Council on Homeless was established under the McKinney-Vento Homeless Assistance Act. Its initial efforts produced some innovative programs, such as the HUD-VA Supported Housing program, that allowed the agencies within federal government to work together on common problems. The Council has been defunct for several years, although HUD Secretary Martinez announced this year his intention to staff and reinvigorate the Council. The Committee believes this Council should be reconstituted and required to meet at least annually. This measure would require the Council to meet annually.

*HUD-VASH Voucher Program.*—The so-called "section 8" housing voucher program administered by the Department of Housing and Urban Development under the United States Housing Act of 1937, as amended, is intended to assist families and individuals in obtaining rental housing. This program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own

housing, including single-family homes, townhouses and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

In 1989, the Secretary of Housing and Urban Development decided to encourage formerly homeless veterans to utilize the housing voucher program by setting aside a limited number of vouchers to be administered through VA officials who supervised the reintegration of these veterans into non-VA living options. The 1,700 vouchers made available under the Secretary's initiative have been fully utilized by formerly homeless veterans, and only a small number of these vouchers become available each year to veterans who are now ready to resume living in the community. Therefore, section 12 of the reported bill would authorize the set-aside of an additional 500 vouchers each year for four years to veterans who were formerly treated in VA homeless programs and who agree to continue to have VA monitor their needs for VA health care. It would also require the Department of Veterans Affairs to increase the number of VA employees assigned to case manager functions to assure that each veteran obtaining a housing subsidy voucher is being seen by a case manager. The Committee is informed that there is a memorandum of understanding between the Secretaries of the two Departments with regard to the use of the existing vouchers, and this expansion could be accomplished through a modification to that memorandum. The Committee expects the Secretaries to promptly modify this agreement to carry out the intent of this legislation.

#### SECTION-BY-SECTION ANALYSIS

Section 1(a) states the title of this Act to be the "Stuart Collick—Heather French Henry Homeless Veterans Assistance Act."

Section 1(b) of the bill sets forth the table of contents.

Section 2(1) defines the term "homeless veteran" for purposes of the Act. A "homeless veteran" is defined as a veteran who lacks a fixed, regular, and adequate nighttime residence, or who has a primary nighttime residence that is: a supervised publicly or privately operated shelter designed to provide temporary living accommodations; an institution that provides a temporary residence for individuals intended to be institutionalized; or, a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Section 2(2) defines "grant and per diem provider" as a recipient of a VA grant under VA's Homeless Providers Grant and Per Diem Program.

Section 3(a) declares a national goal of ending homelessness among veterans within a decade.

Section 3(b) encourages all governmental components, quasi-governmental organizations, agencies, and private and public sector entities, including community-based and faith-based organizations to work cooperatively in reaching the goal of ending chronic homelessness.

Section 4 presents findings of the Congress regarding the magnitude and scope of homelessness among veterans, the inadequacy



of current programs to provide them needed services, the need for federally funded programs to be accountable for achieving results, the need to identify and expand effective programs, the need for greater cooperation between VA and HUD, and the need for federal efforts to prevent homelessness.

Section 5 would add new chapter 20 to title 38, United States Code, to establish a chapter dedicated exclusively to benefits for homeless veterans. The new chapter would include seven sub-chapters with a total of twenty-seven sections as follows.

Section 2001 states that the purpose of the chapter is to provide for the special needs of homeless veterans.

Section 2002(1) defines the term “homeless veteran” for purposes of the chapter.

Section 2002(2) defines “grant and per diem provider” for purposes of the chapter as a recipient of a VA grant under VA’s Homeless Providers Grant and Per Diem Program.

Section 2003(a) requires the Secretary to ensure that each Regional Office assign at least one employee to oversee and coordinate homeless veterans programs in that region, including (1) housing programs for veterans supported by the Department of Housing and Urban Development; (2) by VA; (3) by the Department of Labor (through the Homeless Veterans’ Reintegration Program authorized by 38 U.S.C. 2021); (4) the programs under 38 U.S.C. 2033; (5) the needs assessments required by 38 U.S.C. 2034; and, (6) such other duties relating to homeless veterans as may be assigned. The provision would also require that any Regional Office with at least 140 employees have at least one full-time employee assigned to the above-stated functions.

Section 2003(b) requires that VA ensure that there are a sufficient number of case managers in the Veterans Health Administration to assure that a veteran who receives a housing voucher under the HUD section 8 Program is assigned to, and is able to be seen, as needed, by a case manager.

Section 2004 clarifies existing authority that homeless veterans receiving benefits under VA’s vocational rehabilitation programs may, if needed as part of their medical care, participate in VA’s Compensated Work Therapy program.

Section 2011 codifies the currently existing authority for VA’s Homeless Providers Grant Program under Public Law 102–590. The codification differs from the previous law in two ways. The codified version changes the law to eliminate the existing cap on the number of service centers that may be funded under the grant program. It also amends the law to require that one of the criteria that an entity seeking a grant must meet to receive a grant is that any facility acquired, constructed or operated with grant funds must meet fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association.

Section 2012 codifies the currently existing authority for VA’s Homeless Providers Per Diem Program under Public Law 102–590. The codification differs from the previous law in five ways. First, it requires the Secretary to pay per diem payments under the Program at the same per diem rates applicable for domiciliary care furnished veterans in States Homes. Second, it deletes a provision

that is currently in Public Law 102–590 that allows the Secretary to provide in-kind assistance in lieu of per diem payments. Third, it establishes a new requirement that per diem pay not be paid to a grant recipient unless the recipient’s facilities meet the fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association, but that requirement would not apply for five years for grant recipients if their facilities meet requirements established by the Secretary. Fourth, it deletes a provision in current law that limits the VA per diem payment to one-half of the recipient’s cost of providing services to the veteran. Fifth, it provides that the United States shall be entitled to recover all unused funds made as a grant from recipients who fail to establish a program or cease to furnish services under a grant funded program. Any amount recovered could be obligated for the program without fiscal year limitation and no unused grant amount could be recovered before the end of the three-year period beginning on the date of the grant award.

Section 2013 authorizes appropriations in the amount of \$60 million for fiscal year 2002 and \$75 million for each of fiscal year 2003 through fiscal year 2005 for the Grant and Per Diem Program.

Section 2021 authorizes the Homeless Veterans’ Reintegration Program (HVRP), currently authorized in 38 U.S.C. 4111 (section 4111 is repealed by section 5(e)(3)). Section 2021 would also authorize appropriations for the program of \$50 million for each of fiscal years 2002 through 2006.

Section 2022 requires that the Secretary, acting through the Under Secretary for Health, have appropriate officials of VHA’s Mental Health Service and Readjustment Counseling Service initiate a coordinated plan for joint outreach on behalf of veterans at risk of homelessness, expressly including those who are being discharged from institutions such as inpatient psychiatric care units, substance abuse treatment programs, and penal institutions. The section sets out a detailed list of items and factors that need to be included or provided for in the plan.

Section 2023 requires the Secretary of Veterans Affairs and the Secretary of Labor to carry out a demonstration project to determine the costs and benefits of providing referral and counseling services to certain veterans regarding the benefits and services available to them through VA and the State. The demonstration project would be conducted at a minimum of six locations, including one penal institution under the jurisdiction of the Bureau of Prisons. Veterans eligible for these services would include those whose release or discharge from a penal institution or long-term mental health institution is “imminent,” *i.e.*, the 60-day period that ends on the date of such release or discharge, who are at risk for homelessness absent receipt of such referral and counseling services. Counseling services could be provided directly or by contract and would include counseling related to job training and placement, housing, healthcare and such other benefits to assist in transition from institutional living.

Section 2042 clarifies existing law by explicitly providing that the Secretary has authority to allow homeless veterans in VHA’s Compensated Work Therapy program to receive housing through the

therapeutic residence program under 38 U.S.C. 1772, or through grantees of VA's Homeless Providers Grant and Per Diem Program.

Section 2043 clarifies the Secretary's existing authority to establish domiciliary programs under VA's Domiciliary Care for Homeless Veterans Program (DCHV) and provide that the Secretary may establish up to ten additional domiciliaries under that program. It would also authorize appropriations of \$5 million for each of fiscal years 2003 and 2004 for purposes of establishing any such additional programs.

Section 2061 requires the Secretary to carry out a grant program for VA health care facilities and grantees of VA's Homeless Grant and Per Diem Payment Program to encourage the development of programs targeted at meeting special needs of homeless veterans, including those who are women, who are age 50 or older, who are substance abusers, who suffer from PTSD, a terminal illness, or a chronic mental illness; or who have care of minor dependents or other family members. Section 2061 would further require that \$10 million be made available for each of fiscal years 2003, 2004, and 2005.

Section 2062 extends eligibility for outpatient dental services, treatment, and appliances to certain veterans when such services, treatment, and appliances are needed to successfully gain or regain employment, to alleviate pain, or to treat moderate, severe, or severe and complicated gingival and periodontal pathology. Under section 2062, such eligibility would be extended to veterans enrolled for care under 38 U.S.C. 1705 who are receiving care (directly or by contract) in: (1) a domiciliary pursuant to 38 U.S.C. 1710; (2) a therapeutic residence pursuant to 38 U.S.C. 1772; (3) community residential care coordinated by the Secretary under 38 U.S.C. 1730; (4) a setting for which the Secretary provides funds for a grantee of VA's Homeless Providers Grant and Per Diem Program. Dental benefits under the section would be limited to a one-time course of care provided in the same manner as VA provides dental benefits to a newly discharged veteran.

Section 2063 requires the Secretary to conduct a technical assistance grant program to assist non-profit groups, which are experienced in providing services to homeless veterans, to apply for grants related to addressing problems of homeless veterans. To carry out such program, section 2063 authorizes \$750,000 to be appropriated for each of fiscal years 2002 through 2005.

Section 2064 requires the Secretary to submit a detailed report to Congress on VA's programs for homeless veterans by April 15th each year.

Section 2065 establishes an Advisory Committee on Homeless Veterans within the Department of Veterans Affairs.

Section 5(b) through 5(e) and section 5(g) transfers existing provisions related to VA healthcare and housing assistance for homeless veterans, respectively, to new Chapter 20 and give them new section numbers, repeal other provisions that are recodified in the new chapter and make a number of necessary technical, conforming and clerical amendments necessary to the recodification.

Section 5(f) extends through December 31, 2006, VA's general authority under section 2031 as redesignated by section 5(b)(1) of the

bill (currently section 1771) and its authority under section 2033 as so redesignated (currently section 1773) to operate comprehensive service centers.

Section 6 requires the Secretary to support the continuation of at least one Department center for evaluation to monitor the structure, process, and outcome of VA's programs for homeless veterans. It also requires VA's CHALENG assessment program to be carried out on an annual basis and requires the Secretary to review each annual report submitted under the CHALENG program and to submit to Congress an annual report that consolidates the findings and conclusions of the CHALENG report.

Section 7 requires the Secretary to conduct a study of the effectiveness the new grant program established for VA health care facilities and grantees of VA's Homeless Grant and Per Diem Payment Program to encourage the development of programs targeted at meeting special needs of homeless veterans, including those who are women, who are age 50 or older, who are substance abusers, who suffer from PTSD, a terminal illness, or a chronic mental illness; or who have care of minor dependents or other family members. The study must compare the results of programs carried out under the new grant program with results for similar veterans in programs run by the Department or run by providers who participate in VA's grant and per diem program. Section 7 requires a report by March 31, 2005.

Section 8 (a) requires the Secretary to develop standards to ensure that mental health services are available to veterans in a manner similar to that in which primary care is made available to veterans by requiring every VA primary care health care facility to have mental health treatment capacity.

Section 8(b) requires the Secretary to establish comprehensive homeless service centers in at least each of the 20 largest metropolitan statistical areas for the provision of comprehensive services to homeless veterans. Currently, the Secretary is required to have eight such centers.

Section 8(c) requires the Secretary to ensure that opioid substitution therapy is available at each VA medical center.

Section 9 requires disabled veterans' outreach program specialists and local veterans' employment representatives to also coordinate training assistance benefits provided to veterans.

Section 10(a) requires the Secretary, before disposing of real property as excess, to determine that the property is not suitable for use for the provision of services to homeless veterans by the Department or by another entity under an enhanced-use lease.

Section 10(b) modifies VA's current enhanced-use leasing authority with respect to how it selects a lessee in enhanced-use leases. It exempts from the normal selection process and procedures property that the Secretary determines is appropriate for use as a facility to furnish services to homeless veterans.

Section 11 amends the McKinney-Vento Homeless Assistance Act to require that the Interagency Council on Homeless (ICH) meet at the call of its Chairperson or a majority of its members and that the ICH meet at least annually.

Section 12 amends section 8 of the Housing Act to require HUD to set aside section 8 housing vouchers for homeless veterans. This effectively codifies the existing HUD-VA Supported Housing (HUD-VASH) Program, which the two Departments have operated since 1992. Section 4 requires HUD to reserve 500 rental assistance vouchers in fiscal year 2003, 1,000 vouchers in fiscal year 2004, 1,500 vouchers in fiscal year 2005, and 2,000 vouchers in fiscal year 2006, for homeless veterans who have chronic mental illnesses or chronic substance use disorders. VA would be required to provide appropriate case management for each veteran in the HUD-VASH Program.

#### PERFORMANCE GOALS AND OBJECTIVES

The reported bill consolidates and improves laws relating to programs of government aimed at resolving chronic homelessness in the veteran population. It would require VA to establish at least one evaluation center for VA programs that serve homeless veterans and would require VA to submit an annual program assessment to Congress; it would require VA to study outcomes effectiveness of grant programs for homeless veterans with special needs; and it would require VA to develop a national standard for access to mental health services. The program evaluation center, program assessments, studies and standards would be subject to the Committee's regular oversight.

#### STATEMENT OF THE VIEWS OF THE ADMINISTRATION

STATEMENT OF FRANCES M. MURPHY, M.D., M.P.H., DEPUTY UNDER SECRETARY FOR HEALTH, DEPARTMENT OF VETERANS AFFAIRS, BEFORE THE COMMITTEE ON VETERANS' AFFAIRS, UNITED STATES HOUSE OF REPRESENTATIVES, SEPTEMBER 20, 2001

Mr. Chairman and Members of the Committee:

I am pleased to be here this afternoon to comment on H.R. 2716, the "Homeless Veterans Assistance Act of 2001." If enacted, this bill would consolidate into a single chapter the Secretary's authority to provide health care, housing, employment training, and other benefits and services to homeless veterans. This legislation would also enhance existing VA programs for homeless veterans as well as programs for homeless veterans that are administered by other departments in concert with VA. It would further provide for new joint Federal initiatives targeted at preventing homelessness among the most vulnerable veterans.

On the whole, VA supports H.R. 2716. However, with respect to some provisions, we recommend modifications consistent with the goals of the legislation or else seek further clarification of the proposals from Committee staff.

Today, I would like to briefly go over the main provisions of the bill and provide VA's views on these provisions.

##### *Section 3*

The bill would add new chapter 20 to title 38 to establish a chapter dedicated exclusively to benefits for homeless veterans. New sections 2011 and 2012 would codify the Department's existing Homeless Providers Grants and Per Diem Program ("Program") currently authorized in Public Law 102-590 (1992) and amend the Program in several respects. The Program was established by statute in 1992 to assist in the establishment of new programs (or components thereof) by community-based providers of needed services, such as outreach, rehabilitative and vocational counseling and training services, and transitional housing assistance, to homeless veterans in specific communities. Under the Program, VA has been able to spur development of increased levels of assistance for homeless veterans living throughout the country at the local level. Indeed, grantees' programs often fill existing gaps in the continuum of VA care and services, thus serving as an effective complement to VA's own efforts. Thus, under this Program, VA has been successful at leveraging sub-

stantial amounts of new resources to increase the overall supply of transitional housing and other effective assistance for homeless veterans throughout the country.

Section 3 would eliminate the existing cap on the number of service centers that may be funded under the Program. Service centers are defined under the Program as projects which provide, or assist in providing, certain supportive services (such as health care, hygiene facilities, benefits and employment counseling, meals, transportation assistance, and job training and job placement services) to homeless veterans for a minimum of 40 hours per week for a minimum of five days per week as well as on an as-needed, unscheduled basis. Second, section 3 would mandate the recovery of all unused grant amounts from recipients who fail to establish a program or cease to furnish services under a grant-funded program. Third, the proposal would require the Secretary to pay per diem payments under the Program at the same per diem rates applicable for domiciliary care furnished veterans in State Veterans Homes.

We support each of those proposed amendments, as they would significantly simplify and improve administration of VA's Grant and Per Diem Program. However, we suggest that the recovery provision be patterned more closely after the recapture provisions applicable to VA's State Home Grant Program. That provision allows for different recoveries depending on the time when the property funded by the grant ceases to be operated by a state or a state home principally for the purposes of furnishing care to veterans. We would suggest recovery levels under section 3 depend on when a grant recipient ceases to use the grant-funded property for the benefit of homeless veterans. It should also include language that would allow the United States to recapture used and unused grant funds from grantees where the grant funds have been used for purposes other than those stated in their grant agreements.

We further suggest that the rate of per diem payments permitted under the Grants and Per Diem Program be 85 percent of the domiciliary care per diem rate paid to State Homes to equate more closely with grantees' actual costs of providing services. Services provided under the State Home Domiciliary Programs and the Grant and Per Diem Program vary significantly in scope and intensity, and most grant recipients do not have operating budgets that would justify payment at the per diem rate applicable to State Homes. However, we would also recommend that we be able to make per diem payments under the Program at less than the 85 percent rate where payment at the 85 percent rate would in fact exceed the grantee's actual costs. This would give VA flexibility to ensure that per diem funded programs have sufficient resources, while ensuring that VA is not paying more than the grantees' actual costs.

Of note, new section 2011 would continue to require that the real property of grant recipients (used in carrying out their grants) meet fire and safety requirements established by the Secretary and not those applicable to buildings of the Federal Government. We recommend that this provision be modified to require grantee recipients to meet fire and safety requirements established by the Life Safety Code, National Fire Protection Association Standard 101, or any successor standard. The National Fire Protection Association (NFPA) standards are widely accepted as the national standards for fire protection and safety. Such a modification should not impose undue financial burdens on grant recipients because VA, under the Program, can provide up to 65 percent of the cost of purchasing, constructing and/or renovating a building.

Section 3 of the bill would also transfer to the new Chapter 20 VA's existing authority to provide outreach services, care and services, and therapeutic transitional housing assistance in conjunction with work therapy for veterans suffering from serious mental illness, including veterans who are homeless, to the new chapter 20, in addition to VA's authority to operate comprehensive service centers for homeless veterans. Similarly transferred would be existing provisions in title 38 related to housing assistance for homeless veterans and multifamily transitional housing assistance for formerly homeless veterans.

This proposal would also transfer section 4111 of title 38, related to the Homeless Veterans Reintegration Projects Program (HVRP). Under the HVRP, the Secretary of Labor is required to conduct programs to expedite the reintegration of homeless veterans into the labor force. Through the award of grants, grantees provide homeless veterans with a variety of supportive services, such as job training, job readiness skills, and job placement.

#### *Section 4*

Section 4 would amend section 8 of the Housing Act to require HUD to set aside section 8 housing vouchers for homeless veterans. This effectively codifies the existing HUD-VA Supported Housing (HUD-VASH) Program, which the two Depart-

ments have operated informally since 1992. Specifically, section 4 would require HUD to reserve 500 rental assistance vouchers in fiscal year 2003 for homeless veterans who have chronic mental illnesses or chronic substance use disorders. Under the provision, the number of homeless veterans in the HUD-VASH Program would more than double by fiscal year 2006. We would be required to provide additional clinical case managers each year for veterans in the HUD-VASH Program.

We fully support section 4. The HUD-VASH Program has been a resounding success. Today, there are approximately 1,750 housing vouchers being used by homeless veterans under the HUD-VASH Program, and these vouchers provide \$8.85 million in rental assistance for homeless veterans annually.

#### *Section 5*

Section 5 would add a new section 2035 to title 38 to require the Secretary to seek to enter into contracts with community agencies to provide representative payee services for homeless veterans who are not competent to manage their own personal funds. The proposal would require such representative payees to work in concert with VHA to ensure that all Government funds are used for appropriate purposes (e.g., nutrition and shelter) and also require the Secretary to submit a report in March 2003 on his efforts in this direction and on any cost-savings achieved as a result of such efforts.

This section is problematic. To the extent this provision is intended to cover VA benefits of any type, it would seem to conflict with an existing and very detailed program for the disbursement of benefits to VA-appointed fiduciaries under 38 U.S.C. s. 5502 et seq. and 38 CFR part 13. Under part 13, VA provides for the appointment, supervision and regulation of fiduciaries for incompetent veterans. We have assumed that use of the term "not competent" in the section is intended to mean those whom VA would determine are not able to manage their own funds under VA's fiduciary program in part 13. If that is the case, we cannot support this provision. We recommend that the Committee clarify the meaning of the term "not competent" for purposes of this section.

To the extent the provision would apply to a veteran's funds not derived from VA benefits, we assume the Committee intends that VA condition participation in VA's programs for homeless veterans on a veteran's acceptance of representative payee services.

#### *Section 6*

Section 6 would require the Secretary of Veterans Affairs and the Secretary of Housing and Urban Development to jointly establish a methodology to monitor veterans who have been furnished any service under a VA or HUD program that provides assistance to homeless veterans and to identify any unmet demand by such veterans. The proposal would further require the collection of detailed information concerning each of these veterans.

We do not support section 6 because the scope and magnitude of the proposed study is, in our view, beyond the ability of either Department to carry out. VA provides health care services to approximately 90,000 homeless veterans each year, and HUD has indicated that 167,000 homeless veterans were served in HUD-funded programs in FY 2000. To monitor and evaluate all services provided to all of these veterans, as contemplated by section 6, would be a complex, massive, and costly administrative undertaking. We would prefer to work with the Committees to identify more feasible means of achieving the goal of this section.

#### *Section 7*

Section 7 would modify VA's current enhanced-use leasing authority with respect to how we select a lessee in enhanced-use leases. While we understand the objective of the proposal is to reduce delays by providing for an expeditious selection of a lessee for an enhanced-use leasing project for homeless veterans, we believe the current authority already provides this flexibility. Currently, the enhanced-use authority provides the Secretary with broad discretion in selecting an enhanced-use lessee by mandating only that VA follow a process that assures that there is "integrity" in the selection. The existing authority does not require that the competition requirements and procedures set forth in Competition in Contracting Act of 1984 ("CICA") apply to enhanced-use leases, but only that any selection be based on a process that assures that there is a consistency in application and fairness in selection of the lessee.

The current lessee selection provision in the enhanced-use leasing authority enables VA, in the public interest, to establish selection policies for different types of enhanced-use leases. For example, it is VA's current policy that in order to secure the benefits of competition and to eliminate any sound basis for criticism on grounds of favoritism, VA should use a competitive negotiation process to obtain enhanced-use leases. However, the same policy allows for a direct enhanced-use lease in cer-

tain instances involving agreements with VA affiliates, states, local governments, not-for-profits, etc. This policy could be expanded to address the situation identified in the legislative proposal.

We object to legislatively mandating the exception to the current selection standard because it could create an unnecessary ambiguity regarding the interpretation of current authority (which, as noted above, can already accommodate the desired policy). Such a construction may result in an inability for such projects to obtain financing due to uncertainty regarding their selection.

#### *Section 8*

Section 8 would authorize the Secretary to establish up to ten more domiciliary programs under VA's Domiciliary Care for Homeless Veterans (DCHV). It would also authorize appropriations of \$5 million for each of fiscal years 2003 and 2004 for purposes of establishing any such additional programs. While we support the program, we believe this provision is unnecessary because we already have sufficient authority to establish additional domiciliary programs as needed. Moreover, the needs of such new programs must compete for resources with the needs of other priorities.

#### *Section 9*

Section 9 would require the Secretary of Veterans Affairs and the Secretary of Labor to carry out a demonstration project to determine the costs and benefits of providing referral, vocational guidance, and counseling services to certain veterans regarding the benefits and services available to them through VA and the State. The demonstration project would have to be conducted at a minimum of six locations, including one penal institution under the jurisdiction of the Bureau of Prisons. Veterans eligible for these services would include those whose release or discharge from a penal institution or long-term mental health institution is "imminent," *i.e.*, the 60-day period that ends on the date of such release or discharge, who are at risk for homelessness absent receipt of such referral and counseling services. Counseling services would have to include counseling related to job training and placement, housing, healthcare and such other benefits to assist in transition from institutional living.

We support this proposal, which would be a homelessness-prevention initiative. The Department of Justice estimated that there were 234,000 incarcerated veterans in 1999. Approximately 8 percent were in Federal prisons, 62 percent in State prisons and 30 percent were in local jails. A Special Report on Veterans in Prison or Jail prepared by the Bureau of Justice Statistics indicated that in 1998 veterans accounted for 12 percent of all inmates. Based on surveys conducted in 1996 and 1997, 45.4 percent of veterans in state prisons had used drugs in the month prior to their offense, 30.6 percent were alcohol dependent, and 19.3 percent of veterans reported a mental illness. Among jail inmates, 25 percent of veterans were identified as mentally ill. Approximately 12.4 percent of veterans in state prisons and 23 percent of veterans in local jails indicated that they had been homeless for some period of time during the year prior to their offense.

It is estimated that approximately one-third of VA's Vet Centers provide counseling and referrals to veterans in prisons and jails. In addition, staff in VA's homeless-veterans programs, mental health and community care service lines have begun to conduct outreach to veterans in prisons and jails in selected locations, across the country, including Los Angeles, CA; Chicago, IL; and Columbia, SC; New York, NY; and other areas in New York State. The primary focus of these outreach efforts is to provide incarcerated veterans with pre-release counseling and, upon their release, to link them to VA health care, mental health and substance abuse treatment and to assist them with transitional housing and with participation in VA's Compensated Work Therapy (CWT) Program. In the first seven months of a jail outreach program initiated by staff of VA's New York Harbor Health Care System, 242 incarcerated veterans were contacted prior to release and 21 of these veterans were placed in a domiciliary program and/or a CWT Program. In Los Angeles, staff from VA's Greater Los Angeles Health Care System contacted over 1,500 incarcerated veterans during a 2-month period in 2001. These veterans were offered assistance with discharge planning, placement and referral.

#### *Section 10*

Section 10 would require VA to carry out a grant program for non-profit entities providing independent housing units in group houses for veterans recovering from alcohol or other substance use disorders. The maximum amount that could be awarded for the establishment of a group house under this program would be \$5,000 per individual grant.



This proposal is somewhat similar to a loan program authorized by Public Law 102-54 that proved unworkable. The earlier program was a loan program, with repayment requirements; whereas, this would be strictly a grant program.

We do not believe this grant program is necessary. Existing authority in 38 U.S.C. 1771 already permits us to obtain treatment and rehabilitative services in half-way houses and community-based treatment facilities. In effect, this program would authorize us to obtain these same services through an elaborate and difficult to administer grant program. We anticipate the program would cost as much to operate as the benefits that would be provided. As such, it would not be cost-effective.

Mr. Chairman, I would now like to address other pending legislation related to VA benefits for homeless veterans. As you know, this summer VA presented the Committee with the Department's official views on H.R. 936, a bill entitled the Heather French Henry Homeless Veterans Assistance Act. In July 2001, we provided testimony before the Senate on an identical version of that bill, S. 739 (as introduced). Our positions on those bills' identical provisions remain unchanged. For your convenience, we have reiterated our official views on H.R. 936 and S. 739 (as introduced) below. However, we would like to point out that on August 2, 2001, the Senate Veterans' Affairs Committee ordered reported an amended version of S. 739. S. 739 (as ordered reported) generally eliminated the provisions to which the Department had voiced objection. Accordingly, we would favor this bill over the House version.

#### H.R. 936

H.R. 936, entitled the Heather French Henry Homeless Veterans Assistance Act, is an ambitious and comprehensive piece of legislation that seeks to improve the services and benefits furnished to homeless veterans. We strongly support the objectives of the bill and generally support many of its provisions. However, we are unable to support some of the provisions largely because they duplicate long-standing activities and programs conducted by the Department for homeless veterans or more recent initiatives begun in fiscal year 2000. Today I will briefly comment on each of the sections of the bill.

#### *Section 2*

Section 2 articulates Congress' findings regarding the magnitude and scope of homelessness among veterans, the inadequacy of current programs to provide them needed services, the levels of funding needed to provide beds to homeless veterans, and the commitment of the Congress to end homelessness among the Nation's veterans. Other findings articulate statistical information obtained from VA's report on activities conducted under the Community Homelessness Assessment, Local Education and Networking Groups (CHALENG) program for veterans. Section 2 also defines various terms used in the bill.

It is important to note that in light of more recent information from our CHALENG program the number of homeless veterans, as well as the number of additional beds needed for homeless veterans, are likely to be somewhat lower than the numbers cited in section 2.

#### *Section 3*

Section 3 would declare a national goal of ending homelessness among veterans within a decade and encourage all governmental components, quasi-governmental departments, agencies, and private and public sector entities to work cooperatively in reaching this goal. We strongly support section 3.

#### *Section 4*

Section 4 would establish a 15-member Advisory Committee on Homeless Veterans within the Department of Veterans Affairs, articulate the functions and responsibility of the Committee, and establish the pay, allowances and terms for members. It would also establish various reporting requirements. We share the view that an Advisory Committee would be beneficial, but a statutorily-created Committee is not needed. The Secretary has already announced his intention to establish an Advisory Committee on Homeless Veterans with many of the same functions and objectives.

#### *Section 5*

Section 5 would amend the McKinney-Vento Homeless Assistance Act to require that the Interagency Council on Homeless (ICH) meet at the call of its Chairperson or a majority of its members and that the ICH meet at least annually. We support this provision.

### *Section 6*

Section 6 is concerned with evaluation of our programs for homeless veterans and calls for reporting to Congress on those programs. It would require the Secretary to support the continuation of at least one Department center for evaluation to monitor the structure, process, and outcome of VA's programs for homeless veterans. It would further require the Secretary to annually provide Congress with a detailed report on the health care needs of homeless veterans including information on our Health Care for Homeless Veterans Program (HCHV) and Homeless Providers Grant and Per Diem Program. Section 6 would also require that we carry out our CHALENG assessment program on an annual basis and report to Congress on the findings and conclusions of the CHALENG report.

We support the objective of the requirement for maintenance of an evaluation center, as called for in section 6, but we believe the objective can be achieved without legislation by expanding the mission of our Northeast Program Evaluation Center (NEPEC). We currently rely on NEPEC to monitor and evaluate the services provided to homeless veterans. Its current efforts are comprehensive with respect to the health care related services that are available and furnished to homeless veterans. However, we capture limited information on outreach activities and monetary benefits administered by the Veterans Benefits Administration (VBA) in connection with homeless veterans. Recognizing that our current efforts in this area are fragmented and incomplete, we plan to take steps to improve and strengthen the reporting of all programs and benefits to fully and effectively monitor and evaluate all of the Department's programs for homeless veterans.

We do not support the requirements of section 6 that would statutorily require additional reporting and assessment activities. We are essentially already performing these assessment activities and reporting on them. Through the NEPEC, we provide ongoing monitoring and evaluation of our health care programs for homeless veterans. NEPEC provides detailed reports on structure, process, and outcomes for all specially funded homeless veterans programs as well as evaluation support for a wide range of other mental health programs that are not exclusively targeted to homeless veterans but are utilized by homeless veterans such as the Compensated Work Therapy (CWT) Program, and the Compensated Work Therapy/Transitional Residence (CWT/TR) Program. In addition, the CHALENG program achieves the objectives of the proposed requirements.

### *Section 7*

Section 7 would require the Secretary to designate care and services provided to certain specified veterans as "complex care" for purposes of the Veterans Equitable Resource Allocation system (VERA). Veterans receiving the following types of care would be covered: (1) veterans enrolled in the Mental Health Intensive Community Case Management program; (2) continuous care in homeless chronically mentally ill veterans programs; (3) continuous care within specialized programs provided to veterans who have been diagnosed with both serious chronic mental illness and substance abuse disorders; (4) continuous therapy combined with sheltered housing provided to veterans in specialized treatment for substance use disorders; and (5) specialized therapies provided to veterans with post-traumatic stress disorders (PTSD), including specialized outpatient PTSD programs; PTSD clinical teams; women veterans stress disorder treatment teams; and substance abuse disorder PTSD teams. Finally, section 7 would require that we ensure that funds for any new program for homeless veterans carried out through a Department health care facility are designated as special purpose program funds (not VERA funds) for the first three years of the program's operation.

We do not support section 7 of the bill. The complex reimbursement rate under the VERA system is currently reserved for reimbursing VISNs for providing the most complex and expensive care, and should not be based on diagnosis or type of disorder being treated. Section 7 directs complex reimbursement based on broad and general diagnosis and does not consider whether the care is costly. For example, VA now treats some 2,800 veterans in its Mental Health Intensive Community Case Management (MHICM) Program. If a veteran in that program receives at least 41 visits per year, the VERA model will reimburse at the complex rate because that veteran is receiving costly care. Many others in the program have far fewer visits and are far less costly to treat. Section 7 of this bill would require complex reimbursement for all of 2,800 veterans in the program regardless of how many visits they have.

The proposal could add more than 200,000 additional veterans into the category of patients for whom Veterans Integrated Service Networks (VISNs) receive complex reimbursement. This would require VHA to either set aside a greater percentage of the medical care appropriation for the care of veterans identified in this section, or significantly reduce the complex reimbursement rate per veteran treated. Neither option is acceptable. The first reduces funding for the standard care of veterans, and

the second dilutes the reimbursement for complex care so that there is little incentive to provide services to these veterans. In addition, this approach provides a perverse incentive for clinicians to provide more treatment than is needed in order to qualify for the complex reimbursement rate. The effect of this provision would be to reduce the availability to veterans, including many who are homeless, of care not identified in the complex reimbursement category.

#### *Section 8*

Section 8 would require that per diem payments paid to grantees of our Homeless Providers Grant and Per Diem Program be calculated at the same rate that currently applies to VA per diem payments to State homes providing domiciliary care to veterans. Under current law, the homeless provider per diem rates are based on each grant recipient's costs. In short, we pay per diem that amounts to not more than 50 percent of the recipient's total costs up to a cap. To calculate the per diem rate for each grantee, we must document each recipient's costs. This is an extremely labor intensive and complex process.

We support simplification of program management in the manner proposed. However, since domiciliary care and care under the Homeless Providers Grant and Per Diem Program vary in types of services and intensity, we support a per diem rate of 85 percent of the domiciliary care per diem rate. That would equate more closely with the actual cost of services provided under the Homeless Providers Grant and Per Diem Program.

#### *Section 9*

Section 9 would require that we carry out a new grant program for VA health care facilities and grantees of VA's Homeless Grant and Per Diem Payment Program. The new program would encourage the development of programs targeted at meeting special needs of homeless veterans, including those who are women, who are age 50 or older, who are substance abusers, who suffer from PTSD, a terminal illness, or a chronic mental illness; or who have care of minor dependents or other family members. The measure would also require a report that includes a detailed comparison of the results of the new grant program with those obtained for similar veterans in VA programs or in programs operated by grantees of VA's Homeless Providers Grant and Per Diem Program.

We appreciate the intent of this provision, but we do not support the section because it appears to be unnecessary. We currently operate and/or support successful programs that are specifically targeted at meeting the special needs of these particularly vulnerable groups of homeless veterans. We undertook several special program initiatives in 2000 that were specifically targeted at the special needs of homeless veterans, including women veterans. A study of the effectiveness of the initiative related to homeless programs for women veterans is underway. Finally, we have been successful in establishing and cultivating relations with non-profits in the community to ensure a continuum of services for homeless veterans. We are concerned that this proposal may have a disruptive effect on those relationships by requiring our community partners to compete with VA facilities for these limited grant funds.

#### *Section 10*

Section 10 would require that appropriate officials of our Mental Health Service and Readjustment Counseling Service initiate a coordinated plan for joint outreach on behalf of veterans at risk of homelessness, expressly including those who are being discharged from institutions such as inpatient psychiatric care units, substance abuse treatment programs, and penal institutions. The section sets out a detailed list of items and factors to be included or provided for in the plan.

We support this provision in concept but suggest that it may be duplicative of our current outreach authority and statutory requirement to coordinate with other governmental and non-governmental agencies and organizations. However, we recognize the need for continuing to expand and improve our coordination efforts on behalf of homeless veterans and those at risk for homelessness and the concomitant need to report adequately on these efforts. We will work towards these ends.

As to the issue of coordination between VHA and Vet Centers, our Health Care for Homeless Veterans (HCHV) Programs staff, who primarily serve under mental health service lines at VA medical centers, currently collaborate with Vet Centers staff regarding the needs of homeless veterans. (Vet Centers estimate that approximately 10 percent of veterans served in Vet Centers are homeless.) Referrals are regularly made between VA's specialized homeless programs and Vet Centers for appropriate services for veterans who are homeless or at risk for homelessness. In addition, Vet Centers staff are invited to attend and participate in CHALENG meetings. Further, HCHV staff and Vet Centers staff already collaborate with non-VA community-based service providers and with other government sponsored programs.

### Section 11

Section 11 would require that we conduct two treatment trials in integrated mental health services delivery. The bill defines "integrated mental health services delivery" as "a coordinated and standardized approach to evaluation for enrollment, treatment, and follow-up with patients who have both mental health disorders (to include substance use disorders) and medical conditions between mental health and primary health care professionals." One of the treatment trials would have to use a model incorporating mental health primary care teams and the other would have to use a model using patient assignment to a mental health primary care team that is linked with the patient's medical primary care team. We would also have to compare treatment outcomes obtained from the two treatment trials with those for similar chronically mentally ill veterans who receive treatment through traditionally consultative relationships. The VA Inspector General would have to review the medical records of participants and controls for both trials to ensure that the results are accurate.

We share an interest in this area of clinical research and have decided to carry out the project contemplated by section 11 using mechanisms and special programs already in place, *i.e.* VA's Health Services Research and Development Service and the Department's MIRECCs program. In pursuing this endeavor, we welcome the opportunity to work with Committee staff to ensure the language of the request for research proposals satisfies the objectives of section 11. However, this particular research study (including the final analysis and report to Congress) would likely require more than the amount of time permitted under section 11. Additionally, VA program officials and evaluators will be expected to manage and report on the results of a project of this size without immediate and direct oversight from the Office of the Inspector General (OIG). If there is a need for human subject protection review, the Office of Research and Compliance Assurance (ORCA) should conduct it and OIG involvement should consist only of their current oversight of the activities of ORCA.

### Section 12

Section 12 would effectively extend eligibility for outpatient dental services, treatment, and appliances to certain veterans when such services, treatment, and appliances are needed to successfully gain or regain employment, to alleviate pain, or to treat moderate, severe, or severe and complicated gingival and periodontal pathology. The new authority would extend benefits to enrolled veterans who are receiving care in an array of VA settings, and community programs supported by VA.

Although we recognize that these veterans need dental care and services, we do not support this provision because it would result in a disparity in access to needed outpatient dental care and services among equally deserving veterans. As an alternative, we will heighten and expand our current efforts to obtain dental care and services for homeless veterans through pro bono providers, dental schools and related teaching programs, and service providers receiving grants under VA's Homeless Providers Grant and Per Diem Program.

### Section 13

Section 13 contains several varied provisions. The first would require the Secretary to develop standards to ensure that mental health services are available to veterans in a manner similar to that in which primary care is made available to veterans by requiring every VA primary care health care facility to have mental health treatment capacity. We certainly believe in equitable availability of mental health services and we have included such services in our basic benefits package. We are also already working to assure that all sites of care can either directly provide, contract for, or refer patients to other VA facilities for mental health care.

Another provision in section 13 would require that we expend not less than \$55 million from Medical Care funds for our Homeless Providers Grant and Per Diem Program. The amounts to be expended would also have to be increased for any fiscal year by the overall percentage increase in the Medical Care account for that fiscal year from the preceding fiscal year. We don't concur with this provision. We have offered grant funds each year for the past seven years. Grant fund availability has ranged from a low of \$3.3 million in FY 1996 to a high of \$15.3 million in FY 1998. Of the \$32.4 million identified for the Grant and Per Diem Program in FY 2001, approximately \$22 million is expected to be spent on per diem payments, leaving \$10 million available for the eighth round of grants. We believe that making \$10 million available for grants is a reasonable funding level for any given year. Grant awards of \$10 million assist with the development of approximately 1,000 community-based beds. It often takes grant recipients two years or longer to complete construction or renovation and to bring the program to full operation. During the development phase, VA staff at the national, VISN and VAMC level are available to as-

sist grant recipients with any problems they might encounter. We believe this personal attention and assistance are partially responsible for the relatively high success rate of grant program implementation. Steady and reasonable growth in the Homeless Providers Grant and Per Diem Program appears to be one of the keys to the success of this program. It is likely that the Grant and Per Diem Program will reach a spending level of \$55 million in the next five years.

Moreover, a requirement to spend not less than \$55 million next year and in future years may actually be counter-productive to achieving the goals of this program because it would require VA to fund programs that would otherwise not merit grant assistance based on competitive scoring criteria. Past experience has shown VA that not all grant applicants are able to propose viable projects. Indeed, less than 50 applications received in any given year satisfy scoring criteria. This is not indicative of a program weakness; rather, it reflects the requirement that we award grants under the program only to those providers that demonstrate their viability and ability to succeed in meeting their grant applications' stated purpose(s).

A third part of section 13 would require that we establish centers to provide comprehensive services to homeless veterans in at least each of the 20 largest metropolitan statistical areas. Currently, we must have eight such centers.

We support this provision, but defining what services would constitute a comprehensive homeless services program for each of the 20 largest metropolitan statistical areas is a particularly complex task, which depends on the specific demographics of, and the services available in, each particular area. We would like to work with the Congress in defining what specific programs and services are envisioned by this provision.

A fourth aspect of Section 13 would require us to ensure that opioid substitution therapy is available at each VA medical center. The VA does not support this provision because the need for a specific medical capability, including substance abuse therapies, may vary widely among the 173 VA medical centers. The medical programs of a given center should be determined by the medical needs of veterans in the area and not by a statutory requirement. However, we recognize the clinical value of this particular treatment. Indeed, we have established 36 opioid substitution programs in VA medical centers across the country and we are evaluating our substance abuse treatment needs to determine whether additional programs may be needed. If deemed to be medically necessary and appropriate, we will not hesitate to establish more programs where needed. In areas where our medical centers would not have the resources to directly operate such programs, we would seek to serve veterans who need opioid substitution therapy by purchasing these services from community treatment providers.

Finally, the last part of section 13 would extend, through December 31, 2006, both our authority to treat veterans who are suffering from serious mental illness, including veterans who are homeless and VA's authority to provide benefits and services to homeless veterans through VA's Comprehensive Homeless Centers. The authority for each of those programs will expire on December 31, 2001 and we support both extensions.

#### *Section 14*

Section 14 would permit homeless veterans receiving care through vocational rehabilitation programs to participate in the Compensated Work Therapy program. It would also allow homeless veterans in VHA's Compensated Work Therapy program to receive housing through the therapeutic residence program or through grantees of VA's Homeless Providers Grant and Per Diem Program. We support both of those provisions.

Section 14 would also require that we ensure that each Regional Office assign at least one employee to oversee and coordinate homeless veterans programs in that region, and that any regional office with at least 140 employees have at least one full-time employee assigned to the above-stated functions.

We support the need for continued effective outreach to homeless veterans, but we have concerns about the proposed staffing requirements. Homeless Veterans Outreach Coordinators are already assigned at each VBA regional office. In most instances, this assignment is a collateral duty and not a full-time assignment. There are, however, some regional offices at which a full-time coordinator is assigned as necessitated by the size of the homeless veteran population and homeless support programs within its jurisdictional area. In addition, we have eight full-time homeless outreach coordinators assigned as members of our Health Care for Homeless Veterans Program and DCHV programs. We also have two offices that have a part-time employee on the homeless program. These positions are reimbursed by VHA. The staffing requirement in this measure would therefore be an unfunded mandate for which employees would have to be re-assigned from other key duties such as claims processing, rating functions, etc. In addition, we believe the veteran popu-

lation and its particular needs, not the organizational structure of an office, should determine the number and type of outreach coordinators assigned.

Finally, the last part of section 14 would require disabled veterans' outreach program specialists and local veterans' employment representatives where available to also coordinate training assistance benefits provided to veterans by entities receiving financial assistance under section 738 of the McKinney-Vento Homeless Assistance Act. We support this provision.

*Section 15*

Section 15 would require that, with a limited exception, real property of grantees under our Homeless Providers Grant and Per Diem Program meet fire and safety requirements applicable under the Life Safety Code of the NFPA.

We strongly support this requirement. The fire and safety requirements under the Life Safety Code, National Fire Protection Association Standard 101, have been developed through consensus of experts across the country. They assure a consistent level of safety for homeless veterans living in transitional housing or receiving services in supportive service centers developed under the Grant and Per Diem Program. Entities that have received grants in recent years have been aware of VA's preference for structures to meet the fire and safety requirements under the Life Safety Code of NFPA and have developed their grant applications to cover the costs associated with meeting those requirements. There are, however, some organizations that received grant awards and their buildings do not meet the fire and safety requirements under the Life Safety Code of NFPA. It is therefore particularly valuable that this measure would permit VA to award grant assistance to these entities to enable them to upgrade their facilities to meet the Life Safety Code of NFPA.

*Section 16*

Section 16 would establish a three-year pilot program to provide transitional assistance grants to up to 600 eligible homeless veterans at not less than three but not more than six regional offices. The sites for the pilot must include at least one regional office located in a large urban area and at least one serving primarily rural veterans. To be eligible, a veteran would have to live in the area of the regional office, be a war veteran or meet minimum service requirements, be recently released, or in the process of being released from an institution, be homeless and have less than marginal income.

Grants under the program would be limited to three months with an exception for any veteran who, while receiving such transitional assistance, has a claim pending for service-connected disability compensation or non-service-connected pension. Such veterans could continue to receive transitional assistance under this section until the earlier of (A) the date on which a decision on the claim is made by the regional office, or (B) the end of the six-month period beginning on the date of expiration of eligibility under subsection (c). The measure would also require the Department to expedite its consideration of pending claims of veterans. VA would have to pay the grants monthly and in the same amount as that which VA would be obligated to pay under chapter 15 of title 38, United States Code, if the veteran had a permanent and total non-service-connected disability. VA would have to determine the amount of the grant without regard to the income of the veteran, once it is determined the veteran meets the eligibility criteria. Finally it would require the Department to offset the amount of retroactive disability or pension benefits paid to a veteran by the amount of transitional assistance provided to the veteran for the same monthly period.

We cannot support section 16, as it appears to be at odds with the inherent interest of our attempts at rehabilitation. The provision lacks safeguards or limitations on the receipt and use of the grant funds, notwithstanding the strong likelihood that many of the grant recipients would be veterans suffering from mental illnesses and/or substance abuse disorders. Awarding funds to these veterans without also requiring them to participate in simultaneous clinical intervention or oversight would result in many of them not seeking the care and treatment necessary to overcome their disorders. This, in turn, could keep those veterans in a condition of homelessness. Simply awarding grant funds, as proposed, is not, in our view, an appropriate means for making these vulnerable veterans self-sufficient.

*Section 17*

Section 17 would require that we conduct a technical assistance grants program to assist non-profit groups, which are experienced in providing services to homeless veterans, to apply for grants related to addressing problems of homeless veterans. The measure would authorize \$750,000 to be appropriated for each of fiscal years 2001 through 2005 to carry out the program. We do not support this section as we already provide extensive information about the Homeless Providers Grant and Per Diem Program through the Internet, participation in national, state and some local

conferences and one-on-one discussions between interested applicants and VA program managers.

*Section 18*

Section 18 would authorize the Secretary to waive any requirement that a veteran purchasing a manufactured home with the assistance of a VA guaranteed loan own or purchase a lot to which the manufactured home is permanently affixed.

We do not favor this provision. Rather than address the specifics of this section of the bill, we have concluded the manufactured home loan program no longer provides a viable benefit to veterans, homeless or otherwise. Accordingly, VA recommends that the manufactured home loan program, which for all intents and purposes is dormant, be terminated.

The number of veterans obtaining manufactured housing loans has significantly declined over the years since fiscal year 1983 when VA guaranteed 15,725 such loans. No manufactured housing loans have been guaranteed since fiscal year 1996.

The cumulative foreclosure rate on VA manufactured home loans is 39.2 percent, which is significantly higher than the 5.6 percent rate for loans for conventionally-built homes. This foreclosure rate has greatly increased the cost to the taxpayers of the VA housing loan program and resulted in substantial debts being established against veterans.

Therefore, VA does not believe the manufactured home loan program has any role in the effort to assist homeless veterans.

*Section 19*

Section 19 would increase from \$20 million to \$50 million the amount authorized to be appropriated for the Homeless Veterans' Reintegration Programs for Fiscal Year 2002 and Fiscal Year 2003. It would also authorize that same amount to be appropriated for purposes of this program for fiscal years 2004, 2005, and 2006. VA defers to the Secretary of Labor, who administers the Homeless Veterans' Reintegration Programs.

*Section 20*

Section 20 would require the Secretary, before disposing of real property as excess, to determine that the property is not suitable for use for the provision of services to homeless veterans by the Department or by another entity under an enhanced-use lease. Although we agree with the purpose of section 20, this provision appears to be redundant with existing authorities. Under the Department's enhanced-use leasing authority, we now have the ability to lease available lands and facilities for compatible uses including those that provide services to homeless veterans. We have, in fact, recently used this authority to obtain a 120-unit "Single Room Occupancy" (SRO) housing complex in Vancouver, Washington, and a 63-unit SRO in Roseburg, Oregon. We are examining similar initiatives nationwide. In addition, pursuant to the Stewart B. McKinney Act, the Department surveys its property holdings and provides quarterly reports to the Department of Housing and Urban Development on the availability of excess or underutilized properties for housing for the homeless. In general terms, the provisions of the McKinney Act related to surplus federal property require each Department, in deeming property under its jurisdiction to be unutilized, under-utilized, or excess, to state that the property cannot be made available for use to assist the homeless. Before ultimately disposing of such property, the McKinney Act requires the Government to again give priority of consideration to uses to assist the homeless. Given that VA has active programs in place that strive to achieve the objective reflected in section 20, establishing a duplicate requirement would only lend confusion to the process.

Mr. Chairman, this ends my statement. Thank you for this opportunity to discuss all of this important legislation. I would be glad to answer any questions you or any of the Members might have.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

The following letter was received from the Congressional Budget Office concerning the cost of the reported bill:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, October 12, 2001.*

Hon. CHRISTOPHER H. SMITH  
*Chairman, Committee on Veterans' Affairs,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2716, the Stuart Collick—Health French Henry Homeless Veterans Assistance Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sam Papenfuss, who can be reached at 226–2840.

Sincerely,

DAN L. CRIPPEN,  
*Director.*

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 2716, STUART COLLICK-HEATHER FRENCH HENRY, HOMELESS VETERANS ASSISTANCE ACT, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON VETERANS' AFFAIRS ON OCTOBER 10, 2001

*SUMMARY.* H.R. 2716 contains several provisions that would change how the Department of Veterans Affairs (VA) provides assistance to homeless and other veterans and also would consolidate several existing provisions of law dealing with homeless veterans into one chapter of Title 38 of the U.S. Code. The bill would provide for greater access to drug treatment, mental health, and dental programs for homeless veterans and extend the authority for VA to provide health care to homeless veterans outside of VA facilities. H.R. 2716 also would require VA to establish comprehensive homeless services centers in the 20 largest metropolitan areas. The bill would authorize funds for programs designed to provide shelter and housing to homeless veterans including new domiciliary care programs in up to 10 cities.

H.R. 2716 would require the Department of Housing and Urban Development (HUD) to set aside a certain number of rental vouchers each year to be used by homeless veterans. Under the bill, VA and the Department of Labor would establish a pilot program to assist veterans at risk for homelessness. Finally, the bill would authorize more money for the homeless veterans reintegration program operated by the Department of Labor.

H.R. 2716 would authorize funding or modify provisions governing discretionary spending for veterans' programs, which CBO estimates would result in additional outlays of about \$90 million in 2002 and about \$945 million over the 2002–2006 period, assuming appropriation of the necessary amounts. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

H.R. 2716 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.



**ESTIMATED COST TO THE FEDERAL GOVERNMENT.** The estimated budgetary impact of H.R. 2716 is shown in the following table. The costs of this legislation fall within budget functions 500 (education, employment, and social services), 600 (income security), and 700 (veterans benefits and services).

**BASIS OF ESTIMATE**

For this estimate, CBO assumes that the bill will be enacted early in fiscal year 2002, that the necessary funds to implement the bill will be appropriated for each year, and that outlays will follow historical spending patterns for existing or similar programs.

**Veterans' Medical Care.** CBO estimates that implementing H.R. 2716 would increase discretionary spending for veterans' medical care by \$89 million in 2002 and \$785 million over the 2002–2006 period.

**Opioid Substitution Therapy.**—Currently, VA provides treatment for veterans addicted to narcotics, using methadone and other drugs, at only 36 of its 172 hospitals. Section 8 would require VA to implement this treatment program at all of the remaining 136 hospitals. According to VA, about 5,000 veterans currently receive drug addiction treatment at an annual cost of about \$4,500 per person. In total, VA estimates that approximately 35,000 veterans are eligible for this treatment. CBO expects that expanding this program to all hospitals could eventually lead to treatment of about half of those eligible veterans. Assuming a four-year phase-in period, CBO estimates that requiring VA to provide opioid substitution therapy at all VA hospitals would cost \$13 million in 2002 and about \$250 million over the 2002–2006 period, assuming appropriation of the estimated amounts.

**Grant and Per Diem Programs.**—Under current law, VA may provide grants to nonprofit organizations that serve the homeless. These grants partially subsidize the construction, acquisition, and outreach costs of providing shelter and beds to homeless veterans but not the daily costs of the operation. VA may also provide a per diem payment that covers not more than 50 percent of the daily costs of providing shelter to homeless veterans. These rates are calculated annually to ensure that VA does not pay more than half of the daily costs of providing shelter. In 2001, VA estimated that it would spend about \$33 million on the two programs. Funding for these programs comes from VA's annual appropriation for medical care.

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
<b>VETERANS' MEDICAL CARE</b>						
Baseline Spending Under Current Law						
Estimated Authorization Level <sup>1</sup> .....	20,863	21,866	22,110	22,839	23,547	24,285
Estimated Outlays .....	20,418	21,501	22,020	22,613	23,298	24,028
Proposed Changes						
Estimated Authorization Level	0	99	157	190	201	158
Estimated Outlays .....	0	89	150	186	199	161

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006
<b>Spending Under H.R. 2716</b>						
Estimated Authorization Level	20,863	21,965	22,267	23,029	23,748	24,443
Estimated Outlays .....	20,418	21,590	22,170	22,799	23,497	24,189
<b>HOMELESS VETERANS REINTEGRATION PROGRAM</b>						
<b>Spending Under Current Law<sup>2</sup></b>						
Authorization Level .....	0	20	20	0	0	0
Estimated Outlays .....	0	2	14	18	6	0
<b>Proposed Changes</b>						
Authorization Level .....	0	30	30	50	50	50
Estimated Outlays .....	0	3	21	32	44	50
<b>Spending Under H.R. 2716</b>						
Authorization Level .....	0	50	50	50	50	50
Estimated Outlays .....	0	5	35	50	50	50
<b>HOUSING AND URBAN DEVELOPMENT</b>						
<b>Baseline Spending Under Current Law</b>						
Estimated Authorization Level <sup>3</sup> .....	12,082	16,165	17,110	17,761	18,271	18,753
Estimated Outlays .....	16,492	17,525	18,265	18,620	19,094	19,603
<b>Proposed Changes</b>						
Estimated Authorization Level	0	0	3	6	9	13
Estimated Outlays .....	0	0	0	1	3	6
<b>Spending Under H.R. 2716</b>						
Estimated Authorization Level	12,082	16,165	17,113	17,767	18,280	18,766
Estimated Outlays .....	16,492	17,525	18,265	18,621	19,097	19,609
<b>SUMMARY OF CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level ..	0	129	190	246	260	221
Estimated Outlays .....	0	92	171	219	246	217

<sup>1</sup>The 2001 level is the estimated net amount appropriated for that year. The current-law amounts for the 2002–2006 period assume that appropriations remain at the 2001 level, with adjustment for inflation.

<sup>2</sup>This program was authorized by Public Law 106–117, but the Congress has not appropriated any money for it yet. “Spending Under Current Law” reflects the prior authorization and CBO’s estimate of outlays if funds were appropriated for 2002 and 2003.

<sup>3</sup>The 2001 level is the amount appropriated for that year. The current-law amounts for the 2002–2006 period remain at the 2001 level with adjustments to maintain the stock of subsidized housing at the current-law level.

Section 5 of H.R. 2716 would authorize appropriations to VA for these programs of \$60 million in 2002 and \$75 million a year for 2003, 2004, and 2005. CBO assumes that in the absence of this bill, VA would continue to spend what it has in the past on the grant and per diem programs, with adjustments for inflation. CBO estimates that implementing this provision would increase spending by \$23 million in 2002 and about \$140 million over the 2002–2006 period, assuming appropriation of the authorized amounts.

Section 5 also would affect the grant and per diem programs by changing the way per diem rates are calculated. Under the bill, VA would use the same rate that is authorized for veterans receiving domiciliary care at VA State Homes. That rate is about \$3 per day higher than the average rate paid for homeless shelter. According to VA, the number of beds in use is expected to double from 2,500 in 2001 to about 5,000 in 2005. Thus, CBO estimates that implementing this provision would cost \$3 million in 2002 and about \$20

million over the 2002–2006 period, assuming appropriation of the estimated amounts.

Finally, section 5 would authorize \$10 million a year in 2003, 2004, and 2005 for a grant program to develop care for homeless veterans with special needs including women, substance abusers, the terminally ill, and those with minor dependents. CBO estimates that implementing this grant program would cost \$30 million over the 2003–2006 period, assuming appropriation of the authorized amounts.

*Comprehensive Homeless Services Program.*—Under current law, VA provides at least 15 different programs to assist homeless veterans. These services are provided in over 140 cities across the country but no one location offers all of the programs. Within this framework, VA operates eight centers that offer comprehensive homeless services. Under section 8, VA would be required to establish similar centers in the 20 largest metropolitan areas. CBO assumes that this section would require the establishment of 14 new centers since VA operates comprehensive homeless services centers in six of the 20 largest metropolitan areas today.

Since none of the existing centers provide exactly the same services, CBO assumes that these new centers would offer those services that are provided by a majority of the existing centers. Seven programs are provided by at least four of the eight centers, including domiciliary care for homeless veterans, compensated work therapy, and the grant and per diem programs. Of the seven programs, six are not available in most of the 14 metropolitan areas where these new centers would be established. For those programs that do not already exist in these metropolitan areas, CBO used data from VA to calculate the average cost to establish and administer each program. CBO estimates that creating these comprehensive homeless services centers and operating these programs would cost \$27 million in 2002 and about \$150 million over the 2002–2006 period, assuming appropriation of the estimated amounts.

*Domiciliary Care.*—In addition to the domiciliary programs that would be established as part of the comprehensive homeless services centers, section 5 would explicitly allow VA to establish up to 10 new programs for the purpose of providing domiciliary care to homeless veterans and would authorize \$5 million a year for 2003 and 2004 to establish these additional programs. Using data from VA, CBO estimates that an average domiciliary care program costs a little more than \$1 million a year to operate. Assuming that five new programs begin operation in 2003 and another five start in 2004, CBO estimates that implementing this provision would cost \$7 million in 2003, and about \$40 million over the 2003–2006 period, assuming appropriation of the estimated amounts.

*Mental Health.*—Section 8 would require that mental health services be made available in all VA facilities that furnish health care. Currently, VA provides mental health services as part of its normal health care, but these services are not readily available at all VA medical facilities. According to VA, about 120 primary care clinics do not provide any mental health services. CBO estimates that offering those services in these clinics would cost roughly \$150,000 per clinic, and would include providing a social worker, a substance-abuse counselor, and a clinical psychologist at each

clinic. CBO estimates that implementing this provision would cost \$17 million in 2002 and about \$100 million over the 2002–2006 period, assuming appropriation of the necessary amounts.

*Dental Care.*—Under current law, VA provides dental care for service-connected disabilities or when dental care is medically necessary pursuant to receiving other authorized medical care. Section 5 would allow certain homeless veterans to receive dental care that is necessary to gain employment, alleviate pain, or to treat moderate or worse cases of gingival and periodontal pathology.

Using data from VA, CBO estimates about 40,000 homeless veterans would be eligible for the service based on their participation in shelter programs run or sponsored by VA. However, only about half of those eligible are likely to use the benefit. CBO estimates that the initial episode of care would cost roughly \$900 per person and that most of this care would occur in the first three years of the program being offered. Subsequent follow-up visits would cost about \$200 assuming that the veteran returns for care every other year. CBO estimates that implementing this provision would cost \$5 million in 2002 and about \$30 million over the 2002–2006 period, assuming appropriation of the estimated amounts.

*Housing Program.*—Section 12 would require HUD to set aside vouchers out of Section 8 voucher funds to provide housing assistance to homeless veterans beginning in 2003. Under the provision, 500 vouchers would be set aside in fiscal year 2003, and that number would grow to 2,000 vouchers by fiscal year 2006. To implement section 12, VA would need to provide case managers for the veterans who receive housing vouchers. Based on information provided by VA, CBO estimates that the salary and benefits for a case manager would be about \$60,000 per year and that a case manager could handle a caseload of about 30 veterans. CBO estimates that implementing this provision would cost about \$1 million in 2003 and \$10 million over the 2003–2006 period, assuming appropriation of the estimated amounts. (Implementing this section also would increase discretionary spending for Housing and Urban Development housing programs. CBO’s estimate of these costs is discussed below under the heading of “Rental Assistance.”)

*Pilot Program.*—Section 5 would establish a pilot program to provide referral and counseling services to help prevent homelessness among veterans after they are released from a penal institution or a hospital where they received long-term treatment for a mental illness. The pilot program would be implemented in at least six penal institutions or hospitals and would last for four years. CBO assumes that the pilot program would entail providing three counselors per institution and cost about \$300,000 per institution. Assuming that all counselors are in place at the start of fiscal year 2003, CBO estimates that this program would cost about \$2 million a year over the 2003–2006 period, assuming appropriation of the necessary amounts.

*Assistance for Grant Applications.*—Section 5 would authorize \$750,000 a year in fiscal years 2002 through 2005 for technical assistance grants to not-for-profit groups with experience in providing assistance to homeless veterans. These funds would help the groups in applying for grants to address problems of homeless veterans. Accordingly, CBO estimates that implementing this section

would cost about \$1 million in 2002 and \$3 million over the 2002–2006 period, assuming appropriation of the authorized amounts.

*Medical Care for Homeless Veterans.*—Section 5 would extend for five years a provision of current law that allows VA to provide outreach services to homeless veterans and medical care in non-VA facilities including community-based treatment facilities and halfway houses. Under current law, this provision is set to expire on December 31, 2001. VA currently spends about \$58 million to provide medical care to homeless veterans both in and out of VA facilities. CBO estimates that about 20 percent of that care is provided under the expiring provision. At that rate, CBO estimates that allowing VA to continue these services would cost \$8 million in 2002 and \$60 million over the 2002–2006 period, assuming appropriation of the estimated amounts. Because VA is currently funding this program, those costs are implicitly included in the baseline levels for veterans’ medical care, and thus are not included in the estimate of “proposed changes” shown in the table above.

**Homeless Veterans Reintegration Program.** Section 5 would increase the authorization of appropriations to be used by the Department of Labor to integrate homeless veterans into the labor force from \$20 million to \$50 million a year for 2002 and 2003. It would also authorize \$50 million a year for 2004, 2005, and 2006. Although the program was authorized by Public Law 106–117, the Congress has not yet appropriated any money for it. CBO estimates that the increased authorization would cost \$3 million in 2002 and \$150 million over the 2002–2006 period, assuming appropriation of the authorized amounts.

**Rental Assistance.** Section 12 would require HUD to set aside vouchers out of Section 8 voucher funds to provide housing assistance to homeless veterans beginning in 2003. Under the provision, 500 vouchers would be set aside in fiscal year 2003, and that number would grow to 2,000 vouchers by fiscal year 2006. VA would administer these vouchers under a housing program that would provide homeless veterans suffering from chronic mental illness (including those with substance abuse disorders) with rental assistance linked to ongoing case management and treatment. Based on information provided by HUD and VA, CBO estimates that, in a typical month, only about 85 percent of these vouchers would be used because turnover would cause some vouchers to go unused for some months. CBO also estimates that the set-aside vouchers would have a slower rate of spending and a lower utilization rate than standard vouchers because of the special needs of this population. CBO estimates that the issuing and renewal of these vouchers would increase outlays by \$10 million over the 2004–2006 period, assuming appropriation of the estimated amounts. (The costs for VA to administer this program are discussed above in the medical care section.)

*PAY-AS-YOU-GO CONSIDERATIONS:* None.

*INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT.* H.R. 2716 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Public agencies would be eligible to receive grants to provide and enhance services to homeless veterans.

Any requirements associated with these grants would be undertaken voluntarily.

*PREVIOUS CBO ESTIMATES.* On April 12, 2001, CBO prepared a cost estimate for H.R. 936, the Heather French Henry Homeless Veterans Assistance Act, as introduced in the House on March 8, 2001, with a subsequent change to section 17. Those provisions relating to opioid substitution therapy, mental health benefits, comprehensive homeless services program, dental benefits, new per diem payment rates, and the homeless veterans reintegration program are the same for both bills. In addition, H.R. 2716 would explicitly authorize funds for the homeless grant and per diem programs in amounts that are slightly greater than the implicit authorization contained in H.R. 936. H.R. 2716 also would explicitly authorize 10 new domiciliary programs which would increase its costs relative to H.R. 936. H.R. 2716 would authorize funds for a technical grant program through 2005, while the amended version of H.R. 936 would authorize those funds through 2006. In addition to these provisions, H.R. 2716 would establish a pilot program to assist veterans at risk for homelessness and would authorize Section 8 housing vouchers to be set aside for homeless veterans.

On August 17, 2001, CBO prepared an estimate for S. 739, the Heather French Henry Homeless Veterans Assistance Act, as ordered reported by the Senate Committee on Veterans' Affairs on August 2, 2001. Those provisions relating to new per diem rates and the homeless veterans reintegration program are the same for both bills. H.R. 2716 would authorize 14 new comprehensive homeless services centers, while S. 739 would authorize up to five new programs. In addition, H.R. 2716 would explicitly authorize funds for the homeless grant and per diem programs in amounts that are slightly greater than the implicit authorization contained in S. 739. H.R. 2716 also would explicitly authorize 10 new domiciliary programs, which would increase its costs relative to S. 739. H.R. 2716 would authorize funds for a technical grant program through 2005, while S. 739 would authorize those funds through 2006. In addition to these provisions, H.R. 2716 would increase benefits in the opioid substitution therapy program, mental health programs, dental care for homeless veterans, establish a pilot program to assist veterans at risk for homelessness and would authorize Section 8 housing vouchers to be set aside for homeless veterans.

*ESTIMATE PREPARED BY:*

Federal Costs:

Veterans Medical Care: Sam Papenfuss.

Rental Assistance: Chad Chirico.

Homeless Veterans Reintegration Program: Christi Hawley Sadoti.

Impact on State, Local, and Tribal Governments: Elyse Goldman.

Impact on the Private Sector: Sally Sagraves Maxwell.

*ESTIMATE APPROVED BY:*

Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

LETTERS BETWEEN THE COMMITTEE ON VETERANS' AFFAIRS AND  
THE COMMITTEE ON FINANCIAL SERVICES

October 11, 2001.

Hon. CHRISTOPHER H. SMITH,  
*Chairman, Committee on Veterans' Affairs,*  
*House of Representatives, Washington, DC.*

DEAR CHAIRMAN SMITH: I understand that the Committee on Veterans' Affairs recently ordered H.R. 2716, the Stuart Collick-Heather French Henry Homeless Veterans Assistance Act, reported to the House. As you know, the Committee on Financial Services was granted an additional referral upon the resolution's introduction pursuant to the Committee's jurisdiction over housing under rule X of the Rules of the House of Representatives.

Because of the importance of this matter, I recognize your desire to bring this legislation before the House in an expeditious manner and will waive consideration of the resolution by the Financial Services Committee. By agreeing to waive its consideration of the resolution, the Financial Services Committee does not waive its jurisdiction over H.R. 2716. In addition, the Committee on Financial Services reserves its authority to seek conferees on any provisions of the bill that are within the Financial Services Committee's jurisdiction during any House-Senate conference that may be convened on this legislation. I ask your commitment to support any request by the Committee on Financial Services for conferees on H.R. 2716 or related legislation.

I request that you include this letter and your response as part of the Congressional Record during consideration of the legislation on the House floor.

Thank you for your attention to these matters.

Sincerely,

MICHAEL G. OXLEY,  
*Chairman, Committee on Financial Services.*

cc: The Honorable J. Dennis Hastert, Speaker  
The Honorable John J. LaFalce  
The Honorable Marge Roukema  
The Honorable Barney Frank  
The Honorable Charles W. Johnson, III, Parliamentarian

October 12, 2001.

Hon. MICHAEL G. OXLEY,  
*Chairman, Committee on Financial Services,*  
*House of Representatives, Washington, DC.*

DEAR CHAIRMAN OXLEY: Thank you for your letter regarding your Committee's jurisdictional interest in H.R. 2716, the "Stuart Collick-Heather French Henry Homeless Veterans Assistance Act".

I acknowledge your committee's jurisdictional interest in this legislation and appreciate your cooperation in moving the bill to the House floor expeditiously. I agree that your decision to forego further action on the bill will not prejudice the Committee on Financial Services with respect to its jurisdictional prerogatives on this or similar legislation. I will include a copy of your letter and this

response in the Committee's report on the bill and the Congressional Record when the legislation is considered by the House.

Thank you again for your cooperation.

Sincerely,

CHRISTOPHER H. SMITH,  
*Chairman, Committee on Veterans' Affairs.*

- cc: The Honorable J. Dennis Hastert, Speaker  
The Honorable John J. LaFalce  
The Honorable Marge Roukema  
The Honorable Barney Frank  
The Honorable Charles W. Johnson, III, Parliamentarian

STATEMENT OF FEDERAL MANDATES

The preceding Congressional Budget Office cost estimate states that the bill contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act.

APPLICABILITY TO LEGISLATIVE BRANCH

The reported bill would not be applicable to the legislative branch under the Congressional Accountability Act, Public Law 104-1, because the bill would only affect certain Department of Veterans Affairs, Department of Labor and Department of Housing and Urban Development programs and benefits recipients.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, the reported bill is authorized by Congress' power to "provide for the common Defense and general Welfare of the United States."

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

**TITLE 38, UNITED STATES CODE**

\* \* \* \* \*

**PART I—GENERAL PROVISIONS**

CHAPTER

	<i>Sec.</i>
1. General .....	101
* * * * *	

**PART II—GENERAL BENEFITS**

11. Compensation for Service-Connected Disability or Death .....	1101
* * * * *	



19. Insurance .....	1901
20. <i>Benefits for Homeless Veterans</i> .....	2001
* * * * *	

**PART II—GENERAL BENEFITS**

CHAPTER		Sec.
11. Compensation for Service-Connected Disability or Death .....	1101	
* * * * *		
19. Insurance .....	1901	
20. <i>Benefits for Homeless Veterans</i> .....	2001	
* * * * *		

**CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE**

SUBCHAPTER I—GENERAL

Sec. 1701. Definitions.	
* * * * *	

**[SUBCHAPTER VII—TREATMENT AND REHABILITATION FOR SERIOUSLY MENTALLY ILL AND HOMELESS VETERANS**

[1771. General treatment.	
[1772. Therapeutic housing.	
[1773. Additional services at certain locations.	
[1774. Coordination with other agencies and organizations.]	
* * * * *	

SUBCHAPTER I—GENERAL

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**§ 1706. Management of health care: other requirements**

(a) * * *	
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*(c) The Secretary shall develop standards to ensure that mental health services are available to veterans in a manner similar to the manner in which primary care is available to veterans who require services by ensuring that each primary care health care facility of the Department has a mental health treatment capacity.*

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**SUBCHAPTER II—HOSPITAL, NURSING HOME OR DOMICILIARY CARE AND MEDICAL TREATMENT**

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**§ 1720A. Treatment and rehabilitative services for persons with drug or alcohol dependency**

(a) * * *	
* * * * *	

*(d) The Secretary shall ensure that opioid substitution therapy is available at each Department medical center.*

\* \* \* \* \*

## **CHAPTER 20—BENEFITS FOR HOMELESS VETERANS**

### *SUBCHAPTER I—PURPOSE; DEFINITIONS; ADMINISTRATIVE MATTERS*

*Sec.*

- 2001. Purpose.*
- 2002. Definitions.*
- 2003. Staffing requirements.*
- 2004. Employment assistance.*

### *SUBCHAPTER II—COMPREHENSIVE SERVICE PROGRAMS*

- 2011. Grants.*
- 2012. Per diem payments.*
- 2013. Authorization of appropriations.*

### *SUBCHAPTER III—TRAINING AND OUTREACH*

- 2021. Homeless veterans' reintegration programs.*
- 2022. Coordination of outreach services for veterans at risk of homelessness.*
- 2023. Demonstration program relating to referral and counseling for veterans transitioning from certain institutions who are at risk for homelessness.*

### *SUBCHAPTER IV—TREATMENT AND REHABILITATION FOR SERIOUSLY MENTALLY ILL AND HOMELESS VETERANS*

- 2031. General treatment.*
- 2032. Therapeutic housing.*
- 2033. Additional services at certain locations.*
- 2034. Coordination with other agencies and organizations.*

### *SUBCHAPTER V—HOUSING ASSISTANCE*

- 2041. Housing assistance for homeless veterans.*
- 2042. Supported housing for veterans participating in compensated work therapies.*
- 2043. Domiciliary care programs.*

### *SUBCHAPTER VI—LOAN GUARANTEE FOR MULTIFAMILY TRANSITIONAL HOUSING*

- 2051. General authority.*
- 2052. Requirements.*
- 2053. Default.*
- 2054. Audit.*

### *SUBCHAPTER VII—OTHER PROVISIONS*

- 2061. Grant program for homeless veterans with special needs.*
- 2062. Dental care.*
- 2063. Technical assistance grants for nonprofit community-based groups.*
- 2064. Annual report on assistance to homeless veterans.*
- 2065. Advisory Committee on Homeless Veterans.*

## **SUBCHAPTER I—PURPOSE; DEFINITIONS; ADMINISTRATIVE MATTERS**

### **§ 2001. Purpose**

*The purpose of this chapter is to provide for the special needs of homeless veterans.*

### **§ 2002. Definitions**

*In this chapter:*

- (1) The term "homeless veteran" means a veteran who—*
  - (A) lacks a fixed, regular, and adequate nighttime residence; or*
  - (B) has a primary nighttime residence that is—*

(i) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, grant per diem shelters and transitional housing for the mentally ill);

(ii) an institution that provides a temporary residence for individuals intended to be institutionalized; or

(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(2) The term “grant and per diem provider” means an entity in receipt of a grant under section 2011 or 2012 of this title.

### **§ 2003. Staffing requirements**

(a) **VBA STAFFING AT REGIONAL OFFICES.**—The Secretary shall ensure that there is assigned at each Veterans Benefits Administration regional office at least one employee assigned specifically to oversee and coordinate homeless veterans programs in that region. In any such regional office with at least 140 employees, there shall be at least one full-time employee assigned to such functions. The programs covered by such oversight and coordination include the following:

(1) The housing program for veterans supported by the Department of Housing and Urban Development.

(2) Housing programs supported by the Secretary under this title or any other provision of law.

(3) The homeless veterans reintegration program of the Department of Labor under section 2021 of this title.

(4) The programs under section 2033 of this title.

(5) The assessments required by section 2034 of this title.

(6) Such other duties relating to homeless veterans as may be assigned.

(b) **VHA CASE MANAGERS.**—The Secretary shall ensure that the number of case managers in the Veterans Health Administration is sufficient to assure that every veteran who is provided a housing voucher through section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is assigned to, and is able to be seen as needed by, a case manager.

### **§ 2004. Employment assistance**

The Secretary may authorize homeless veterans receiving care through vocational rehabilitation programs to participate in the compensated work therapy program under section 1718 of this title.

## **SUBCHAPTER II—COMPREHENSIVE SERVICE PROGRAMS**

### **§ 2011. Grants**

(a) **AUTHORITY TO MAKE GRANTS.**—(1) Subject to the availability of appropriations provided for such purpose, the Secretary shall make grants to assist eligible entities in establishing programs to furnish, and expanding or modifying existing programs for furnishing, the following to homeless veterans:

(A) Outreach.

(B) Rehabilitative services.

(C) Vocational counseling and training

(D) Transitional housing assistance.

(2) The authority of the Secretary to make grants under this section expires on September 30, 2005.

(b) **CRITERIA FOR AWARD OF GRANTS.**—The Secretary shall establish criteria and requirements for the award of a grant under this section, including criteria for entities eligible to receive such grants, and shall publish such criteria and requirements in the Federal Register. The criteria established under this section shall include the following:

(1) Specification as to the kinds of projects for which such grant support is available, which shall include—

(A) expansion, remodeling, or alteration of existing buildings, or acquisition of facilities, for use as service centers, transitional housing, or other facilities to serve homeless veterans; and

(B) procurement of vans for use in outreach to, and transportation for, homeless veterans to carry out the purposes set forth in subsection (a).

(2) Specification as to the number of projects for which grant support is available.

(3) Appropriate criteria for the staffing for the provision of the services for which a grant under this section is furnished.

(4) Provisions to ensure that the award of grants under this section—

(A) shall not result in duplication of ongoing services; and

(B) to the maximum extent practicable, shall reflect appropriate geographic dispersion and an appropriate balance between urban and nonurban locations.

(5) Provisions to ensure that an entity receiving a grant shall meet fire and safety requirements established by the Secretary, which shall include—

(A) such State and community requirements that may apply; and

(B) the fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association.

(6) Specifications as to the means by which an entity receiving a grant may contribute in-kind services to the start-up costs of any project for which support is sought and the methodology for assigning a cost to that contribution for purposes of subsection (c).

(c) **FUNDING LIMITATIONS.**—A grant under this section may not be used to support operational costs. The amount of a grant under this section may not exceed 65 percent of the estimated cost of the expansion, remodeling, alteration, acquisition, or procurement provided for under this section.

(d) **ELIGIBLE ENTITIES.**—The Secretary may make a grant under this section to an entity applying for such a grant only if the applicant for the grant—

(1) is a public or nonprofit private entity with the capacity (as determined by the Secretary) to effectively administer a grant under this section;

(2) *has demonstrated that adequate financial support will be available to carry out the project for which the grant has been sought consistent with the plans, specifications, and schedule submitted by the applicant; and*

(3) *has agreed to meet the applicable criteria and requirements established under subsections (b) and (g) (and the Secretary has determined that the applicant has demonstrated the capacity to meet those criteria and requirements).*

(e) **APPLICATION REQUIREMENT.**—*An entity described in subsection (d) desiring to receive assistance under this section shall submit to the Secretary an application. The application shall set forth the following:*

(1) *The amount of the grant requested with respect to a project.*

(2) *A description of the site for such project.*

(3) *Plans, specifications, and the schedule for implementation of such project in accordance with requirements prescribed by the Secretary under subsection (b).*

(4) *Reasonable assurance that upon completion of the work for which assistance is sought, the program will become operational and the facilities will be used principally to provide to veterans the services for which the project was designed, and that not more than 25 percent of the services provided will serve clients who are not receiving such services as veterans.*

(f) **PROGRAM REQUIREMENTS.**—*The Secretary may not make a grant to an applicant under this section unless the applicant, in the application for the grant, agrees to each of the following requirements:*

(1) *To provide the services for which the grant is furnished at locations accessible to homeless veterans.*

(2) *To maintain referral networks for, and aid homeless veterans in, establishing eligibility for assistance, and obtaining services, under available entitlement and assistance programs.*

(3) *To ensure the confidentiality of records maintained on homeless veterans receiving services under the grant.*

(4) *To establish such procedures for fiscal control and fund accounting as may be necessary to ensure proper disbursement and accounting with respect to the grant and to such payments as may be made under section 2012 of this title.*

(5) *To seek to employ homeless veterans and formerly homeless veterans in positions created for purposes of the grant for which those veterans are qualified.*

(g) **SERVICE CENTER REQUIREMENTS.**—*In addition to criteria established under subsection (b), the Secretary shall, in the case of an application for a grant for a service center for homeless veterans, require each of the following:*

(1) *That such center provide services to homeless veterans during such hours as the Secretary may specify and be open to such veterans on an as-needed, unscheduled basis.*

(2) *That space at such center will be made available, as mutually agreeable, for use by staff of the Department of Veterans Affairs, the Department of Labor, and other appropriate agencies and organizations in assisting homeless veterans served by such center.*

(3) That such center be equipped and staffed to provide, or to assist in providing, health care, mental health services, hygiene facilities, benefits and employment counseling, meals, transportation assistance, and such other services as the Secretary determines necessary.

(4) That such center may be equipped and staffed to provide, or to assist in providing, job training and job placement services (including job readiness, job counseling, and literacy and skills training), as well as any outreach and case management services that may be necessary to carry out this paragraph.

(h) **RECOVERY OF UNUSED GRANT FUNDS.**—(1) If a grant recipient (or entity eligible for such a grant) under this section does not establish a program in accordance with this section or ceases to furnish services under such a program for which the grant was made, the United States shall be entitled to recover from such recipient or entity the total of all unused grant amounts made under this section to such recipient or entity in connection with such program.

(2) Any amount recovered by the United States under paragraph (1) may be obligated by the Secretary without fiscal year limitation to carry out provisions of this subchapter.

(3) An amount may not be recovered under paragraph (1) as an unused grant amount before the end of the three-year period beginning on the date on which the grant is awarded.

#### **§2012. Per diem payments**

(a) **PER DIEM PAYMENTS FOR FURNISHING SERVICES TO HOMELESS VETERANS.**—(1) Subject to the availability of appropriations provided for such purpose, the Secretary, pursuant to such criteria as the Secretary shall prescribe, shall provide to a recipient of a grant under section 2011 of this title (or an entity eligible to receive a grant under that section which after November 10, 1992, establishes a program that the Secretary determines carries out the purposes described in that section) per diem payments for services furnished to any homeless veteran—

(A) whom the Secretary has referred to the grant recipient (or entity eligible for such a grant); or

(B) for whom the Secretary has authorized the provision of services.

(2) The rate for such per diem payments shall be the rate authorized for State homes for domiciliary care under section 1741(a)(1)(A) of this title.

(3) In a case in which the Secretary has authorized the provision of services, per diem payments under paragraph (1) may be paid retroactively for services provided not more than three days before the authorization was provided.

(b) **INSPECTIONS.**—The Secretary may inspect any facility of an entity eligible for payments under subsection (a) at such times as the Secretary considers necessary. No per diem payment may be made to an entity under this section unless the facilities of that entity meet such standards as the Secretary shall prescribe.

(c) **LIFE SAFETY CODE.**—(1) Except as provided in paragraph (2), a per diem payment may not be provided under this section to a grant recipient unless the facilities of the grant recipient meet the fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association.

(2) During the five-year period beginning on the date of the enactment of this section, paragraph (1) shall not apply to an entity that received a grant under section 3 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (Public Law 102-590; 38 U.S.C. 7721 note) before that date if the entity meets fire and safety requirements established by the Secretary.

(3) From amounts available for purposes of this section, not less than \$5,000,000 shall be used only for grants to assist entities covered by paragraph (2) in meeting the Life Safety Code of the National Fire Protection Association.

### **§ 2013. Authorization of appropriations**

There are authorized to be appropriated to carry out this subchapter amounts as follows:

- (1) \$60,000,000 for fiscal year 2002.
- (2) \$75,000,000 for fiscal year 2003.
- (3) \$75,000,000 for fiscal year 2004.
- (4) \$75,000,000 for fiscal year 2005.

## **SUBCHAPTER III—TRAINING AND OUTREACH**

### **§ 2021. Homeless veterans' reintegration programs**

(a) *IN GENERAL.*—Subject to the availability of appropriations provided for under subsection (d) and made available for such purpose, the Secretary of Labor shall conduct, directly or through grant or contract, such programs as the Secretary determines appropriate to provide job training, counseling, and placement services to expedite the reintegration of homeless veterans into the labor force.

(b) *REQUIREMENT TO MONITOR EXPENDITURES OF FUNDS.*—(1) The Secretary of Labor shall collect such information as the Secretary considers appropriate to monitor and evaluate the distribution and expenditure of funds appropriated to carry out this section. The information shall include data with respect to the results or outcomes of the services provided to each homeless veteran under this section.

(2) The information under paragraph (1) shall be furnished to the Secretary of Labor in such form as the Secretary considers appropriate.

(c) *ADMINISTRATION THROUGH THE ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.*—The Secretary of Labor shall carry out this section through the Assistant Secretary of Labor for Veterans' Employment and Training.

(d) *ANNUAL REPORT TO CONGRESS.*—The Secretary of Labor shall submit to Congress an annual report that evaluates services furnished to veterans under this section, and includes an analysis of the information collected under subsection (c).

(e) *AUTHORIZATION OF APPROPRIATIONS.*—(1) There are authorized to be appropriated to carry out this section amounts as follows:

- (A) \$50,000,000 for fiscal year 2002.
- (B) \$50,000,000 for fiscal year 2003.
- (C) \$50,000,000 for fiscal year 2004.
- (D) \$50,000,000 for fiscal year 2005.
- (E) \$50,000,000 for fiscal year 2006.

(2) Funds appropriated to carry out this section shall remain available until expended. Funds obligated in any fiscal year to carry

out this section may be expended in that fiscal year and the succeeding fiscal year.

**§ 2022. Coordination of outreach services for veterans at risk of homelessness**

(a) *OUTREACH PLAN.*—The Secretary, acting through the Under Secretary for Health, shall provide for appropriate officials of the Mental Health Service and the Readjustment Counseling Service of the Veterans Health Administration to initiate a coordinated plan for joint outreach to veterans at risk of homelessness, including particularly veterans who are being discharged from institutions (including discharges from inpatient psychiatric care, substance abuse treatment programs, and penal institutions).

(b) *MATTERS TO BE INCLUDED.*—The outreach plan under subsection (a) shall include the following:

(1) Strategies to identify and collaborate with external entities used by veterans who have not traditionally used Department services to further outreach efforts.

(2) Strategies to ensure that mentoring programs, recovery support groups, and other appropriate support networks are optimally available to veterans.

(3) Appropriate programs or referrals to family support programs.

(4) Means to increase access to case management services.

(5) Plans for making additional employment services accessible to veterans.

(6) Appropriate referral sources for mental health and substance abuse services.

(c) *COOPERATIVE RELATIONSHIPS.*—The plan shall identify strategies for the Department to enter into formal cooperative relationships with entities outside the Department to facilitate making services and resources optimally available to veterans.

(d) *REVIEW OF PLAN.*—The Secretary shall submit the plan under subsection (a) to the Advisory Committee on Homeless Veterans for its review and consultation.

(e) *OUTREACH PROGRAM.*—(1) The Secretary shall carry out an outreach program to provide information to homeless veterans and veterans at risk of homelessness. The program shall include at a minimum—

(A) provision of information about benefits available to eligible veterans from the Department; and

(B) contact information for local Department facilities, including medical facilities, regional offices, and veterans centers.

(2) In developing and carrying out the program under paragraph (1), the Secretary shall, to the extent practicable, consult with appropriate public and private organizations, including the Bureau of Prisons, State social service agencies, the Department of Defense, and mental health, veterans, and homeless advocates—

(A) for assistance in identifying and contacting veterans who are homeless or at risk of homelessness;

(B) to coordinate appropriate outreach activities with those organizations; and

(C) to coordinate services provided to veterans with services provided by those organizations.



(f) *SUBMISSION OF REPORT.*—Not later than two years after the date of the enactment of this section, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the Secretary's plan under subsection (a), including goals and time lines for implementation of the plan for particular facilities and service networks.

**§ 2023. Demonstration program relating to referral and counseling for veterans transitioning from certain institutions who are at risk for homelessness**

(a) *PROGRAM AUTHORITY.*—The Secretary and the Secretary of Labor (hereinafter in this section referred to as the "Secretaries") shall carry out a demonstration program for the purpose of determining the costs and benefits of providing referral and counseling services to eligible veterans with respect to benefits and services available to such veterans under this title and under State law.

(b) *LOCATION OF DEMONSTRATION PROGRAM.*—The demonstration program shall be carried out in at least six locations. One location shall be a penal institution under the jurisdiction of the Bureau of Prisons.

(c) *SCOPE OF PROGRAM.*—(1) To the extent practicable, the demonstration program shall provide both referral and counseling, and in the case of counseling, shall include counseling with respect to job training and placement, housing, health care, and such other benefits to assist the eligible veteran in the transition from institutional living.

(2)(A) To the extent that referral or counseling services are provided at a location under the program, referral services shall be provided in person during the 60-day period that precedes the date of release or discharge of the eligible veteran under subsection (f)(1)(B), and counseling services shall be furnished after such date.

(B) The Secretaries may furnish to officials of penal institutions outreach information with respect to referral and counseling services for presentation to veterans in the custody of such officials during the 18-month period that precedes such date of release or discharge.

(3) The Secretaries may enter into contracts to carry out the counseling required under the demonstration program with entities or organizations that meet such requirements as the Secretaries may establish.

(4) In developing the demonstration program, the Secretaries shall consult with officials of the Bureau of Prisons, officials of penal institutions of States and political subdivisions of States, and such other officials as the Secretaries determine appropriate.

(d) *REPORT.*—(1) Not later than two years after the commencement of the demonstration program, the Secretary (after consultation with the Secretary of Labor) shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the program.

(2) The report under paragraph (1) shall include the following:

(A) A description of the implementation and operation of the program.

(B) An evaluation of the effectiveness of the program.

(C) Recommendations, if any, regarding an extension of the program.

(e) *DURATION.*—The authority of the Secretaries to provide counseling services under the demonstration program shall cease on the date that is four years after the date of the commencement of the demonstration program.

(f) *DEFINITIONS.*—In this section:

- (1) The term “eligible veteran” means a veteran who—
- (A) is a resident of a penal institution or an institution that provides long-term care for mental illness;
  - (B) is expected to be imminently released or discharged (as the case may be) from the facility or institution; and
  - (C) is at risk for homelessness absent referral and counseling services provided under the program (as determined under guidelines established by the Secretaries).
- (2) The term “imminent” means, with respect to a release or discharge under paragraph (1)(B), the 60-day period that ends on the date of such release or discharge.

#### SUBCHAPTER [VII] IV—TREATMENT AND REHABILITATION FOR SERIOUSLY MENTALLY ILL AND HOMELESS VETERANS

##### **[§ 1771.] § 2031. General treatment**

(a) In providing care and services under section 1710 of this title to veterans suffering from serious mental illness, including veterans who are homeless, the Secretary may provide (directly or in conjunction with a governmental or other entity)—

- (1) outreach services;
- (2) care, treatment, and rehabilitative services (directly or by contract in community-based treatment facilities, including halfway houses); and
- (3) therapeutic transitional housing assistance under section [1772] 2032 of this title, in conjunction with work therapy under subsection (a) or (b) of section 1718 of this title and outpatient care.

(b) The authority of the Secretary under subsection (a) expires on December 31, [2001] 2006.

##### **[§ 1772.] § 2032. Therapeutic housing**

(a) \* \* \*

\* \* \* \* \*

##### **[§ 1773.] § 2033 Additional services at certain locations**

(a) Subject to the availability of appropriations, the Secretary shall operate a program under this section to expand and improve the provision of benefits and services by the Department to homeless veterans.

(b) The program shall include the establishment of [not fewer than eight programs (in addition to any existing programs providing similar services) at] sites under the jurisdiction of the Secretary to be centers for the provision of comprehensive services to homeless veterans. The services to be provided at each site shall include a comprehensive and coordinated array of those specialized services which may be provided under existing law. *The Secretary shall carry out the program under this section in sites in at least each of the 20 largest metropolitan statistical areas.*

(c) The program shall include the services of such employees of the Veterans Benefits Administration as the Secretary determines appropriate at sites under the jurisdiction of the Secretary at which services are provided to homeless veterans.

(d) The program under this section shall terminate on December 31, [2001] 2006.

**[§ 1774.] § 2034. Coordination with other agencies and organizations**

(a) \* \* \*

(b)(1) The Secretary shall require the director of each medical center or the director of each regional benefits office to make an *annual* assessment of the needs of homeless veterans living within the area served by the medical center or regional office, as the case may be.

\* \* \* \* \*

(6) *The Secretary shall review each annual assessment under this subsection and shall consolidate the findings and conclusions of those assessments into an annual report to be submitted to Congress.*

\* \* \* \* \*

*SUBCHAPTER V—HOUSING ASSISTANCE*

**[§ 3735.] § 2041. Housing assistance for homeless veterans**

(a) \* \* \*

\* \* \* \* \*

**§ 2042. Supported housing for veterans participating in compensated work therapies**

*The Secretary may authorize homeless veterans in the compensated work therapy program to be provided housing through the therapeutic residence program under section 2032 of title or through grant and per diem providers under subchapter II of this chapter.*

**§ 2043. Domiciliary care programs**

(a) *AUTHORITY.—The Secretary may establish up to 10 programs under section 1710(b) of this title (in addition to any such program that is established as of the date of the enactment of this section) to provide domiciliary services under such section to homeless veterans.*

(b) *AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary \$5,000,000 for each of fiscal years 2003 and 2004 to establish the programs referred to in subsection (a).*

**SUBCHAPTER VI—LOAN GUARANTEE FOR MULTIFAMILY TRANSITIONAL HOUSING [FOR HOMELESS VETERANS]**

**[§ 3772.] § 2051. General authority**

(a) \* \* \*

\* \* \* \* \*

(d)(1) The Secretary shall enter into contracts with a qualified nonprofit organization, or other qualified organization, that has experience in underwriting transitional housing projects to obtain advice in carrying out this subchapter, including advice on the terms and conditions necessary for a loan that meets the requirements of section [3773] 2052 of this title.

\* \* \* \* \*

**[§ 3773.] § 2052. Requirements**

(a) A loan referred to in section [3772] 2051 of this title meets the requirements of this subchapter if each of the following requirements is met:

(1) \* \* \*

\* \* \* \* \*

**[§ 3774.] § 2053. Default**

(a) \* \* \*

\* \* \* \* \*

**[§ 3775.] § 2054. Audit**

(a) \* \* \*

\* \* \* \* \*

*SUBCHAPTER VII—OTHER PROVISIONS*

**§ 2061. Grant program for homeless veterans with special needs**

(a) *ESTABLISHMENT.*—The Secretary shall carry out a program to make grants to health care facilities of the Department and to grant and per diem providers in order to encourage development by those facilities and providers of programs targeted at meeting special needs within the population of homeless veterans.

(b) *SPECIAL NEEDS.*—For purposes of this section, homeless veterans with special needs include homeless veterans who—

- (1) are women;
- (2) are 50 years of age or older;
- (3) are substance abusers;
- (4) are persons with post-traumatic stress disorder;
- (5) are terminally ill;
- (6) are chronically mentally ill; or
- (7) have care of minor dependents or other family members.

(c) *FUNDING.*—(1) From amounts appropriated to the Department for “Medical Care” for each of fiscal years 2003, 2004, and 2005, the amount of \$10,000,000 shall be available for the purposes of the program under this section.

(2) The Secretary shall ensure that funds for grants under this section are designated for the first three years of operation of the program under this section as a special purpose program for which funds are not allocated through the Veterans Equitable Resource Allocation system.

**§2062. Dental care**

(a) *IN GENERAL.*—For purposes of section 1712(a)(1)(H) of this title, outpatient dental services and treatment of a dental condition or disability of a veteran described in subsection (b) shall be considered to be medically necessary, subject to subsection (c), if—

(1) the dental services and treatment are necessary for the veteran to successfully gain or regain employment;

(2) the dental services and treatment are necessary to alleviate pain; or

(3) the dental services and treatment are necessary for treatment of moderate, severe, or severe and complicated gingival and periodontal pathology.

(b) *ELIGIBLE VETERANS.*—Subsection (a) applies to a veteran who is—

(1) enrolled for care under section 1705(a) of this title; and

(2) who is receiving care (directly or by contract) in any of the following settings:

(A) A domiciliary under section 1710 of this title.

(B) A therapeutic residence under section 2032 of this title.

(C) Community residential care coordinated by the Secretary of Veterans Affairs under section 1730 of this title.

(D) A setting for which the Secretary provides funds for a grant and per diem provider.

(c) *LIMITATION.*—Dental benefits provided by reason of this section shall be a one-time course of dental care provided in the same manner as the dental benefits provided to a newly discharged veteran.

**§2063. Technical assistance grants for nonprofit community-based groups**

(a) *GRANT PROGRAM.*—The Secretary shall carry out a program to make technical assistance grants to nonprofit community-based groups with experience in providing assistance to homeless veterans in order to assist such groups in applying for grants under this chapter and other grants relating to addressing problems of homeless veterans.

(b) *FUNDING.*—There is authorized to be appropriated to the Secretary the amount of \$750,000 for each of fiscal years 2002 through 2005 to carry out the program under this section.

**§2064. Annual report on assistance to homeless veterans**

(a) *ANNUAL REPORT.*—Not later than April 15 of each year, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the activities of the Department during the calendar year preceding the report under programs of the Department under this chapter and other programs of the Department for the provision of assistance to homeless veterans.

(b) *GENERAL CONTENTS OF REPORT.*—Each report under subsection (a) shall include the following:

(1) The number of homeless veterans provided assistance under those programs.

(2) The cost to the Department of providing such assistance under those programs.

(3) Any other information on those programs and on the provision of such assistance that the Secretary considers appropriate.

(4) The Secretary's evaluation of the effectiveness of the programs of the Department (including residential work-therapy programs, programs combining outreach, community-based residential treatment, and case-management, and contract care programs for alcohol and drug-dependence or use disabilities) in providing assistance to homeless veterans.

(5) The Secretary's evaluation of the effectiveness of programs established by recipients of grants under section 2011 of this title and a description of the experience of those recipients in applying for and receiving grants from the Secretary of Housing and Urban Development to serve primarily homeless persons who are veterans.

(c) **HEALTH CARE CONTENTS OF REPORT.**—Each report under subsection (a) shall include the following with respect to programs of the Department addressing health care needs of homeless veterans:

(1) Information about expenditures, costs, and workload under the program of the Department known as the Health Care for Homeless Veterans program (HCHV).

(2) Information about the veterans contacted through that program.

(3) Information about processes under that program.

(4) Information about program treatment outcomes under that program.

(5) Information about supported housing programs.

(6) Information about the Department's grant and per diem provider program under subchapter II of this chapter.

(7) Other information the Secretary considers relevant in assessing the program.

### **§ 2065. Advisory Committee on Homeless Veterans**

(a)(1) There is established in the Department the Advisory Committee on Homeless Veterans (hereinafter in this section referred to as the "Committee").

(2) The Committee shall consist of not more than 15 members appointed by the Secretary from among the following:

(A) Veterans service organizations.

(B) Advocates of homeless veterans and other homeless individuals.

(C) Community-based providers of services to homeless individuals.

(D) Previously homeless veterans.

(E) State veterans affairs officials.

(F) Experts in the treatment of individuals with mental illness.

Experts in the treatment of substance use disorders.

(H) Experts in the development of permanent housing alternatives for lower income populations.

(I) Experts in vocational rehabilitation.

(J) Such other organizations or groups as the Secretary considers appropriate.

(3) The Committee shall include, as ex officio members—

(A) the Secretary of Labor (or a representative of the Secretary selected after consultation with the Assistant Secretary of Labor for Veterans' Employment);

(B) the Secretary of Defense (or a representative of the Secretary);

(C) the Secretary of Health and Human Services (or a representative of the Secretary); and

(D) the Secretary of Housing and Urban Development (or a representative of the Secretary).

(4) The Secretary shall determine the terms of service and pay and allowances of the members of the Committee, except that a term of service may not exceed three years. The Secretary may reappoint any member for additional terms of service.

(b)(1) The Secretary shall, on a regular basis, consult with and seek the advice of the Committee with respect to the provision by the Department of benefits and services to homeless veterans.

(2)(A) In providing advice to the Secretary under this subsection, the Committee shall—

(i) assemble and review information relating to the needs of homeless veterans;

(ii) provide an on-going assessment of the effectiveness of the policies, organizational structures, and services of the Department in assisting homeless veterans; and

(iii) provide on-going advice on the most appropriate means of providing assistance to homeless veterans.

(3) The Committee shall—

(A) review the continuum of services provided by the Department directly or by contract in order to define cross-cutting issues and to improve coordination of all services with the Department that are involved in addressing the special needs of homeless veterans;

(B) identify (through the annual assessments under section 2034 of this title and other available resources) gaps in programs of the Department in serving homeless veterans, including identification of geographic areas with unmet needs, and provide recommendations to address those program gaps;

(C) identify gaps in existing information systems on homeless veterans, both within and outside of the Department, and provide recommendations about redressing problems in data collection;

(D) identify barriers under existing laws and policies to effective coordination by the Department with other Federal agencies and with State and local agencies addressing homeless populations;

(E) identify opportunities for increased liaison by the Department with nongovernmental organizations and individual groups addressing homeless populations;

(F) with appropriate officials of the Department designated by the Secretary, participate with the Interagency Council on the Homeless under title II of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11311 et seq.);

(G) recommend appropriate funding levels for specialized programs for homeless veterans provided or funded by the Department;

(H) recommend appropriate placement options for veterans who, because of advanced age, frailty, or severe mental illness, may not be appropriate candidates for vocational rehabilitation or independent living; and

(I) perform such other functions as the Secretary may direct.

(c)(1) Not later than March 31 of each year, the Committee shall submit to the Secretary a report on the programs and activities of the Department that relate to homeless veterans. Each such report shall include—

(A) an assessment of the needs of homeless veterans;

(B) a review of the programs and activities of the Department designed to meet such needs;

(C) a review of the activities of the Committee; and

(D) such recommendations (including recommendations for administrative and legislative action) as the Committee considers appropriate.

(2) Not later than 90 days after the receipt of a report under paragraph (1), the Secretary shall transmit to the Committees on Veterans' Affairs of the Senate and House of Representatives a copy of the report, together with any comments and recommendations concerning the report that the Secretary considers appropriate.

(3) The Committee may also submit to the Secretary such other reports and recommendations as the Committee considers appropriate.

(4) The Secretary shall submit with each annual report submitted to the Congress pursuant to section 529 of this title a summary of all reports and recommendations of the Committee submitted to the Secretary since the previous annual report of the Secretary submitted pursuant to that section.

(d) The Committee shall cease to exist December 31, 2006.

\* \* \* \* \*

**PART III—READJUSTMENT AND RELATED BENEFITS**

\* \* \* \* \*

**CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS**

SUBCHAPTER I—GENERAL

Sec.  
3701. Definitions.  
\* \* \* \* \*

SUBCHAPTER III—ADMINISTRATIVE PROVISIONS

\* \* \* \* \*  
[3735. Housing assistance for homeless veterans.]  
\* \* \* \* \*

[SUBCHAPTER VI—LOAN GUARANTEE FOR MULTIFAMILY TRANSITIONAL HOUSING FOR HOMELESS VETERANS

[3771. Definitions.  
[3772. General authority.  
[3773. Requirements.  
[3774. Default.



[3775. Audit.]

\* \* \* \* \*

**[§ 3771. Definitions**

[For purposes of this subchapter:

[(1) The term “veteran” has the meaning given such term by paragraph (2) of section 101.

[(2) The term “homeless veteran” means a veteran who is a homeless individual.

[(3) The term “homeless individual” has the meaning given such term by section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302).]

\* \* \* \* \*

**CHAPTER 41—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICE FOR VETERANS**

Sec. 4100. Findings.

\* \* \* \* \*

[4111. Homeless veterans’ reintegration programs.]

\* \* \* \* \*

**§ 4103A. Disabled veterans’ outreach program**

(a) \* \* \*

\* \* \* \* \*

(c) Each disabled veterans’ outreach program specialist shall carry out the following functions for the purpose of providing services to eligible veterans in accordance with the priorities set forth in subsection (b) of this section:

(1) \* \* \*

\* \* \* \* \*

*(11) Coordination of services provided to veterans with training assistance provided to veterans by entities receiving financial assistance under section 2021 of this title.*

**§ 4104. Local veterans’ employment representatives**

(a) \* \* \*

(b) Local veterans’ employment representatives shall perform the following functions:

(1) \* \* \*

\* \* \* \* \*

(11) When requested by a Federal or State agency, a private employer, or a service-connected disabled veteran, assist such agency, employer, or veteran in identifying and acquiring prosthetic and sensory aids and devices needed to enhance the employability of disabled veterans.

(12) Facilitate the provision of guidance or counseling services, or both, to veterans who, pursuant to section 5(b)(3) of the Veterans’ Job Training Act (29 U.S.C. 1721 note), are certified as eligible for participation under such Act.

(13) *Coordinate services provided to veterans with training assistance for veterans provided by entities receiving financial assistance under section 2021 of this title.*

\* \* \* \* \*

**§ 4111. Homeless veterans' reintegration programs**

[(a) IN GENERAL.—The Secretary, acting through the Assistant Secretary of Labor for Veterans' Employment and Training, shall conduct, directly or through grant or contract, such programs as the Secretary determines appropriate to expedite the reintegration of homeless veterans into the labor force.

[(b) AUTHORITY TO MONITOR EXPENDITURE OF FUNDS.—The Secretary may collect such information as the Secretary considers appropriate to monitor and evaluate the distribution and expenditure of funds appropriated to carry out this section, and such information shall be furnished to the Secretary in such form as the Secretary determines appropriate.

[(c) DEFINITION.—For purposes of this section, the term "homeless veteran" has the meaning given that term by section 3771(2) of this title.

[(d) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out this section amounts as follows:

- [(A) \$10,000,000 for fiscal year 2000.
- [(B) \$15,000,000 for fiscal year 2001.
- [(C) \$20,000,000 for fiscal year 2002.
- [(D) \$20,000,000 for fiscal year 2003.

[(2) Funds obligated for any fiscal year to carry out this section may be expended in that fiscal year and the succeeding fiscal year.]

\* \* \* \* \*

**PART VI—ACQUISITION AND DISPOSITION OF PROPERTY**

\* \* \* \* \*

**CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY; ENHANCED-USE LEASES OF REAL PROPERTY**

\* \* \* \* \*

**SUBCHAPTER II—PROCUREMENT AND SUPPLY**

\* \* \* \* \*

**§ 8122. Authority to procure and dispose of property and to negotiate for common services**

(a) \* \* \*

\* \* \* \* \*

(d) Real property under the jurisdiction of the Secretary may not be declared excess by the Secretary and disposed of by the General Services Administration or any other entity of the Federal Govern-

ment unless the Secretary determines that the property is no longer needed by the Department in carrying out its functions *and is not suitable for use for the provision of services to homeless veterans by the Department or by another entity under an enhanced-use lease of such property under section 8162 of this title.*

\* \* \* \* \*

SUBCHAPTER V—ENHANCED-USE LEASES OF REAL PROPERTY

\* \* \* \* \*

§ 8162. Enhanced-use leases

(a) \* \* \*

(b)(1)(A) If the Secretary has determined that a property should be leased to another party through an enhanced-use lease, the Secretary shall select the party with whom the lease will be entered into using selection procedures determined by the Secretary that ensure the integrity of the selection process.

(B) *In the case of a property that the Secretary determines is appropriate for use as a facility to furnish services to homeless veterans under chapter 20 of this title, the Secretary may enter into an enhanced-use lease without regard to the selection procedures required under subparagraph (A).*

\* \* \* \* \*

HOMELESS VETERANS COMPREHENSIVE SERVICE PROGRAMS ACT OF 1992

\* \* \* \* \*

[(SEC. 3. GRANTS.

[(a) AUTHORITY TO MAKE GRANTS.—(1) Subject to the availability of appropriations provided for under section 12, the Secretary of Veterans Affairs shall make grants to assist eligible entities in establishing new programs to furnish, and expanding existing programs for furnishing, outreach, rehabilitative services, vocational counseling and training, and transitional housing assistance to homeless veterans.

[(2) The authority of the Secretary to make grants under this section expires on September 30, 2003.

[(b) CRITERIA FOR AWARD OF GRANTS.—The Secretary shall establish criteria and requirements for the award of a grant under this section, including criteria for entities eligible to receive such grants. The Secretary shall publish such criteria and requirements in the Federal Register not later than 90 days after the date of the enactment of this Act. In developing such criteria and requirements, the Secretary shall consult with organizations with experience in the area of providing service to homeless veterans and to the maximum extent possible shall take into account the findings of the assessment of the Secretary under section 107 of the Veterans' Medical Programs Amendments of 1992. The criteria established under this section shall include the following:

[(1) Specification as to the kinds of projects for which such grant support is available, which shall include (A) expansion, remodeling, or alteration of existing buildings, or acquisition of facilities, for use as service centers, transitional housing, or other facilities to serve homeless veterans, and (B) procurement of vans for use in outreach to, and transportation for, homeless veterans to carry out the purposes set forth in subsection (a).

[(2) Specification as to the number of projects for which grant support is available, which shall include provision for no more than 25 service centers.

[(3) Appropriate criteria for the staffing for the provision of the services for which a grant under this section is furnished.

[(4) Provisions to ensure that the award of grants under this section (A) shall not result in duplication of ongoing services, and (B) to the maximum extent practicable, shall reflect appropriate geographic dispersion and an appropriate balance between urban and nonurban locations.

[(5) Provisions to ensure that an entity receiving a grant shall meet fire and safety requirements established by the Secretary, which shall include such State and community requirements that may apply, but fire and safety requirements applicable to buildings of the Federal Government shall not apply to real property to be used by a grantee in carrying out the grant.

[(6) Specifications as to the means by which an entity receiving a grant may contribute in-kind services to the start-up costs of any project for which support is sought and the methodology for assigning a cost to that contribution for purposes of subsection (c).

[(c) FUNDING LIMITATIONS.—A grant under this section may not be used to support operational costs. The amount of a grant under this section may not exceed 65 percent of the estimated cost of the expansion, remodeling, alteration, acquisition, or procurement provided for under this section.

[(d) ELIGIBLE ENTITIES.—The Secretary may not make a grant under this section unless the applicant for the grant—

[(1) is a public or nonprofit private entity with the capacity (as determined by the Secretary) to effectively administer a grant under this section;

[(2) has demonstrated that adequate financial support will be available to carry out the project for which the grant has been sought consistent with the plans, specifications, and schedule submitted by the applicant; and

[(3) has agreed to meet the applicable criteria and requirements established under subsection (b) (and the Secretary has determined that the applicant has demonstrated the capacity to meet those criteria and requirements).

[(e) APPLICATION REQUIREMENT.—An entity described in subsection (d) desiring to receive assistance under this section shall submit to the Secretary an application. The application shall set forth—

[(1) the amount of the grant requested with respect to a project;

[(2) a description of the site for such project;

[(3) plans, specifications, and the schedule for implementation of such project in accordance with requirements prescribed by the Secretary under subsection (b); and

[(4) reasonable assurance that upon completion of the work for which assistance is sought, the program will become operational and the facilities will be used principally to provide to veterans the services for which the project was designed, and that not more than 25 percent of the services provided will serve clients who are not receiving such services as veterans.

[(f) PROGRAM REQUIREMENTS.—The Secretary may not make a grant to an applicant under this section unless the applicant, in the application for the grant, agrees to each of the following requirements:

[(1) To provide the services for which the grant is furnished at locations accessible to homeless veterans.

[(2) To maintain referral networks for, and aid homeless veterans in, establishing eligibility for assistance, and obtaining services, under available entitlement and assistance programs.

[(3) To ensure the confidentiality of records maintained on homeless veterans receiving services under the grant.

[(4) To establish such procedures for fiscal control and fund accounting as may be necessary to ensure proper disbursement and accounting with respect to the grant and to such payments as may be made under section 4.

[(5) To seek to employ homeless veterans and formerly homeless veterans in positions created for purposes of the grant for which those veterans are qualified.

[(g) SERVICE CENTER REQUIREMENTS.—In addition to criteria established under subsection (b), the Secretary shall, in the case of an application for a grant for a service center for homeless veterans, require that—

[(1) such center shall provide services to homeless veterans during such hours as the Secretary may specify and shall be open to such veterans on an as-needed, unscheduled basis;

[(2) space at such center will be made available, as mutually agreeable, for use by staff of the Department of Veterans Affairs, the Department of Labor, and other appropriate agencies and organizations in assisting homeless veterans served by such center;

[(3) such center shall be equipped and staffed to provide, or to assist in providing, health care, mental health services, hygiene facilities, benefits and employment counseling, meals, transportation assistance, and such other services as the Secretary determines necessary; and

[(4) such center may be equipped and staffed to provide, or to assist in providing, job training and job placement services (including job readiness, job counseling, and literacy and skills training), as well as any outreach and case management services that may be necessary to carry out this paragraph.

#### **[SEC. 4. PER DIEM PAYMENTS.**

[(a) PER DIEM PAYMENTS FOR FURNISHING SERVICES TO HOMELESS VETERANS.—Subject to the availability of appropriations provided for under section 12, the Secretary of Veterans Affairs, pursuant to such criteria as the Secretary shall prescribe, shall provide to a recipient of a grant under section 3 (or an entity eligible to

receive a grant under section 3 which after the date of enactment of this Act establishes a program which the Secretary determines carries out the purposes described in section 3) per diem payments at such rates as the Secretary shall prescribe by regulation for services furnished to any homeless veteran—

[(1) whom the Secretary has referred to the grant recipient (or entity eligible for such a grant); or

[(2) for whom the Secretary has authorized the provision of services.

In a case in which the Secretary has authorized the provision of services, per diem payments may be paid retroactively for services provided not more than 3 days before the authorization was provided.

[(b) LIMITATION.—The amount of per diem payments made with respect to a veteran under this section may not exceed one-half of the cost to the grant recipient (or other eligible entity) of providing such service.

[(c) IN-KIND ASSISTANCE.—In lieu of per diem payments under this section, the Secretary may, with the approval of the grant recipient, provide in-kind assistance (through the services of Department employees and the use of other Department resources) to a grant recipient (or entity eligible for such a grant) under section 3.

[(d) INSPECTIONS.—The Secretary may inspect any facility of an entity eligible for payments under subsection (a) at such times as the Secretary considers necessary. No per diem payment may be made to an entity under this section unless the facilities of that entity meet such standards as the Secretary shall prescribe.】

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**[SEC. 12. AUTHORIZATION OF APPROPRIATIONS.**

【There are authorized to be appropriated to carry out this Act (other than section 8) \$48,000,000 for each of fiscal years 1993 through 1997 and \$50,000,000 for each of fiscal years 2000 and 2001. Nothing in the Act shall be construed to diminish funds for, continuation of, or expansion of existing programs administered by the Secretary of Veterans Affairs to serve veterans.】

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**SECTION 1001 OF THE VETERANS' BENEFITS  
IMPROVEMENTS ACT OF 1994**

**[SEC. 1001. REPORTS ON ACTIVITIES OF THE DEPARTMENT OF VETERANS AFFAIRS TO ASSIST HOMELESS VETERANS.**

[(a) ANNUAL REPORT.—(1) Not later than April 15 of each year, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the activities of the Department of Veterans Affairs during the year preceding the report under programs of the Department for the provision of assistance to homeless veterans.

[(2) The report shall—

[(A) set forth the number of homeless veterans provided assistance under those programs;

[(B) describe the cost to the Department of providing such assistance under those programs;

[(C) provide any other information on those programs and on the provision of such assistance that the Secretary considers appropriate; and

[(D) evaluate the effectiveness of the programs of the Department (including residential work-therapy programs, programs combining outreach, community-based residential treatment, and case-management, and contract care programs for alcohol and drug-dependence or abuse disabilities) in providing assistance to homeless veterans; and

[(E) evaluate the effectiveness of programs established by recipients of grants under section 3 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note), and describe the experience of such recipients in applying for and receiving grants from the Secretary of Housing and Urban Development to serve primarily homeless persons who are veterans.

[(c) CONFORMING REPEAL.—Section 10 of Public Law 102–590 (106 Stat. 5141; 37 U.S.C. 7721 note) is repealed.]

**MCKINNEY-VENTO HOMELESS ASSISTANCE ACT**

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**TITLE II—INTERAGENCY COUNCIL ON THE HOMELESS**

\* \* \* \* \*

**SEC. 202. MEMBERSHIP.**

(a) \* \* \*

\* \* \* \* \*

[(c) MEETINGS.—The Council shall meet at the call of its Chairperson or a majority of its members. The first meeting of the Council shall be held not later than 30 days after the date of the enactment of this Act.]

*(c) MEETINGS.—The Council shall meet at the call of its Chairperson or a majority of its members, but not less often than annually.*

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**TITLE VII—EDUCATION, TRAINING, AND COMMUNITY SERVICES PROGRAMS**

\* \* \* \* \*

**Subtitle C—Job Training for the Homeless**

\* \* \* \* \*

**[SEC. 738. HOMELESS VETERANS' REINTEGRATION PROJECTS.**

[(a) GENERAL AUTHORITY.—The Secretary, using funds appropriated and made available for the purpose of carrying out this section, shall conduct, directly or through grant or contract, such programs as the Secretary determines appropriate to expedite the reintegration of homeless veterans into the labor force. Notwithstanding any other provision of law, the amount so appropriated shall be available for distribution in such manner as the Assistant Secretary of Labor for Veterans' Employment and Training considers appropriate and shall remain available until expended.

[(b) AUTHORITY TO MONITOR THE EXPENDITURE OF FUNDS.—The Secretary is authorized to obtain such information as the Secretary considers appropriate to enable the Secretary to monitor and evaluate the distribution and expenditure of funds appropriated pursuant to the authorization contained in subsection (a). Such information shall be furnished to the Secretary in such form as the Secretary considers appropriate for the purpose of this subsection.

[(c) ADMINISTRATION THROUGH THE ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.—The Secretary shall administer the program provided for by this section through the Assistant Secretary of Labor for Veterans' Employment and Training.

[(d) DEFINITION.—As used in this section, the term "homeless veteran" means a homeless individual who is a veteran within the meaning of section 101(2) of title 38, United States Code.

[(e) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out this section the following amounts:

- [(A) \$10,000,000 for fiscal year 1993.
- [(B) \$12,000,000 for fiscal year 1994.
- [(C) \$14,000,000 for fiscal year 1995.
- [(D) \$10,000,000 for fiscal year 1996.
- [(E) \$10,000,000 for fiscal year 1997.
- [(F) \$10,000,000 for fiscal year 1998.
- [(G) \$10,000,000 for fiscal year 1999.

[(2) Funds obligated for any fiscal year to carry out this section may be expended in that fiscal year and the succeeding fiscal year.]

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**SECTION 8 OF THE UNITED STATES HOUSING ACT OF 1937**

LOWER INCOME HOUSING ASSISTANCE

SEC. 8. (a) \* \* \*

\* \* \* \* \*

(o) VOUCHER PROGRAM.—

(1) \* \* \*

\* \* \* \* \*

(19) RENTAL VOUCHERS FOR VETERANS AFFAIRS SUPPORTED HOUSING PROGRAM.—



(A) *SET ASIDE.*—Subject to subparagraph (C), the Secretary shall set aside, from amounts made available for rental assistance under this subsection, the amounts specified in subparagraph (B) for use only for providing such assistance through a supported housing program administered in conjunction with the Department of Veterans Affairs. Such program shall provide rental assistance on behalf of homeless veterans who have chronic mental illnesses or chronic substance use disorders, shall require agreement of the veteran to continued treatment for such mental illness or substance use disorder as a condition of receipt of such rental assistance, and shall ensure such treatment and appropriate case management for each veteran receiving such rental assistance.

(B) *AMOUNT.*—The amount specified in this subparagraph is—

(i) for fiscal year 2003, the amount necessary to provide 500 vouchers for rental assistance under this subsection;

(ii) for fiscal year 2004, the amount necessary to provide 1,000 vouchers for rental assistance under this subsection;

(iii) for fiscal year 2005, the amount necessary to provide 1,500 vouchers for rental assistance under this subsection; and

(iv) for fiscal year 2006, the amount necessary to provide 2,000 vouchers for rental assistance under this subsection.

(C) *FUNDING THROUGH INCREMENTAL ASSISTANCE.*—In any fiscal year, to the extent that this paragraph requires the Secretary to set aside rental assistance amounts for use under this paragraph in an amount that exceeds that set aside in the preceding fiscal year, such requirement shall be effective only to such extent or in such amounts as are or have been provided in appropriation Acts for such fiscal year for incremental rental assistance under this subsection.

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