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SENATE

{ REPORT
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HEATHER FRENCH HENRY HOMELESS VETERANS ASSISTANCE ACT OF 2001

OCTOBER 11, 2001.—Ordered to be printed

Mr. ROCKEFELLER, from the Committee on Veterans' Affairs,
submitted the following

REPORT

[To accompany S. 739]

The Committee on Veterans' Affairs, to which was referred the bill (S. 739) to amend title 38, United States Code, to improve programs for homeless veterans and for other purposes, having considered the same, reports favorably and recommends that the bill, as amended, do pass.

INTRODUCTION

On April 6, 2001, Committee member Paul D. Wellstone introduced S. 739, the proposed "Heather French Henry Homeless Veterans Assistance Act of 2001," with the cosponsorship of Committee member Patty Murray, and Senators Jeff Bingaman, Harry Reid, John F. Kerry, Thomas A. Daschle, Jon Corzine, Byron L. Dorgan, Deborah Ann Stabenow, Tim Johnson, Mark Dayton, Richard J. Durbin, Edward M. Kennedy, and Mary L. Landrieu. S. 739, as introduced, would have reauthorized, modified, and enhanced certain programs that the Department of Veterans Affairs (VA) and a program that the Department of Labor administers to homeless veterans.

COMMITTEE HEARING

On July 19, 2001, the Committee held a hearing on a number of bills pending before the Committee, including S. 739. The Committee received testimony from representatives of VA and organizations which assist homeless veterans, including representatives of the National Coalition for Homeless Veterans, the Minnesota As-

sistance Council for Veterans, the Non-Commissioned Officers Association of the United States of America, and the American Federation of Government Employees.

COMMITTEE MEETING

On July 31, 2001, the Committee met in open session to consider S. 739, as amended, and other legislation pending before the Committee. The Committee voted by unanimous voice vote to report the Committee bill favorably to the Senate.

SUMMARY OF S. 739 AS REPORTED

S. 739, as reported (herein referred to as the "Committee bill"), contains amendments to title 38, United States Code, and free-standing provisions that:

(a) state the national goal of ending homelessness within the next decade and encourage interagency and multilevel cooperation in order to achieve this goal;

(b) establish an Advisory Committee on Homeless Veterans within VA that will examine and report to the Secretary of Veterans Affairs on various services provided to homeless veterans, and require annual meetings of the Interagency Council on the Homeless;

(c) mandate the continued support of at least one evaluation center to monitor the effectiveness of VA's various homeless programs;

(d) require VA to report on the activities of both the Veterans Benefits and Health Administrations in assisting homeless veterans;

(e) link the per diem rate for domiciliary care allotted to State Veterans Homes to the amount given to community-based organizations for homeless veterans through the Grant and Per Diem Program, thereby raising the amount from \$19 to \$24 per day for FY 2002;

(f) clarify the eligibility for dental care services to homeless veterans who are currently receiving care or services through the VA;

(g) authorize VA to spend up to \$55 million per year on the transitional housing Grant and Per Diem Program;

(h) require VA to establish at least five new comprehensive service centers for homeless veterans in those metropolitan areas found to have the greatest need;

(i) extend the Homeless Chronically Mentally Ill and Comprehensive Homeless Programs until December 31, 2006;

(j) authorize the Secretary to allow homeless veterans receiving care through the vocational rehabilitation programs to participate in the Compensated Work Therapy (CWT) program, authorize the Secretary to allow homeless veterans in the CWT program to receive housing through the therapeutic residence program, require VA to report on Homeless Coordinators assigned to VBA Regional Offices, and require each disabled veterans outreach program specialist to coordinate employment services and training assistance provided to veterans by entities receiving grants under the McKinney Act;

(k) require that real property of grantees under VA's homeless Grant and Per Diem Program meet fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association;

(l) require the Secretary to conduct a technical assistance grants program to assist nonprofit groups in applying for grants for programs that address problems of homeless veterans and authorize \$750,000 for each of FY's 2002 through 2006 for this purpose; and

(m) extend the Homeless Veterans Reintegration Program and authorize \$50 million a year for each of FY's 2002 through 2006.

DISCUSSION

Background

The VA currently administers a number of programs which furnish services aimed at addressing the needs of homeless veterans, including mental health and substance abuse treatment; social services such as case management, employment assistance, and transitional housing; and primary health care. In assisting homeless veterans to receive benefits, VA employs Homeless Coordinators at over 50 VBA Regional Offices who provide outreach to homeless veterans. Additionally, claims for VA benefits are expedited for homeless veterans in order to assist in the establishment of a steady income and return to stable housing. The two main health care programs that VA administers for homeless veterans are Health Care for Homeless Veterans (HCHV) and Domiciliary Care for Homeless Veterans (DCHV). In the area of social services, VA partners with community-based providers through the Transitional Housing Grant and Per Diem Program to be able to ensure that homeless veterans receive care across the continuum. Since 1987, VA has spent upward of \$640 million on combating veterans' homelessness.

The VA is certainly not alone in its quest to reduce homelessness. Today, eight different Federal departments and agencies administer about 50 low income and homeless assistance programs. These programs enable the provision of services such as primary and mental health care, substance abuse treatment, transitional and long-term housing, education, job training, and transportation. The total annual funding for all of these efforts now exceeds \$1.2 billion.

Still, homelessness remains a large and difficult problem for veterans and for the general population. It is estimated that roughly one-third of our Nation's total homeless population are veterans. As the homeless population is difficult to track, estimates of the total number of homeless veterans range from 250,000 to 500,000 on any given night. This Committee, VA, and the veterans service organizations all acknowledge that this is a national disgrace that must continue to be addressed. It is imperative that VA develop new programs to attempt to address unmet needs, while maintaining the current specialized programs they have specifically tailored to serve homeless veterans.

Several of the provisions in the Committee bill seek to enhance VA's existing health care programs by extending current programs

and by authorizing an increase in the appropriation level. The Grant and Per Diem Program, for example, is one VA program that has met with great success, and the Committee believes that an increase in funding is warranted. The Committee bill also places added emphasis on the benefits-related programs for homeless veterans, by requiring annual reports on Veterans Benefits Administration programs and on the assignments of Homeless Coordinators at VBA Regional Offices.

Another facet of the Committee bill would create new programs that will contribute to the overall quality of care VA delivers to homeless veterans. An example of this is the Advisory Committee on Homeless Veterans that would be established within VA.

The title of this bill is also quite significant. By naming the bill for Heather French Henry, Miss America 2000, the Committee acknowledges her tenacity and dedication on behalf of homeless veterans. Mrs. Henry brought the issue of homeless veterans to national attention by committing herself to it during her reign and subsequent to the end of her tenure as Miss America. On March 9, 2000, she testified before the House Committee on Veterans' Affairs Subcommittee on Benefits and Health, expressing the harsh reality of the problem:

On any given night there are the equivalent of 17 infantry divisions on the streets of this great nation with no place to call home. These are men and women who served our nation during its greatest times of need and now live without shelter or food or medical care. They are the once young men and women now aging who we sent abroad to defend our country but cast aside upon their return. They are our country's forgotten heroes, those who at one time may have been awarded a Medal of Honor or Purple Heart.

COMMITTEE BILL

Sections 1–3.

Sections 1 through 3 include the following: findings as to the problem of homelessness in this country and the number of homeless veterans; a definition of “homeless veteran”; and the declaration of a national goal to end homelessness among veterans in the coming decade.

Section 4. Advisory Committee on Homeless Veterans

While the current Secretary of Veterans Affairs has declared his commitment to homeless veterans, there is currently no formal advisory committee mandated by legislation. The Secretary has already taken steps to form such a committee internally. On July 31, 2001, VA issued a press release announcing a plan to establish such an advisory group to “make recommendations to the VA secretary and other senior VA leaders.” Despite this recent action, this Committee seeks to formalize, via public law, such an advisory committee—ensuring that those who are closest to the problem will always have a voice. To that end, the advisory committee envisioned in the legislation would be made up of 12–15 members, and would consist of representatives from the veterans service organizations, community-based providers, homeless advocates, VA's homeless program employees, mental health and substance abuse

treatment experts, state veterans affairs officials, experts in the development of permanent housing alternatives for lower income populations, vocational rehabilitation experts, and formerly homeless veterans. The following ex-officio members will be included on the advisory committee: the Secretaries (or their representatives) of the Departments of Labor, Defense, Health and Human Services, and Housing and Urban Development.

The primary role of this advisory committee will be to review current programs and make recommendations to the VA Secretary. The advisory committee will also conduct a comprehensive review of current outreach efforts to homeless veterans carried out by VA, and provide placement options for homeless veterans ineligible for vocational rehabilitation or independent living. At this time, there is no comparable body within VA to make recommendations to the Secretary on any of these issues as they relate to homeless veterans.

While this Committee acknowledges and applauds the current Secretary's efforts to establish an advisory group, this Committee also recognizes that administrations change and wants to ensure that this initiative will be carried out through any changes in personnel.

Section 5. Annual Meetings of the Interagency Council on the Homeless

In 1987, the Interagency Council on the Homeless was created by Public Law 100-77, with the intent of coordinating the homeless programs of the various Federal agencies that administer them. The council is chaired on a rotating basis by the Secretaries of Housing and Urban Development, Health and Human Services, Labor, and VA. However, the council has not met in over 5 years, as it lacks funding, organization, and leadership. Section 5 of the Committee bill seeks to rejuvenate the council by requiring that it meet at the call of its chairperson or a majority of its members, but not less often than annually. This Committee recognizes that the VA-HUD Appropriations Subcommittee and the Executive Branch have taken steps to do this by staffing and funding the council, and the Committee fully supports these efforts. The Committee bill, as in section 4, seeks to ensure that the council's support transcends changes in administrations by requiring annual meetings.

Section 6. Evaluation of Homeless Programs

Performance measures are the primary method Congress employs to evaluate the effectiveness of any given program. With regard to homeless programs, these measures have been seriously lacking, and consequently it is difficult to determine which programs are successful and which are not. At the Committee's hearing on S. 739, the Veterans Organization Homeless Council (VOHC) endorsed this principle in the testimony of the Non-Commissioned Officers Association, a member of VOHC. Specifically, Richard Snyder of NCOA stated that:

There is a need for evaluation of homeless programs to ensure the effective use of resources. . . . A greater emphasis on program outcomes is necessary to assure that veterans' grant programs operated by the Departments of Veterans Affairs,

Labor, and Housing and Urban Development are efficient and effective.

VA already does a great deal of evaluation, primarily of its health care services for homeless veterans, through the Northeast Program Evaluation Center (NEPEC). Section 6 of the Committee bill would encourage the continued support of NEPEC. It also calls for two annual reports to Congress: one on VA's health care programs for homeless veterans, and one on VA's benefits-related programs for homeless veterans. As the bulk of evaluation up until now has been focused on health care, this bill seeks to include the benefits-related services provided by VA to homeless veterans in its regular evaluation processes.

Section 7. Per Diem Payments for Furnishing Services to Homeless Veterans

The VA Grant and Per Diem Program, authorized in 1992 by Public Law 102-590, has proven to be highly successful. As a result of the program, about 5,000 new beds will be available to homeless veterans.

Under the program, community-based providers may apply for grants from VA to provide direct services to homeless veterans. In addition to providing grants, VA also subsidizes eligible facilities with a daily per diem rate, currently \$19 per day, for expenses of care. Section 7 of the Committee bill would link this daily rate to the amount given for domiciliary care allotted to State Veterans Homes, thereby raising the rate from \$19 to \$24 per day. Homeless service providers in the community have expressed the need for this increase, as the National Coalition for Homeless Veterans (NCHV) estimates that the cost of providing beds alone is expected to increase next year. According to NCHV, if the increase in the daily rate is not implemented, we can expect the elimination of up to 1,000 beds for homeless veterans.

Section 8. Dental Care for Homeless Veterans

Dental care is considered by many homeless advocates, such as the National Coalition for Homeless Veterans, to be essential in assisting homeless veterans obtain employment. It is understandably difficult to apply for a job with serious dental problems. S. 739, as introduced, contained a requirement that substantial new dental benefits for homeless veterans be provided. VA strongly opposed this proposal for a number of reasons, most notably the relative inadequacy of the current dental care eligibility for all veterans. VA expressed this in their testimony at the Committee hearing on S. 739:

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.

In response to these concerns, section 8 of the Committee bill would amend section 1712(a) of title 38 U.S.C. to clarify eligibility for dental care services under the law. The Committee encourages VA to do what is necessary to facilitate dental care for homeless veterans through available sources.

Section 9. Programmatic Expansions

To complement the increase in the daily per diem rate under the Grant and Per Diem program, section 9 of the Committee bill would provide an overall funding cap for the grants portion of the program. It would authorize VA to spend up to \$55 million a year on grants to community-based service providers. Since the inception of the program, 243 grants have been approved and the numbers are expected to increase.

Section 9 also requires the establishment of at least five new comprehensive service centers for homeless veterans. These centers are to be located in those metropolitan areas found to have the greatest need. The Committee intends to give VA discretion in determining where the need for homeless services is highest, as well as flexibility in the number of new centers to be created in accordance with the demand found in the various metropolitan areas that do not currently have such services.

The Committee bill also extends the Homeless Chronically Mentally Ill (HCMI) and Comprehensive Homeless Programs until December 31, 2006. As these programs offer services targeted specifically to meet the needs of homeless veterans, extending them is necessary for maintaining the continuum of care essential to ending homelessness. The Homeless Chronically Mentally Ill program, in particular, provides extensive outreach, physical and psychiatric health exams, treatment, referrals, and ongoing case management to homeless veterans with mental health and substance abuse problems. The HCMI program will also place homeless veterans needing longer-term care into community-based facilities as deemed appropriate. Over 20,000 homeless veterans have received treatment under the HCMI program, with over 3,000 veterans receiving residential treatment.

The Comprehensive Homeless Program encompasses all of the services that compose the "continuum of care" often referred to with regard to the treatment of the homeless. This section of the bill is directly related to section 9, which requires VA to establish at least five new comprehensive service centers in the metropolitan areas determined to need those services the most. The services offered at these centers through the Comprehensive Homeless Program include the full range from mental health/substance abuse treatment to transitional housing. The program enables these centers to offer such a wide array of services through partnerships with community-based providers.

Section 10. Various Authorities

In an effort to make some of VA's existing homeless veterans employment training programs better complement each other, the Committee bill would allow homeless veterans already receiving care through vocational rehabilitation programs to participate in the Compensated Work Therapy (CWT) program. Additionally, the bill would permit homeless veterans in the CWT program to receive

housing through the therapeutic residence program or through grantees of VA's homeless providers Grant and Per Diem Program. At the Committee's hearing, VA testified in support of both of these provisions.

Section 10 would also require a report from VA on the current assignments of Homeless Coordinators at each of the Veterans Benefits Administration's Regional Offices. This is based on Section 14(c) of S. 739, as introduced, which would have required the Secretary to ensure that a Homeless Coordinator is assigned to every regional office. The need to make sure that there is substantial oversight and coordination of homeless programs is recognized by this Committee. Therefore, the Committee amended the original provision to instead require a report on the current assignments of Homeless Coordinators. Specifically, the report would be required to include a list of those regional offices that already have Homeless Coordinators; a description of the caseload and how the duties of the coordinator are assigned, such as whether they are collateral or full-time; and evaluations of the need for such services at the various regional offices and how that need is currently being met, if not by an assigned Homeless Coordinator.

Rather than mandating the assignment of a Homeless Coordinator to every regional office—included in S. 739 as originally introduced—the Committee has chosen to give VA discretion in assigning this position so as to avoid duplication or lack of necessity in assigning such a Coordinator to a given regional office.

Section 11. Life Safety Code for Grant and Per Diem Providers

Under current law, Grant and Per Diem providers are not required to meet Federal fire safety standards, even if they are receiving Federal monies. Section 11 would change this by requiring that real property of grantees under VA's Homeless Grant and Per Diem Program meet fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association. All the witnesses at the Committee's hearing supported this change.

Section 12. Assistance for Grant Applications

While VA has provided more than 200 grants through the Grant and Per Diem Program since its inception in 1994, over 400 applicants have been denied funding, according to the National Coalition for Homeless Veterans. This is due to a number of factors, including potential grantees' inability to master the complex application processes of the multiple federal agencies that offer grants. As many of these providers are nonprofit organizations, grant money is often their primary source of funding.

Section 12 would require the Secretary of Veterans Affairs to conduct a technical grants assistance program to help these nonprofit groups in applying for grants for programs that address the problems of homeless veterans. The bill authorizes \$750,000 for this purpose for each of fiscal years 2002 through 2006. It is the Committee's goal that this will lead to an increase in the number of successful applicants, as it will allow more service providers to correctly apply for grants through the Grant and Per Diem Program.

Section 13. Extension of Homeless Veterans Reintegration Program

The Homeless Veterans Reintegration Program is administered through the Department of Labor's Veterans' Employment and Training Service. It is one of the few programs that focuses specifically on assisting homeless veterans in obtaining employment. This program is critical in combating homelessness, as it provides the job training and placement necessary to reintegrate veterans into the workforce. It is also a relatively low cost program. The National Coalition for Homeless Veterans emphasized these points at the Committee's July 19, 2001, hearing, stating that:

HVRP is an extraordinarily cost efficient program, with a cost per placement of about \$1,500 per veteran entering employment. Based on years of experience of our member organizations, NCHV strongly believes that helping homeless veterans to get and keep a job is the key to reducing homelessness among veterans.

Section 13 of the reported bill would extend this program and authorize \$50 million per year for each of fiscal years 2002 through 2006.

COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the Congressional Budget Office (CBO), estimates that, compared to the CBO baseline, there would be costs resulting from enactment of the Committee bill.

The cost estimate provided by CBO follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 17, 2001.

Hon. JOHN D. ROCKEFELLER IV,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 739, the Heather 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.

Sincerely,

DAN L. CRIPPEN, *Director.*

Enclosure.

S. 739, Heather French Henry Homeless Assistance Act of 2001 (As ordered reported by the Senate Committee on Veterans' Affairs on August 2, 2001)

SUMMARY

S. 739 contains several provisions that would change how the Department of Veterans Affairs (VA) provides assistance to homeless veterans. The bill would extend the authority for VA to provide health care to homeless veterans outside of VA facilities. S. 739 also would require VA to establish at least five new comprehensive

homeless services centers and increase funding for programs that provide shelter to homeless veterans. In addition, the bill would authorize more money for the homeless veterans reintegration program operated by the Department of Labor.

S. 739 would authorize funding or modify provisions governing discretionary spending for veterans' programs, which CBO estimates would result in additional outlays of \$37 million in 2002 and \$342 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.

S. 739 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 S. 739 is shown in the following table. This estimate assumes that S. 739 will be enacted by October 1, 2001, and that the necessary amounts will be appropriated for each year. The costs of this legislation fall within budget functions 500 (education, employment, and social services) and 700 (veterans benefits and services).

(By Fiscal Year, in Millions of Dollars)

	2001	2002	2003	2004	2005	2006
VETERANS' MEDICAL CARE						
Baseline Spending Under Current Law:						
Estimated Authorization Level ^a	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	36	37	39	40	40
Estimated Outlays	0	33	37	38	39	40
Spending Under S. 739:						
Estimated Authorization Level	20,863	21,902	22,147	22,878	23,587	24,325
Estimated Outlays	20,418	21,534	22,057	22,651	23,337	24,068
ASSISTANCE FOR GRANT APPLICATIONS						
Spending Under Current Law:						
Estimated Authorization Level	0	0	0	0	0	0
Estimated Outlays	0	0	0	0	0	0
Proposed Changes:						
Estimated Authorization Level	0	1	1	1	1	1
Estimated Outlays	0	1	1	1	1	1
Spending Under S. 739:						
Estimated Authorization Level	0	1	1	1	1	1
Estimated Outlays	0	1	1	1	1	1
HOMELESS VETERANS REINTEGRATION PROGRAM						
Spending Under Current Law ^b :						
Authorization Level	15	20	20	0	0	0
Estimated Outlays	0	2	14	18	6	0
Proposed Changes:						
Authorization Level	0	30	30	50	50	50
Estimated Outlays	0	3	21	32	44	50
Spending Under S. 739:						
Authorization Level	15	50	50	50	50	50
Estimated Outlays	0	5	35	50	50	50
SUMMARY OF CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	0	67	68	90	91	91
Estimated Outlays	0	37	59	71	84	91

^aThe 2001 level is the estimated amount appropriated for that year. The current-law amounts for the 2002–2006 period assume that appropriations remain at the 2001 level, with adjustments for inflation.

^bThis 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.

BASIS OF THE ESTIMATE

Veterans Medical Care. CBO estimates that implementing S. 739 would increase discretionary spending for veterans' medical care by \$33 million in 2002 and by \$187 million over the 2002–2006 period.

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 9, VA would be required to establish at least five new similar centers.

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 major metropolitan areas where these new centers would likely 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 \$11 million in 2002 and \$59 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.

Section 9 of S. 739 would allow VA to spend not less than \$55 million of its annual medical care appropriation on the grant and per diem program with that amount increasing at the same rate that the annual medical care appropriation increases. 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 program, with adjustments for inflation. Accordingly, CBO estimates that this provision would increase spending by \$19 million in 2002 and by \$107 million over 2002–2006 period, assuming appropriation of the authorized amounts.

Section 7 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 will double from 2,500 in 2001

to about 5,000 in 2003. Thus, CBO estimates that this provision would cost \$3 million in 2002 and \$21 million over the 2002–2006 period, assuming appropriation of the estimated amounts.

Medical care for homeless veterans. Section 9 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. This provision is due to expire on December 31, 2001. VA currently plans to spend about \$60 million in 2001 to provide medical care to homeless veterans both in and out of VA facilities. Based on data from VA, CBO estimates that about 20 percent of that care is provided under the expiring provision. Consequently, 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, the costs associated with this provision are assumed in the baseline levels shown for medical care.

Assistance for Grant Applications. Section 12 would authorize \$750,000 in each of fiscal years 2002 through 2006 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 relating to addressing problems of homeless veterans. CBO estimates that implementing this section would cost about \$4 million over the 2002–2006 period, assuming appropriation of the authorized amounts.

Homeless Veterans Reintegration Program. Section 13 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 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.

PAY-AS-YOU-GO CONSIDERATIONS

None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 739 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

PREVIOUS CBO ESTIMATE

On April 12, 2001, CBO prepared a cost estimate of H.R. 936, also called the Heather French Henry Homeless Veterans Assistance Act. Sections 7, 12, and 13 in S. 739 are identical to sections 8, 17, and 19 in H.R. 936. Unlike section 12 of H.R. 936, section 8 of S. 739 would not change the benefit for dental care for homeless veterans. In addition, section 9 of S. 739 is similar to section 13 of H.R. 936, but S. 739 does not contain any provisions regarding mental health, or opioid substitution therapy and authorizes at

least five additional comprehensive homeless services programs as opposed to 14 additional programs under H.R. 936.

Estimate prepared by: Federal Costs: Sam Papenfuss and 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, Congressional Budget Office.

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact that would be incurred in carrying out the Committee bill. The Committee finds that the Committee bill would not entail any regulation of individuals or businesses or result in any impact on the personal privacy of any individuals and that the paperwork resulting from enactment would be minimal.

TABULATION OF VOTES CAST IN COMMITTEE

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or by proxy by members of the Committee on Veterans' Affairs at its August 2, 2001, meeting. On that date, the Committee, by unanimous voice vote, ordered S. 739, as amended, reported favorably to the Senate.

AGENCY REPORT

On July 19, 2001, the Honorable Thomas L. Garthwaite, Under Secretary for Health at the Department of Veterans Affairs, appeared before the Committee and submitted testimony on, among other things, S. 739 as originally introduced, the Heather French Henry Homeless Veterans Assistance Act of 2001. Excerpts from this statement are reprinted below:

STATEMENT OF THOMAS L. GARTHWAITE, M.D, UNDER SECRETARY FOR HEALTH, DEPARTMENT OF VETERANS AFFAIRS

* * * * *

Mr. Chairman, I will begin by offering comments on S. 739, a bill entitled the Heather French Henry Homeless Veterans Assistance Act. The bill 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 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 commit-

ment 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 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 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 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 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 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 re-

quire 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 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% 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 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 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% 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 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 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 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 assist grant recipients with any problems they might encounter. We believe this per-

sonal 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. We don't support this provision on the basis that a determination to provide opioid substitution therapy is medical in nature (not legislative) and, as such, is dependent on the individual clinical facts of each case. The size and location of medical programs should be determined by veterans' medical needs. 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.

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 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 population 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 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 of the National Fire Protection Association (NFPA) 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 would establish a three-year pilot program to provide transitional assistance grants to up to 600 eligible homeless vet-

erans 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 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 would authorize the Secretary to waive any requirement that a veteran purchasing a manufactured home with the as-

sistance 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 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 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.

* * * * *

CHANGES IN EXISTING LAW MADE BY THE COMMITTEE BILL, AS
REPORTED

In compliance with rule XXVI paragraph 12 of the Standing Rules of the Senate, the following provides a print of the statute or the part or section thereof to be amended or replaced (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

**CHAPTER 5—AUTHORITY AND DUTIES OF THE
SECRETARY**

SUBCHAPTER I—GENERAL AUTHORITIES

Sec.

501. * * *

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SUBCHAPTER II—SPECIFIED FUNCTIONS

546. *Advisory Committee on Homeless Veterans.*

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§ 546. *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 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 and Training);*

(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, whether directly or by contract, in order to define cross-cutting issues and to improve coordination of all services in the Department that address the special needs of homeless veterans;

(B) identify (through annual assessments under section 1774 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 gaps;

(C) identify gaps in existing information systems on homeless veterans, both within and outside 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 enhanced 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 during the preceding year. 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, including the evaluation of outreach activities required under paragraph (2);

(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)(A) The Committee shall include in each report under paragraph (1) an evaluation of the outreach activities of the Department with respect to homeless veterans, including outreach regarding clinical issues and outreach regarding other benefits.

(B) *The Committee shall conduct each evaluation under this paragraph in consultation with the Under Secretary for Benefits, the Under Secretary for Health, the Readjustment Counseling Service, the Director of Homeless Veterans Programs, and the Mental Health Strategic Health Care Group.*

(C) *In including an evaluation under this paragraph in a report under paragraph (1), the Committee shall set forth in the report the following:*

(i) The results of the evaluation.

(ii) Any recommendations that the Committee considers appropriate to improve the outreach activities of the Department with respect to homeless veterans, including recommendations for enhanced interagency cooperation and enhanced cooperation between the Department and appropriate community organizations and recommendations for additional activities to complement, supplement, or otherwise eliminate deficiencies in the outreach activities.

(3) 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.

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

(5) The Secretary shall include with each annual report submitted to 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)(1) Except as provided in paragraph (2), the provisions of the Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the activities of the Committee under this section.

(2) Section 14 of such Act shall not apply to the Committee.

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§ 1712. Dental care; drugs and medicines for certain disabled veterans; vaccines

(a)(1) Outpatient dental services and treatment, and related dental appliances, shall be furnished under this section only for a dental condition or disability—

* * * * *

(H) the treatment of which is medically necessary (i) in preparation for hospital admission, or (ii) for a veteran (*including a homeless veteran*) otherwise receiving care or services under this chapter.

* * * * *

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

§ 1771. General treatment

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

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§ 1773. Additional services at certain locations

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(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.

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

§ 1774. Coordination with other agencies and organizations

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(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 such assessments into an annual report which the Secretary shall submit to Congress.

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§ 4103A. Disabled veterans' outreach program

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(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:

* * * * *

(11) Coordination of services provided to veterans with training assistance provided to veterans by entities receiving financial assistance under section 738 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11448).

§ 4104. Local veterans' employment representatives

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(b) Local veterans' employment representatives shall—

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(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 pros-

thetic and sensory aids and devices needed to enhance the employability of disabled veterans; **[and]**

(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**[.]** ; *and*

(13) *coordinate services provided to veterans with training assistance for veterans provided by entities receiving financial assistance under section 738 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11448).*

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§ 4111. Homeless veterans' reintegration programs

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

* * * * *

- [(C) \$20,000,000 for fiscal year 2002.**
- [(D) \$20,000,000 for fiscal year 2003.]**
- (C) \$50,000,000 for fiscal year 2002.*
- (D) \$50,000,000 for fiscal year 2003.*
- (E) \$50,000,000 for fiscal year 2004.*
- (F) \$50,000,000 for fiscal year 2005.*
- (G) \$50,000,000 for fiscal year 2006.*

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HOMELESS VETERANS COMPREHENSIVE SERVICE PROGRAMS ACT OF 1992

* * * * *

SEC. 3. GRANTS.

* * * * *

(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 (Nov. 10, 1992). 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 (Pub. L. 102-405, 38 U.S.C. 527 note). The criteria established under this section shall include the following:

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(5) Provisions to ensure that an entity receiving a grant shall meet fire and safety requirements established by 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 and the fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association.

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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 (set out below), 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 (Nov. 10, 1992) 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—] at the same rates as the rates authorized for State homes for domiciliary care provided under section 1741 of title 38, United States Code, for services furnished to homeless veterans—

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(e) LIFE SAFETY CODE.—(1) Except as provided in paragraph (2), a per diem payment (or in-kind assistance in lieu of per diem payments) 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 the Heather French Henry Homeless Veterans Assistance Act, paragraph (1) shall not apply to an entity that received a grant under section 3 before that date if the entity meets fire and safety requirements established by the Secretary.

(3) From amounts available for purposes of this section pursuant to section 12, 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.

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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 this 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.]

SEC. 12. FUNDING.

(a) AMOUNTS FOR GRANT AND PER DIEM PROGRAMS.—From amounts appropriated for ‘Medical Care’ for any fiscal year, the Secretary may expend not more than \$55,000,000 (as adjusted from time to time under subsection (b)) to carry out the transitional housing grant and per diem provider programs under sections 3 and 4 of this Act.

(b) PERIODIC INCREASES.—The amount in effect under subsection (a) shall be increased for any fiscal year by the overall percentage increase in the Medical Care account for that fiscal year over the preceding fiscal year.

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McKINNEY-VENTO HOMELESS ASSISTANCE ACT

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SEC. 202. MEMBERSHIP.

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(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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