

# THE VETERANS TRANSITIONAL HOUSING OPPORTUNITIES ACT OF 1997

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## FIELD HEARING

BEFORE THE  
SUBCOMMITTEE ON BENEFITS  
OF THE  
COMMITTEE ON VETERANS' AFFAIRS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED FIFTH CONGRESS  
FIRST SESSION

HEARING HELD IN BUFFALO, NY, DECEMBER 18, 1997

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# THE VETERANS TRANSITIONAL HOUSING OPPORTUNITIES ACT OF 1997

THURSDAY, DECEMBER 18, 1997

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON BENEFITS,  
COMMITTEE ON VETERANS' AFFAIRS,  
*Washington, DC.*

The subcommittee met, pursuant to call, at 10 a.m., in Thaddeus J. Dulski Federal Building, 111 West Huron Street, room 1520, 15th floor, Buffalo, NY, Hon. Jack Quinn (chairman of the subcommittee) presiding.

Present: Representatives Quinn and Evans.

Also Present: Representative LaFalce.

Mr. QUINN. Good morning, everybody, and welcome to sunny, tropical Buffalo, NY. Most all of us are residents and are very used to this kind of weather here, in the 1950's and 1960's. And we had Congressmen Lane Evans and John LaFalce out for a quick nine holes this morning, before we came over.

Mr. LAFALCE. It was very quick.

Mr. QUINN. Thank you all for being here, and I want to begin the hearing this morning by, first of all, thanking my friend and colleague and partner here in Buffalo, John LaFalce, for being with us again this morning. We had a fact-finding session last week, a couple weeks ago, and we're back again in his building here, Buffalo, and John has an appointment to be leaving to attend in a few minutes. So John, thanks for joining us today.

And I also want to thank Congressman Lane Evans on my left, and your right, who joins us from Illinois this morning as the ranking member of our VA Committee in Washington, DC. That's the number one Democrat on our full bipartisan committee. A friend of mine now for the 5 years I've been in Congress, and he was kind enough to interrupt his holiday plans in the week or so before Christmas, leave family and a lot of business in his own District to come here and join us this morning at a site visit, and then to join us and all of you here this morning hour, to help me and John LaFalce conduct this hearing on a very, very important issue as it relates to homelessness and veterans in the Buffalo area and all across the country. So Lane, we really appreciate your time and effort to join us here today.

I want to mention also that, a completely different matter, but one that's close to our hearts. Lane Evans and I recently returned from Ottawa, Canada, and I'm very, very proud to say that Mr. Evans and I have co-sponsored the Land Mine Removal Bill in the U.S. Congress, in the House of Representatives. Lane as the Demo-

crat and myself as the Republican, two co-sponsors, and we work on that in Washington and all across the country whenever we get a chance to put a plug in for it. We're working on both sides of the aisle to make sure that we can help our President get himself to a position where he can sign what we think is a necessary piece of legislation. But Lane, thanks for your help and leadership on that, too. You were involved in that long before I came to the Congress.

With that as a background, we're here today to discuss H.R. 3039, the Veterans Transitional Housing Opportunities Act of 1997, and how it will help increase services to homeless veterans in the Buffalo area and, of course, across the Nation.

A nation can commit no greater sin than to turn its back on those who have and will defend her. This nation, our United States, has a long and proud history of providing benefits for its veterans, and we continue to do that today. In a most recent appropriation, the VA received almost \$40.5 billion dollars to fund its benefits and health care programs. Of that amount, about \$96.6 million is dedicated to programs exclusively for homeless veterans.

In addition, the Veterans Employment and Training Services has received about \$193 million dollars for fiscal year 1998 of which about \$3 million is to fund its homeless veterans reintegration project and over \$7 million for veterans job training programs.

These are some significant resources, but unfortunately, it's not enough, as the record will show, in statements this morning and from the testimony that we will receive here in Buffalo.

According to the National Coalition for Homeless Veterans, there are nearly 19,000 homeless veterans in New York State, and of those, an estimated 7,500 reside here in Erie County alone. Maybe it would be more accurate to say 7,500 veterans live in the Buffalo area because the word "reside" implies that someone has a home.

That's why we're here today, to determine the housing needs of homeless veterans in the Buffalo area and to discuss what we believe to be an innovative way to meet at least some of that need.

The VA currently operates five programs for homeless veterans. The Health Care for Homeless Veterans Program coordinates the VA and community based providers, and focuses on veterans with mental illness, as does the VA's in-house domiciled Care for Homeless Veterans Program. The Compensated Work Therapy Program uses work as a therapy and features transitional homes. Thirdly, the HUD VASH Program is a cooperative effort between the VA and HUD to provide Section 8 housing vouchers for permanent housing. And finally, the VA makes its foreclosed properties available for lease or purchase by homeless providers at nominal rates. We're all looking forward to VA witnesses later this morning to give testimony and the picture about those programs and how they're doing here, at least in the Buffalo area.

I want to mention, before I ask both Congressman LaFalce and Congressman Evans for opening remarks, to remind all of our witnesses and those who are attending today as observers, that we have received the full written testimony of all of our witnesses on all three panels today, so that will become part of the record, obviously keeping the record here for us to share with our colleagues in Washington and all across the country. So we would ask that

our witnesses limit their verbal comments to about 5 minutes or so.

With that as background, I'd like to ask my colleague here from Buffalo, John LaFalce, if he might have opening remarks. John?

Mr. LAFALCE. Thank you very, very much, Jack. I'm very, very pleased that the Veterans' Affairs Committee, that you're chairing here in Buffalo today, invited me to join with you on this very important subject.

I'm not on the Veterans' Committee, so I'm here as a very interested observer. But I am on the Housing Committee in Congress. And of course, when it comes to housing, the largest problem we have is homelessness, of all our citizenry, and most especially veterans. So this is a very important subject to me.

Secondly, I'd like to give a special welcome to Lane Evans. Lane has achieved a great reputation in the Congress. And I remember one of the very first things that Lane and I did together, and this was shortly after he came to Congress in the 1970's, is, we helped form the Vietnam Era Veterans Caucus. Up until that time, there had not been a special caucus devoted to the needs of individuals who had served during the Vietnam era. And I had served from 1965 to 1967. I think Lane served a bit later than that because he's a little bit younger. What years did you serve, Lane?

Mr. EVANS. In the Marine Corps, sir?

Mr. LAFALCE. In the Marine Corps, yes.

Mr. EVANS. 1969 through 1971, the Marine Corps, and then not until 1982 for the VVIC.

Mr. LAFALCE. Okay. Good. So he has done great work on behalf of veterans, especially in his position now as the ranking Democrat on the Veterans' Committee, and I hope in the next Congress the chairman of the committee, although Jack and I——

Mr. QUINN. Easy, now. Easy, now.

Mr. EVANS. Jack and I cannot come to closure on that issue.

Mr. QUINN. Gentleman is out of order.

Mr. LAFALCE. I also want to explain to you, I had every intention of being with you for the entirety of the hearing, and then last night while I was eating spaghetti at home with my wife, I broke a tooth, about three-quarters of it is gone. So I have an 11 o'clock dental appointment this morning. And it was not even al dente, it was soft. So I don't, I do not understand that.

One more thing I want to do, too. Bill Paxon wanted to be here this morning, but he couldn't. He had previous engagements in Batavia. But his staff assistant is here. Would you please stand, please. So Bill Paxon is also represented here this morning. We're delighted to have you.

Let me just make a few introductory remarks. The National Coalition for Homeless Veterans estimates that an astounding 40 percent of all homeless men nationwide are veterans. That's a rather astounding statistic. The International Union of Gospel Missions found that 34 percent of men and 7 percent of women who seek refuge at America's rescue missions are veterans. And a national year-end survey by the Department of Veterans Affairs shows that 23 percent of veterans treated at VA medical facilities were homeless at the time of their admission.

Now, that's a national shame that so many of our men and women who served our country now live on the sidewalks of our cities. These veterans are without shelter, without adequate food, without adequate clothing. All year long. We must do much more to meet their basic human needs, every day of the year.

Sunday is the first day of winter. And in Western New York, despite the fact that Jack and I got in nine rounds this morning, being homeless during the winter is dangerous. Indeed, it can be life-threatening. Unfortunately, Erie County has a large homeless population. Approximately 7,500 men, women and children were without housing last year. And a large number of these are veterans. We're advised by the City Mission in Buffalo that of the 106 homeless men interviewed last month, 21 were veterans.

Homelessness is caused by a number of underlying, unmet societal needs. As many as 85 percent of homeless individuals suffer from mental illness, substance abuse or chronic illness that contribute to and often cause their homelessness. It's absolutely essential that we undertake a comprehensive effort to address the special needs of all our homeless, especially our veterans, and find a long-term solution to these problems.

These individuals have served selflessly and honorably in the defense of our country, and many bear the scars of service, scars both physical and emotional. We must do much more to provide support for their housing needs.

I look forward to working with Congressman Jack Quinn locally and in Washington, with the entire Veterans' Affairs Committee, especially Congressman Lane Evans, and all others, as we redouble our efforts to meet the needs of homeless veterans, and all homeless, when Congress reconvenes. Jack, thank you very much.

Mr. QUINN. Thank you, John. And thanks for your mention of the Housing Committee. [Applause.]

Lane Evans.

Mr. EVANS. Well, thank you, Jack, and I want to thank you first for holding this hearing. This is a very important issue that we'll be addressing in Washington. These hearings are very important. They're the way we put the nuts and bolts of legislation together. We've already introduced a bill that Jack talked about in great detail, that has strong bipartisan support. I am the leading Democrat on the committee, the number one Democrat by seniority. I would be chairman if we would get the committee back. We won't get into that any further today.

Mr. LAFALCE. Not this January, next January.

Mr. EVANS. But it is important for people to know, particularly in the veterans community, that Democrats and Republicans are working together on some of their most pressing problems. Sometimes that doesn't come across in the media and so forth, so we hope that you know that we're working for the best interests of veterans throughout the country on a bipartisan basis. And you know, there are other topics and other meetings that these two gentlemen could be going to this morning. I'm very pleased they've taken time, as we get close to the holidays, to actually focus on one of the worst problems we have within the Department of Veterans Affairs.

I must tell you, recently I had the honor as a former Marine enlisted man, to take an Army general from my District to lunch at

the Members Dining Room. And if you're ever out in Washington, make sure John or Jack takes you to the Members Dining Room for lunch sometime.

But once we got seated over there, he sat down and looked at this huge portrait that we have in the Members Dining Room, and he sat there for a minute or two, and then he said, Congressman, doesn't this portrait capture the surrender of General Cornwallis at the end of the Revolutionary War, handing over his sword to General Washington. I said, that's what it's depicting. He says, if you look at it, General Cornwallis has about half a dozen British Army officers backing him up and General Washington has about the same number of U.S. Army officers backing him up. Can you tell me why, at this most historic moment in our Nation's history, there wasn't a single Marine present. [Laughter.]

And I had to think for a moment. Then it came to me. That's easy, General. When it comes time for the surrender, you don't need the Marines anymore. [Laughter.]

But I think all of us have seen that sometimes when the wars have ended, our Government has acted like it doesn't need the veterans anymore. And that's occurred under Democratic and Republican administrations. And all of us who have served in our country's defense know that the very first lesson we were taught in basic training or in boot camp was that we should never leave another veteran behind.

And that's why you're all here today, to tell us how we can help so many of the 250,000 veterans across our country who last night slept on grates, heating grates, around the country, to tell us what we can be doing better in Washington to help those veterans out. Jack, that's why I'm pleased you're showing leadership in this effort, and I look forward to working with you to get this legislation passed. And John, we'll be asking you and the other Vietnam veterans in Congress for your help on this legislation as well. Thank you all for being here today as well.

Mr. QUINN. Thank you, Lane. [Applause.]

Before we go to our first panel, I want to, besides mentioning that Congressman Bill Paxon's staff is here. Also mention Congressman Bob Filner from California. Bob serves as the ranking member on our subcommittee on benefits, had tried to get here, all the way from California. Bob and I—our offices happen to be right across from each other in the Canon Building, and we're together on the subcommittee on benefits, and have to say publicly, even though Bob isn't here, what a delight it is to work with him. We're forging a bipartisan effort that Lane talks about, that all of us talked about, particularly on the Veterans' Committee, and I can't think of anybody better than Bob Filner to work with me on the committee. So in his absence, he's been a big supporter of the bill, and in most everything that we take up in Washington. Bob's been very, very helpful. John?

Mr. LAFALCE. 30 seconds. Jack has been doing some great work, along with Lane Evans, on the issue of landmines and I've co-sponsored it—did anybody see the magnificent articles that were in the *New York Times* about 2 days or so ago, two full pages on land mines. I just point it out to you. It's, you know, something that you should put in your library.

Mr. QUINN. Thank you, John. Our first panel is here, and been waiting for us for some time now to begin. And I'll introduce all of you once through, and then we'll take your testimony. I remind everybody that we have copies of the full testimony, and see if we can't ask you to sort of summarize your statements in about 5 minutes or so, and then, John and Lane, if it's okay with both of you, I'd like to let all of our witnesses testify first, and then we can go back to the whole group with any questions we might have, instead of doing them individually. If you're still with us at that point.

Mr. David Dollner is from the New York State Department of Labor and the State Veterans Program administrator.

We understand that Miss Mary Lee Sulkowski is the director here in Buffalo of our VA Vet Center. Bill Lyons, of course, is a friend of many of us, we were with him earlier this morning, is the Vice President of the First National Bank and a big veterans supporter and worked for a long time with the homeless here.

Mr. Richard Gallagher, the Executive Director of Western New York Alcohol and Drug Dependency Services.

We were with Frank Falkowski this morning, who is the Western New York Veterans Housing Coalition. And also on the panel is Miss Linda Boone, the Executive Director of the National Coalition for Homeless Veterans from DC and we appreciate you making the trip here.

And last but not least, I have saved Dr. Joan Sulewski, who will begin your testimony this morning, and mention that one of the first things I did when I was elected here 5 years ago, on advice of a lot of people, and probably Lane Evans was one of those, was to set up a Veterans Advisory Committee here in Buffalo. And many of our members are here this morning in the room. But we have about a dozen or so members who advise me all during the year on veterans issues, whether it's homelessness or budget issues or hospital issues.

Dr. Sulewski in her own right is very much involved at the VA Hospital and other places with women's health issues and others. And as chairman of my local Veterans Advisory Committee, it's a pleasure, after having you testify in Washington once or twice before, to have you join us here in Buffalo this morning. Dr. Sulewski, if you'd begin, we're thrilled to have you start our testimony.

**STATEMENTS OF DR. JOAN SULEWSKI, REPRESENTATIVE OF CHAIRMAN JACK QUINN'S VETERANS ADVISORY COMMITTEE; DAVID DOLLNER, NEW YORK STATE DEPARTMENT OF LABOR VETERANS PROGRAMS ADMINISTRATOR; MARY LEE SULKOWSKI, DIRECTOR, BUFFALO VA VETS CENTER; WILLIAM LYONS, VICE PRESIDENT, FIRST NATIONAL BANK; RICHARD GALLAGHER, EXECUTIVE DIRECTOR, WESTERN NEW YORK ALCOHOL AND DRUG DEPENDENCY SERVICES; FRANK FALKOWSKI, COO, WESTERN NEW YORK VETERANS HOUSING COALITION, INC.; AND LINDA BOONE, EXECUTIVE DIRECTOR, NATIONAL COALITION FOR HOMELESS VETERANS**

**STATEMENT OF JOAN SULEWSKI**

Ms. SULEWSKI. Chairman Quinn, Ranking Member Evans and Representative LaFalce, on behalf of Chairman Quinn's Veterans Advisory Committee, I'd like to welcome you to Buffalo and thank you for bringing this warm weather.

We have been asked on the Veterans Advisory Board to review H.R. 3039 and provide some comments. You have a lot of witnesses so I will be brief.

Let me begin by saying that whatever the reason there is that a veteran is homeless, that is no reason to turn your back on him or her. Right here in Buffalo, there are estimated up to 2,500 homeless veterans. Let me also add that at least 5 percent of these are women veterans. They come with additional needs, usually children. Oftentimes the children have to be placed in foster homes for homeless women.

Despite the efforts of the VA, the Department of Labor and social agencies, the number of homelessness, of homeless veterans, is not decreasing. So we must find new ways in which to solve this problem, to put a roof over their head, to help these people get back on their feet.

H.R. 3039 is a bold attempt to leverage all the sources of funds with very little risk to the Federal Government. It is in the leveraging of resources that ultimate success lies. Each resource standing alone cannot hope to meet the challenge of homelessness. But by bringing public and private capital together and managing them in a way that focuses on an integrated treatment model that stresses personal responsibility, the chances of success must improve.

Mr. Chairman, the important thing is that we try. Your bill puts the burden of proof where it should be—the local experts in serving the homeless. The flexibility H.R. 3039 provides will allow local people to design programs in a manner best suited to the needs and resources of the local homeless veteran population. By providing a cap on the number of programs, the bill will force potential providers to compete for VA's guarantee. I know that Bill Lyons, next to me, will be testifying as a banker and will provide you with some insights on the business aspect of the bill.

We commend the focus on using free market forces to add to the services available to our homeless veterans, and the concept of self-sustaining operations or even those that make a reasonable profit is novel and we support that concept. If the motivation of a small

profit helps take our veterans off the street and addresses the cause of their homelessness, like alcoholism or addiction, where is the problem? Would we rather see them wandering the streets because there are not sufficient resources through appropriations?

Mr. Chairman, this is a good bill. It promises to serve our veterans in an innovative way, and we thank you for bringing it to our attention and for helping our homeless veterans.

Mr. QUINN. Thank you, Joan. Thanks very much. We're going to begin, if it's okay with the panel, this panel, with David Dollner's testimony, our left and your right, and work our way down the table. David, thanks for being with us.

#### **STATEMENT OF DAVID H. DOLLNER**

Mr. DOLLNER. Thank you, Congressman Quinn, Ranking Member Evans and Congressman LaFalce for inviting me here today. On behalf of Governor George Pataki and Acting Commissioner James Dillon, I commend you for holding this hearing that focuses on Transitional Housing for Veterans. My name is David Dollner, and I am the State Veterans Program Administrator for the New York State Department of Labor.

While homelessness in America has become fairly well documented in the 1990's and the statistics vary greatly, there is a general consensus that the problem is growing. Over a third of all homeless are veterans and most of the studies show the overwhelming preponderance of these are combat veterans.

Here in New York we just completed a Summit on Services to Veterans with the particular emphasis on Vietnam Theater veterans. The summit was sponsored jointly by the U.S. Department of Labor Veterans Employment and Training Service and the New York State Department of Labor. This summit was prompted by a startling 14 percent increase over the past 3 years in the number of Vietnam theater veterans applying for employment services at New York State Department of Labor Community Service Centers. The VA reported a similar increase in Vietnam vets applying for services at their Vet Centers. The summit focused on four main areas of concern: Employment, homelessness, incarceration and parole, medical and mental health.

Several issues were identified by the homeless work group. One of the more significant involves the need for more transitional housing, which this bill addresses. The New York State Department of Labor certainly supports the requirement that residents seek and obtain employment and maintain sobriety.

Passage of H.R. 3039 will lead to veterans earning their own income, employers utilizing available work force skills and local economies receiving increased benefits from veteran spending.

The New York State Department of Labor supports placing veterans into jobs to reduce unemployment and VA inpatient rolls which may be related to homelessness. It is also recommended, however, that a stronger linkage to VA Health Care Administration be incorporated by requiring veteran applicants to enroll in Veterans Administration Health care as well as with employment services including the U.S. Department of Labor, Veterans Employment and Training Service, with either the Disabled Outreach Program Specialist or Local Veterans Employment Representative in a State

Employment Office, more commonly referred to as the DVOP/LVER programs within the Department of Labor. Also the Homeless Veteran Reintegration Program, the Job Training Partnership, Act and others.

Cost savings appreciated by the VA could be invested in its National Servicemans Life Insurance policy reserves to build trust funds via the GNMA mortgage backed securities. The bottom line benefit would help protect against private investors defaulting on loans used to undertake the construction of the multiple family veterans housing projects.

Allow me to comment for a moment on the issue of transportation availability as it relates to commuting to and from the work site. Veterans and the community of non veterans alike, who are otherwise job ready, face some significant challenges in obtaining inexpensive public transportation. Good jobs are not always located on the bus routes, and bussing is virtually unavailable in most of our rural areas around the country. Developing a reliable, inexpensive means of public transportation is a critical need in this country that must be addressed on a national level. Securing private means of transportation, i.e. a car, with the rising costs of vehicle purchase, insurance premiums and maintenance, is almost cost prohibitive to the unemployed or homeless veteran.

The Department of Labor can provide job counselling and assist with the job placement process while the veteran receives VA outpatient services, if required. However, veterans need transitional or temporary housing within commuting distance to their work site and reliable transportation to get there.

Therefore, all of these services must be integrated. Housing, employment and training and transportation.

Given the access to affordable stable living conditions in partnership with State job services and reliable, affordable transportation, veterans can be expected to successfully transition from a state of homelessness to achieving responsible self-supporting lives.

If we fail to closely integrate any one of these, I'm afraid the result will only be a band-aid approach. Thank you very much for your attention and consideration.

[The prepared statement of Mr. Dollner appears on p. 44.]

Mr. QUINN. Thank you, David. Thanks very much. Mary Lee Sulkowski is here from our Buffalo VA Vet Center, and you have the floor. Thanks for coming.

#### **STATEMENT OF MARY LEE SULKOWSKI**

Ms. SULKOWSKI. Thank you, Congressman Quinn. The Buffalo Vet Center appreciates the opportunity to present testimony to this committee. I am Mary Lee Sulkowski, Team Leader of the Vet Center, and a Vietnam veteran.

As a Navy nurse, I cared for both members of the Marine Corps and also some of the Army.

The Buffalo Vet Center is one of 206 in the Veterans Health Administration Readjustment Counselling Service, and one of four in Veterans Integrated Service Network 2. We provide a wide range of readjustment counselling services, including individual group and family, case management and brokering of services, employment and benefits counselling, to a wide range of veterans.

The Vet Center program with 18 years in the business of outreach to veterans have staff who are specially skilled to do the community outreach essential for making contact with homeless vets and to provide direct counselling, evaluation and referral to other VA facilities.

In our work with veterans here in Western New York, I think we're quite fortunate to be part of an extensive collaborative network of services, such as the VA Western New York Health Care System and specifically the VA Health Care for Homeless Veterans program. Numerous community not for profit programs, and specifically for veterans our State of the art western New York Veterans Housing Coalition, which has some 19 transitional housing beds. In Niagara County there is the COPIN Foundation, a residence for veterans with PTSD. And you will hear, and hopefully we'll hear from most of these representatives today.

The network does work together to the advantage of the homeless vet who has a variety of needs. But the Buffalo Vet Center would like to present some information to tell you what we see as the needs of the Vet Center and what transitional means to our veterans.

The reality as I will describe it is that there are only 19 veteran specific transitional housing beds in Erie County as we know the situation, not nearly enough. There is no emergency transitional veterans housing, and there is no emergency family veteran transitional housing. Veterans in need of temporary transitional housing come from a variety of life situations, and the ones I will describe are all situations that we have worked with over the past year.

A veteran newly arrived from another city, looking for work and a place to live. He may be alone or with a family. Transitional housing provides a stable base from which to reconstruct one's life. There is no emergency transitional vet shelter for such a vet.

Now, I realize this issue of emergency housing isn't quite the focus of this bill, but I'm still going to tell you how extreme a need it is for our veterans. A single bed in Buffalo basically has the option of a small sectarian shelter which is almost always full, or the City Mission, which is a large beleaguered city shelter for men with little screening, and many of the problems with violence and available drugs that are the dilemma of large city shelters everywhere.

There is no veterans emergency transitional housing for a vet and his family. The veteran with a family competes for space in the one small sectarian family shelter, or splits his family up. A veteran evicted from an apartment or living arrangement with a family member for various reasons. A veteran recently divorced or downsized, perhaps downsized from the military, with resulting loss of residence. Transitional housing prevents further deterioration and supports outpatient treatment and employment services. Such a veteran will not meet the criteria for the homeless program as we understand it, if not homeless for 30 days, and thus not be a candidate for the limited transitional housing that vets do have available, until they reach that 30 days of homelessness.

We believe adequate appropriate transitional housing needs to work on a continuum. A continuum of shelters, stages and services. Otherwise, with breaks in services or lack of services, the vet can fall through the safety net into a chronic cycle. The first and prob-

ably most vital step on such a continuum is emergency transitional shelter, from which to screen the veteran, consider further resources and options and develop a plan.

We have veterans in transition from one kind of treatment program awaiting admission to another program who need a period of transitional housing, as well as veterans who have completed a structured program and need transitional and supportive services. For example, a sober vet who has successfully completed treatment, or successfully completed a PTSD program who has no home or stable environment to return to. An unstable, unsuitable living arrangement is invariably destructive to recovery efforts. Transitional housing supports continuing treatment gains initiated in treatment programs. And the VA has recently opened a new residential program at the hospital for veterans who are involved in intensive alcohol treatment.

A veteran—and last, and also a very important need, a veteran released from incarceration with a vocational or educational plan. In our current situation, such a veteran would probably go to the City Mission. An unstable and unsuitable living arrangement is invariably destructive to vocational and educational plans, designed to give the veteran a fresh start. And transitional housing would provide a stable base and avoid the risk of recidivism. By definition, transitional is change, and change always involves some degree of psychological stress. For the types of vets I have described, stress associated with not having a home base, a safe, supportive environment increases the stress level and stress related problems, and can effectively sabotage the best of goals.

Veterans who suffer from war related problems are likely to feel alienated, distressful, unappreciated and hyper vigilant. Living in a clean, safe environment with clear and understandable rules with other veterans does much to address these issues.

Transitional housing specifically for veterans helps the demoralized person and homelessness is certainly demoralizing, helps such an individual to have a starting point of pride, for his or her service in the military. And also provides a ready made sense of community. And thus is greatly preferable to transitional housing for the general population.

We are describing homeless men and women, veterans who have served their country peacetime and wartime. Consider the facts. While only 10 percent of our population are veterans, 30 to 50 percent of our homeless population consists of veterans. And I have seen studies which quote the 50 percent figure. Don't we have an obligation to provide veteran specific and veteran focused housing.

It certainly appears that our Vet Center experience in the community supports the need for a flexible continuum of care which can address a variety of transitional and other unique needs of the local veteran community. Thank you.

Mr. QUINN. Thank you, Mary Lee. Yes? John?

Mr. LAFALCE. I have that 11 o'clock dental appointment, so I just want to apologize. I'm going to have to get going. I showed it to counsel. I broke a tooth, by the way, in case anybody had any doubts about it.

Two comments. Number one, our next witness is going to be Bill Lyons, and Bill and I were talking earlier, and we came to a una-

nimity of opinion, that Canisius will kill Sienna this year. [Laughter.]

Secondly, I saw that Joe Ryan just came into the room, a great champion of veterans' rights. And I don't know if he received anything in the mail yesterday.

Mr. RYAN. He did, Congressman. Thank you very much.

Mr. LAFALCE. I just had the honor of nominating his great son, Sean, to the U.S. Military Academy. [Applause.]

Mr. QUINN. Thank you, John. Bill Lyons.

#### STATEMENT OF WILLIAM LYONS

Mr. LYONS. Thank you, John. Congressman Quinn, Congressman Evans and my own District Congressman LaFalce, who is on his way out the door to get more pain than hearing my testimony.

First and foremost, Jack, I have a ticket with your name on it for Wednesday, February 4, at the Canisius College Koessler Center, where we will again prevail over Sienna as we did in Albany this time, by eight points.

Mr. QUINN. Well, I'm outnumbered here today, but I'll take you up on the ticket.

Mr. LYONS. I'm going to be commenting on this bill from three perspectives. First, I've been an active member of the volunteer community in Buffalo for a long time in a variety of housing issues. I'm going to share from my direct experiences in that capacity. Second, as a member of the local banking community, I will speak to the frequent use of loan guarantees and how they have a positive impact for the banking community and the general community. And finally, I will speak as a Vietnam veteran and the son of a Marine vet from the Second World War.

I'm going to address how this bill can insure the repayment of the debt we owe to all those who serve their nation in combat. First, let me share from my experience in our community as an activist in housing rehabilitation. In 1975 I was elected as the first treasurer of Buffalo Neighborhoods Housing Services. NHS began in Pittsburgh and has grown into a nationally recognized program. NHS took a concept that began with the FHA in the 1930's and expanded by the VA in the 1940's and 1950's. That concept was partnership.

Both the FHA and the VA were in partnership with the financial community providing the funding for millions of Americans to own their own home. NHS built upon that partnership. The private sector worked with the Federal Government to solve problems. NHS added the community to that partnership.

H.R. 3039 expands the participation to address another community issue. We all know we have homeless veterans in the community. We also know we have lots of good quality community based groups in our community and we have banks that need to meet their fiduciary responsibilities as well as their responsibilities under the Community Reinvestment Act. H.R. 3039 facilitates the formation of those new partnerships.

Two other community groups that I'm familiar with who have also built partnerships, the Western New York Veterans Housing Coalition and Alcohol and Drug Dependency Services. The Housing Coalition has taken old and new buildings and created affordable

drug and alcohol free quality housing for low income physically challenged veterans and non-veterans in our community.

I know that Frank Falkowski will speak to the challenges faced by the coalition and the need for more housing. I will always remember Frank's disbelief when he moved some of our residents into our first project. The conditions they came from were subhuman.

The Housing Coalition is looking to provide more units and H.R. 3039 is a perfect solution. By providing loan guarantees the Housing Coalition can buy and build additional drug and alcohol free units to house homeless vets. Since it was founded the coalition has utilized a variety of city, State and Federal programs. Private sector financing including tax credit packages, lines of credit and equipment loans have been used to finance their projects. H.R. 3039 is a workable simple solution that brings together an established community group, the financial community and the VA, focused on getting homeless veterans off the street.

ADDS serves a unique population. For many, the Erie County Rehabilitation Center is the last house on the street. It provides one last opportunity to turn around a life impaired by drug and alcohol abuse. This facility takes the homeless that have been devastated by alcohol and drug abuse and provides shelter and treatment. Many of the residents are veterans. In addition to the rehab center, the agency also operates a men's and women's halfway house. These two community residences provide drug and alcohol free environments. Again, many of the residents are veterans. Dick Gallagher, Executive Director of ADDS, will speak about the veteran population that the agency serves and their needs. I know ADDS recently acquired title to the men's residence, and H.R. 3039 is a perfect solution to fund the acquisition and repairs. ADDS is a community based agency experienced in serving the population that H.R. 3039 targets. ADDS, through its Kids Escaping Drugs program, have demonstrated that local partnerships work. ADDS built an adolescent community facility and a long term residence by combining the efforts of State, the agency, the banks in this community. H.R. 3039 gives the agency the opportunity to continue in building on that partnership with the local banking community and the homeless veteran population. H.R. 3039 will provide drug and alcohol free living conditions to allow the homeless veteran the opportunity to recover and to return as an active contributing member of our society.

From the banking perspective, I've been at this racket 25 years now. When I got back from Nam in 1972 I began my career, and I've been very fortunate that my career has allowed me to serve my community in many capacities. As I noted, I was with NHS in the beginning and I've been active with the Housing Coalition and ADDS. In all of those capacities I was able to utilize my skills to help fund projects. Federal loan guarantee programs, whether it's the FHA, the VA or the SBA, and many others have been very successful as part of nurturing community partnerships. Home ownership, the growth of small business, and for many, our educations were funded by Federal loan guarantee programs. The potential with H.R. 3039 for safe, secure, clean and drug and alcohol free housing for the homeless vet is significant. H.R. 3039 frankly gives

my bank an excellent opportunity to work with community based non-profit agencies. It meets both my fiduciary responsibilities and my CRA responsibilities.

I mentioned earlier two community based groups that are looking to provide quality living conditions for the homeless vets. I can tell you that with H.R. 3039 I can provide them with the loans that will allow these non-profits to develop the housing we need. Housing that is not only safe, clean and affordable, but also drug and alcohol free. My sincerest hope is that someday a vet will move from housing created by H.R. 3039, will be in my office looking for an SBA loan or a loan to grow a business or for a VA loan to buy his first house.

Let me close by letting you know that I grew up as the son of a decorated Marine. And I was privileged to serve in Nam myself. It is my obligation and our obligation to provide opportunities. We must provide opportunities for hope for a future, in some cases for a dignified farewell. The partnerships that will be created by H.R. 3039 help fulfill that obligation. Quality living conditions for the homeless veteran will be a direct result of H.R. 3039. I can tell you today, if this bill becomes law, I know of two non profit agencies and one bank that will be in line to get our guarantees.

I want to thank you for this opportunity. I also want to thank you for your vision. The Veterans Affairs Committee has always been a wonderful advocate for all veterans, especially for those that defended our country and for a variety of reasons can't defend themselves. I congratulate you for your forward thinking. It's been a real pleasure to be here this morning.

[The prepared statement of Mr. Lyons appears on p. 47.]

Mr. QUINN. Thank you, Bill, and let us also thank you for your work over the years for veterans and the community at large. You're a great person to have here, and we're lucky.

Dick Gallagher is the Executive Director of Western New York Alcohol and Drug Dependency Services, does a lot of great work, not only with our veterans but with other parts of our community, and we're happy you've joined us this morning, Dick.

#### **STATEMENT OF RICHARD GALLAGHER**

Mr. GALLAGHER. Thank you, Congressman Quinn, Congressman Evans and Distinguished Guest. My name is Dick Gallagher, Executive Director of Alcohol and Drug Dependency Services, and it's an agency that operates seven programs for alcoholics and substance abusers. And it includes a continuum of care for adolescents and adults, both boys and girls and men and women.

I support the passage of H.R. 3039. H.R. 3039 will provide homeless veterans the opportunity to be engaged in treatment for their addictions.

ADDS has served a homeless population for the past 20 years, including, providing services to homeless veterans. Overall 31 percent of the veterans we treated in 1996 and 1997 were homeless, and 63 percent of the homeless veterans were under the age of 45. We can take a veteran who is homeless, comes into a crisis center, can go into our inpatient rehabilitation program for 60 days, and then can go to one of our community residences, Ivy House for

men, Casa Di Vita for women, for 6 to 9 months in the hopes of their ability to continue their recovery.

What we do need is more services, both in transitional housing and in residences. When you take a look at the problems that we encounter in attempting to get these residence; the first is sighting, the second is operational funding and the third is financing. From a practical standpoint, this bill would make it much easier to secure loans to operate programs and provide transitional housing and services for homeless veterans.

For example, sites may be identified by providers such as an agency like ADDS, but attempting to secure loans can be extremely frustrating because the lenders many times are hesitant to loan monies, particularly to non-profit agencies who have no track record as far as being able to repay those loans. Offering VA loans guarantees will help immensely to increase the number of veterans served and to assist them in their recovery.

I appreciate the opportunity of providing this testimony, your commitment to veterans and I believe and support Bill Lyons' statement that, should this become law and funds be available, that we would partner with the government, partner with the lending institutions, to continue our efforts to service homeless veterans.

[The prepared statement of Mr. Gallagher appears on p. 105.]

Mr. QUINN. Thank you, Dick. Thanks very much. And I think that's one of the things we're trying to flush out here today, something we already knew was going on in the community, but I think we need to give you the tools to do it better and to do more of it, and to maybe let people know what's already going on and do some more of it. Thanks for all the work you do here.

Frank Falkowski, thanks for joining us early, early this morning and having your facility over at the Stratford Arms ready and willing to have some strangers show up early in the morning, and your residents and other staff worker today for treating us like royalty this morning. We deeply appreciate it the same way that you treat the folks who live there. And you may begin your testimony, Frank.

#### **STATEMENT OF FRANK FALKOWSKI**

Mr. FALKOWSKI. Thank you, Congressman. Dear Mr. Chairman and Members of the Subcommittee on Benefits:

I am Frank J. Falkowski, Chief Operating Officer of the Western New York Veterans' Housing Coalition, Inc. Thank you for the opportunity to speak on behalf of our veteran population here in Western New York and to express my views regarding the Veterans Transitional Housing Opportunities Act of 1997.

On a personal note, I want to point out that I am not just an advocate for veterans, but a disabled veteran of the Vietnam War, who for the past 10 years has worked in the housing development arena.

In May of 1990, our agency provided testimony before the Veterans' Affairs Subcommittee on Oversight and Investigations regarding homelessness among our veteran population. It is most unfortunate that we must continue to address this staple issue area that still impacts those who served when their country called.

Since that testimony, our Board of Directors have focused on the need for "Special Needs" housing and housing related services for low income, physically challenged and disadvantaged veterans.

Through innovative partnerships with community resources and a major private sector developer, the Western New York Veterans Housing Coalition now provides housing and case management program services to veterans who might otherwise face homelessness or prolonged hospital stays and nursing home stays because they are unable to find accessible and affordable housing.

The Coalition has completed \$7.2 million in new development since 1993 and is currently in discussion with our local Veterans Administration Medical Center to develop and operate transitional housing, using underutilized space at VA facilities.

Before commenting on H.R. 3039 I believe it is important to understand some of the common denominators that influence our agency's approach to permanent and transitional housing in Western New York.

First of all, we believe the term "transitional housing" no longer is associated with only homeless veterans who have drug and alcohol problems. There must be an intentional focus of and special attention on and consideration for veteran transitional housing of special populations such as veterans' families with children, the elderly and the mentally and physically challenged.

Also, New York has approximately 1.5 million veterans of which 36.6 percent are over 65 years of age. Also, the Department of Veterans Affairs estimates that approximately 20 percent of their in-patients are homeless or facing homelessness due to the lack of affordable and accessible housing.

Cuts made in the New York State budget for mental health services continue to impact our region. The problem is exacerbated when combined with reductions in preventive homelessness programs and housing. You combine these factors with the lack of capital and private sector financial commitment to develop transitional housing, and you will find a formula that creates added stress on the community system.

The Veterans Administration's Homeless and Drug/Alcohol Program per diem contracts have reduced the lengths of stay for veterans from 6 months to 2 months. Other programs provide only shelter and are available on a limited short term basis. The amount of time allotted to bring a veteran from homelessness to independent living is woefully deficient. A need does exist to provide step 1 and step 2 approaches to a transitional housing concept that would absorb the reduction in contract stay and lower the "revolving door syndrome".

Emergency shelters provide an immediate need, but long and short term transitional housing provides the continuum of care needed to return a veteran to mainstream society by providing them transitional housing and linking them to relevant community resources.

In theory, H.R. 3039 could be an excellent conduit for developing and maximizing resources for innovative partnerships and new ventures which would increase housing and employment opportunities to underserved veterans. It certainly would be cost effective al-

ternative to housing hold over inpatients who cannot find affordable and accessible housing.

I see this bill not as a panacea to the challenge of providing this housing, but as a tool that could ensure that the needs of our homeless veterans continue to be served while providing the needed housing at significantly lower costs.

First and foremost, this bill must be deployed to accommodate new veteran housing initiatives now and in the future.

Secondly, it must demonstrate that new strategic initiatives in veteran housing will better position the VA to increase their sharing agreements with their local communities. We all know that currently the Department of Veterans Affairs is going through major strategic planning initiatives and cost cutting reductions that are attempting to meet the needs of its veterans at reduced funding levels.

H.R. 3039 could be an excellent way to open doors in the lending community. It is my opinion that financial lending institutions could do more relative to their CRA mandate in assisting veterans or veteran service agencies. The NIMBY experience, "not in my back yard", is not limited just to our community and neighborhood associations. H.R. 3039 could impact on this barrier.

The authorization of this bill to provide guaranteed commercial loans for homeless housing and investing existing reserves in higher yielding securities is a sound one, provided we do not slip to the junk bond status from 20 years ago. For this demonstration to be successful, we must be very careful about the potential risks of partnerships that do not exercise discipline and do not give real estate risk as much consideration as social policy.

The bill looks for local and State assistance at a time when resources are scarce and special interest competition in preferred regions is extremely high. A proper balance in the financing component will be necessary to cover this. It may be worth considering a set-aside of the proposed VA fund for use in operations. There is still some money, both Federal and State, to build or rehabilitate housing, including tax credits. Operating money really is the most difficult to obtain now for those of us who are service providers.

I remain behind the curve on a couple things on the bill, and I hope that today's testimony will flush out the cloudiness that exists.

We need to ask ourselves, will priority be given to those developments whose parameters include utilization of under-used VA facilities and Department of Defense real estate from military base closings? Development of transitional housing in the vicinity of our VAMC's would prove valuable and cost effective. It would strengthen linkages between veterans currently in our programs.

We must ask ourselves, will veterans who are eligible for this housing and who have never participated in the VA Health Care System have full and complete access and be able to participate in eligibility screening at their local VA?

I believe that in time the VA will be 100 percent Medicare approved, thus increasing new income streams and new partnerships, which can and could be utilized for operations and thus free up additional monies for new constructions or the rehabilitation of existing facilities for transitional housing.

Though questions have been raised, I believe that H.R. 3039 will go a long way in leveraging funds that will not only fulfill the basic needs for shelter but also play a vital role in the reintegration of our veteran homeless population.

It will serve the commitment to maintaining the capacity of veterans special needs programs. It will provide better utilization of resources and foster closer working and therapeutic relationships with our respective communities.

In closing, the right service could be provided in a most appropriate setting without compromising the quality of care to those who served and sacrificed for their country.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Falkowski appears on p. 51.]

Mr. QUINN. Thank you, Frank. We appreciate your testimony and your input over the years. And I just said to Michael Brink here, our staff from Washington, DC, this probably goes for all of our witnesses today, not only this panel, but panels that follow. I have a feeling we may be calling on some of you for some advice once we get back into session and Lane and I sort of struggle with where we get our votes and how we put this together. But your advice will be very, very important to us, all of you.

Linda, thanks again for coming from Washington and for being with us this morning. You may begin.

#### STATEMENT OF LINDA BOONE

Ms. BOONE. Mr. Chairman, on behalf of the National Coalition for Homeless Veterans, NCHV, I thank for you for the opportunity to present our views here today. NCHV salutes your vision and leadership in joining with The Honorable Bob Stump, Chairman of the Committee on Veterans' Affairs, to introduce H.R. 3039. This legislation, when enacted, will expand the vitally needed supply of transitional housing for homeless veterans. Moreover, it will do so without reliance on appropriated funds by means of investing existing reserves of the National Life Insurance Trust Fund with virtually no increased risk to the fund.

NCHV enthusiastically supports H.R. 3039 as a creative and yet thoroughly prudent approach that will help meet the increasing needs for transitional housing for veterans.

In order for transitional housing for homeless veterans to be successful, NCHV believes that there must be five key elements present in the community.

First, there must be one or more real estate assets suitable and potentially available at a cost effective rate for this purpose.

Two, there must be available adequate clinical support from the Veterans Administration medical system and the community.

Three, there must be access to entry level jobs and proper support to assist veterans to sustain such employment.

Four, in a given community there must be a strong community commitment and resources to support an organization with a good record of performance to create transitional housing for veterans.

And five, there must be adequate long term permanent and affordable financing available.

Many communities have the first four of the key elements, but lack the crucial fifth element, affordable capital financing. H.R.

3039 would help provide such financing in some communities that lack access to the capital funds at an affordable rate.

NCHV believes that the mechanism created by this act would create an additional 5,000 beds in long term transitional housing for homeless veterans in the next 5 years. This estimate of 5,000 beds is based on the experience of LA VETS in the renovation and construction of this type of housing units that would be created by this proposed authority.

The provisions of H.R. 3039 in regard to requiring that projects finance pursuant to this new authority require veteran residents to maintain sobriety, charge a reasonable rental fee, provide supportive services and counselling, and requiring the veteran resident to obtain and keep employment or engage in education or training program designed to lead to employment, are all requirements that NCHV supports.

NCHV believes that forcing veterans to pay rent and keep active helps those residents reestablish personal responsibility, pride and self-esteem necessary to successfully recover—and their successful recovery and reintegration into mainstream society.

NCHV does, however, support adding a provision that would allow each facility to grant a waiver on the requirement for employment in a limited number of cases for veterans who are permanently and totally disabled.

NCHV members and others express the need for safe, clean, sober housing for veterans as being one of the most pressing needs in their efforts to assist veterans, if indeed not the most pressing need. NCHV believes that the need for such housing is accelerating as a result of both the shift of the delivery of health care service by the Veterans Administration from inpatient to outpatient models of service delivery, as well as the system-wide pressures on the VA to save money.

The outpatient delivery of neuro-psychiatric care, including substance abuse treatment, treatment for Post Traumatic Stress Disorder, and other psychiatric services becomes a real problem for veterans who do not have safe, clean, sober housing.

NCHV has much antidotal evidence to indicate that the diminishment or virtual elimination of adequate quality substance abuse treatment and other neuro-psychiatric treatment services is a significant problem in virtually every major city. In some cases, the inpatient resources devoted to these purposes have not been shifted to the delivery of similar services on an outpatient basis. In other cases, the lack of safe, clean, sober housing for veterans while in outpatient treatment or participating in partial hospitalization programs destroys any effectiveness that treatment might provide toward rehabilitation and recovery of the homeless veterans affected.

In regard to the pressure of each VA Medical Center to save money and more carefully husband their resources, NCHV draws your attention to data collected and analyzed by Dr. Jeffrey Wilkins, M.D., the Medical Director of the Comprehensive Homeless Center at the West Los Angeles VA Medical Center. This data shows that over the course of one year, the Westside Residence Hall project of LA VETS demonstrates \$14 to \$16 million dollars cost avoidance savings to the West Los Angeles VA Medical Center. This has been accomplished through decreased inpatient stays in

the medical center. These are dollars not being spent on hospital care for the year after leaving Westside.

NCHV would contend that the availability of capital funds was the key ingredient in achieving this success story given that the other four ingredients for a successful project were present in this community. There are many other cities that have a concentration of homeless veterans and very low income veterans at risk of being homeless who are in vital need of transitional housing. Many of these cities will be able to achieve positive results similar to that of Los Angeles when capital financing at an affordable rate is leveraged by virtue of the authority created by H.R. 3039 and where HUD continuum of care funds will provide supporting services for veterans in that community.

NCHV thanks you for your leadership on this issue as well as your strong leadership in general toward better meeting the vital needs of America's veterans. Thank you.

[The prepared statement of Ms. Boone appears on p. 61.]

Mr. QUINN. Thank you, Linda. Thanks very much. Thank you all for your testimony. If you can stay for a few minutes, I know I have a couple of questions. And Lane has a few, just technical kinds of things, I think, and more advice, counsel and comments and suggestions from you all.

Just before I start out with my first question, I want to take a commercial break for just a second. You all know these hearings are, happen without a flaw, but that's because a lot of people put a lot of work into them. And our staff from Washington is here. But my staff, who you might or might not know, many of you here are from Buffalo. I just want you to get to know who they are and that they work for me. In case you have some serious questions, you can ask them. And if you have some serious complaints, Sandy, you can go to them, or Mr. LaFalce, if you have to.

Mark Dunford is with my staff. Mark has been here for probably a little bit over a year with us. Sean O'Neil is here, and John Gossel from my staff. The three of them did a fabulous job putting the thing together, and we thank you, gentlemen, for doing a good job. [Applause.]

Mary Lee, you talked about—I always learn something when we have these things. I learned an awful lot just from the first panel.

I think you said in your testimony, and I have it written in front of me somewhere, but just, help me out here, that there are 19 facilities—beds now, and in terms of emergency situations, none. Can you talk about that a little bit.

Ms. SULKOWSKI. Well, none specifically focused for veterans. Now, that's my understanding of the situation, that there just are 19 available through the Western New York Veterans Housing Coalition, and that these beds are tied in with two VA programs, the substance abuse program and the homeless program, which gives them a good access, but on the other hand restricts other access for other kinds of veterans who aren't specifically in those programs.

Mr. QUINN. Sure.

Ms. SULKOWSKI. But 19 simply isn't enough.

Mr. QUINN. Sure. Right.

Ms. SULKOWSKI. It simply isn't enough. And I think the emergency situation is what we're frequently confronted with at the

Vets Center, when people call us and they're on the verge of homelessness—

Mr. QUINN. Right.

Ms. SULKOWSKI (continuing). Or in some kind of transition.

Mr. QUINN. Talk about—I mean, we visited with a family this morning. Gentleman found himself homeless and his wife was pregnant with their first baby. Frank, can you help us with those numbers? Is it 19?

Mr. FALKOWSKI. Well, we have had a homeless contract arrangement in relationship with the VA since 1990. We were up to 15 beds and just recently increased our bed capacity to 19. But that's with solely veterans that are referred from the contract programs. We do have a couple units set aside. Of course, I wouldn't want my funding sources to know about this.

Mr. QUINN. Then don't say it.

Mr. FALKOWSKI. But, but that is a problem. Mary Lee makes a really great point. We on many occasions house veterans on an emergency situation at our own expense until we can get them into the system. And that is one of the flaws, especially the one that she pointed out about having to be homeless for 30 days. We're also aware of—before you can get into the program.

We're also aware that at the PTSD program in Batavia, which is a fine, fine program, that they are also having problems referring the veterans to housing, and that in some cases, that I have observed myself personally, veterans after going through an intensive case management and PTSD rehab graduate, accomplish so much and then find themselves going home with other veterans to stay because they cannot find accessible housing. And this is something that we're trying to address with our local VA officials relative to utilizing the unutilized space. But emergency housing, that's a very big issue.

Mr. QUINN. And our job, as Lane and I said this morning, at least from Washington's point of view, is to give you all the experts here in the local municipalities, places, the tools to do your job as best you can. Thank you. Lane.

Mr. EVANS. Thank you, Mr. Chairman. First I'd like to start out by commenting that I don't know of any community that has such strong private sector support for these programs. Maybe we need more Vietnam veterans as vice presidents of banks. [Applause.]

Mr. QUINN. Good idea.

Mr. EVANS. I appreciate that. At least it makes you wonder how we might be able to duplicate these programs. Do we have that—is it something particular to Buffalo that's occurred? I mean, I just haven't seen such a coalition come together.

Mr. LYONS. Well, actually my involvement started when I worked for a Marine Corps vet from the Second World War, Ray Manuszewski at Manufacturers Hanover, and he said, you go out and to this Neighborhood Housing Services thing, and I said, yes, sir. And that's where it started.

Mr. EVANS. But while we have the benefit of this coalition here together, could you all tell us what we might need in the legislation that might help us more specifically with providing services. Mary Lee you talked about using the VA Medical Centers. We know that there has been a real problem for indigent veterans who need

emergency care. Are those services available here locally through the hospital?

Ms. SULKOWSKI. In terms of the vet being able to access medical care at the hospital?

Mr. EVANS. For emergency care.

Ms. SULKOWSKI. Yes, yes, they are. And I think you will hear about the homeless program the VA runs. And also that homeless program sends outreach workers into the shelters regularly to access these veterans and help them make that link, as does the Vet Center help them make this link. But yes, that seems to work more smoother with time, I think.

Mr. EVANS. Are there any other services that you could add to this legislation that might be helpful here locally?

Ms. SULKOWSKI. Well, I think we'd be doing great to get what we presented here today, particularly the whole idea of a continuum of services I think is really crucial. I think there's a lot of pieces in place, and there is a collaborative effort to share and work together. But when you have a continuum set up shelter, those services can come together more readily, I think.

Mr. EVANS. Have you tried standdowns here and if you have what successes have you had with that?

Ms. SULKOWSKI. I don't know of one in the time that I've been back in Buffalo.

Mr. FALKOWSKI. Congressman, there has been a standdown held by the Rochester area. In fact, one of the representatives from Rochester, Jeannie Mulford is here. She can maybe answer that question. But we're looking to do a standdown here, hopefully next year.

Mr. EVANS. I'd be interested in knowing how that progresses.

Mr. FALKOWSKI. Sure.

Mr. EVANS. Maybe come back, if at all possible.

Mr. FALKOWSKI. Well, we have the luxury of having Robert VanCuren, who you well know, from the San Diego vets who started the standdown, working at the Canandaigua VA Health Care System, and working with our VISN 2 network very closely. An outstanding individual. And we are having conversations about putting the standdown together.

Mr. EVANS. You might say, for people who aren't familiar with the concept, this attempts in a day or a weekend to provide with a variety of services, from legal services that a veteran might need, to getting a haircut or dental appointment, things of that nature.

Mr. FALKOWSKI. Well, if you're talking continuum of care, that's a great example of a total continuum of care process.

Mr. EVANS. All right. Thank you, Mr. Chairman.

Mr. QUINN. Thank you, Lane. Frank, while you have the microphone, I was interested, if you couldn't comment a little further on the point that you made in terms of the six month stay as opposed to the two month stay. Now, certainly after what we saw firsthand this morning, and what we know to be a fact and what we know to be necessary in terms of services, we were at 6 months, we're at 2 months. How did it get there, what do we need, why is it not long enough, what can we do to change all that? Can you help us a little?

Mr. FALKOWSKI. Well, the 6 months program that we've been utilizing with the VA's per diem contracts over the last 7 years has been working very well. I think that is in part because while we were doing this contract with the VA and servicing homeless veterans, we were building buildings. So as fast as we were building them, we were getting these individuals put into permanent housing.

Another key that has worked for us is the coalition won—or not won, but received a grant from the Shelter Plus Care Program, which is a HUD program, for \$600,000 and some odd thousand dollars, giving us 36 shelter plus care Section 8's for homeless. And we've been able to utilize those and leverage those in our community. And that runs out in the year 2000.

Given those formulas, we've been able to extend and work with the veteran beyond the 6 months. Now because of the Federal budget cuts and the VA cuts coming down from Washington, the contract programs have now been reduced to 2 months. We have taken action as an agency to, given the fact and the reality of that, to expand. And we're in the process of trying to open up an additional 10 units of housing called Patriot House, which is kind of the Oxford House concept of independent living, with intensive case management assigned to it.

Mr. QUINN. Here in Buffalo?

Mr. FALKOWSKI. Here in Buffalo, yes. We're working on that project right now. In fact, we just submitted a grant at a 4 o'clock deadline yesterday with the City of Buffalo for emergency shelter funds.

But if we did not have those things available to us, after the 2 months, unless these people are given a Section 8 from our local Rental Assistance Center or the County, or provided a BOSH, which is a great tool that the VA has for Section 8, or they utilize our Shelter Plus Care vouchers, they really do not have the means or have not had the time to save money to put their money down for a security deposit and buy furniture, and things of that nature.

Mr. QUINN. Well, excuse me, Frank. Not only that, but I mean, to ask somebody in 2 months to maybe turn their life around, not only is it to save money for down payments, for security deposits, for furniture, but if there are other circumstances, whether it's, you know, Dick Gallagher, you talked about it this morning, the alcohol, any number of things, 2 months is, doesn't seem to me to—you're the experts in this, not me. But I mean, I guess my question, I don't want to take all of your time here this morning, but is there anything, and I'll ask our staff, maybe we can't answer it today, is there anything that we can do in H.R. 3039 to address this two month versus six month situation? Frank?

Mr. FALKOWSKI. My feeling, Congressman, is that it does. If we can provide the additional transitional housing without putting time limits.

Mr. QUINN. Right.

Mr. FALKOWSKI. And of course, it's a case by case situation. Then I think we will impact the veteran's life, as far as turning it around and preventing the revolving door syndrome.

Mr. QUINN. Yes. Well, we're going to take all the information and do some—that would concern me. Lane, I'm sorry. Thank you, Frank and Mary Lee.

Mr. EVANS. I may have some other questions I'll just submit in writing, and ask the witness to answer and then put those in the record as well. Okay?

Mr. QUINN. I'm sure everybody would. Okay. Listen, from Lane and I, John LaFalce and everybody else, you've given us a lot of time this morning. We appreciate all your input. We'll be back to you for some questions later. And I know Lane and I both want to wish you a happy holiday season and a Merry Christmas.

We'll take about a 5 minute break and change panels. Thank you.

[Recess.]

Mr. QUINN. Mr. Gil Solly, S-O-L-L-Y, is he here this morning?

Mr. ANGRISANO. I'm looking for him, but I haven't seen him.

Mr. QUINN. You haven't seen him. Well, I'll tell you what, Paul. If you're looking for him, you'll find him. If he's going to be found, you'll be the one to find him. It's good to see you again, Paul.

Our second panel, which we'll begin, deals with our veterans' organizations and representatives of them. And we started from the left the last time. We're probably all set now. You all ran to that side of the table. So we'll probably start from the other end of the table today and mention everybody who's here.

Peter Mazzarella, of course, from the VFW and also a member of my local Veterans Advisory Panel here today, since day one, Pete. Thanks for your help locally, and the work that you do nationally. Paul Agrisano, from the Vietnam Veterans of America. We saw you last time I was here in the building, couple of, couple of months ago.

Dennis Fink is from the Friends of Cazenovia Manor, and asked to join us this morning, and he's here.

Martin Bugaj, the AMVETS First Vice Commander, Department of New York. Whereabouts from New York?

Mr. BUGAJ. Buffalo.

Mr. QUINN. Oh, really. That's even better. So you know all about this beef on weck I've been telling Lane Evans about, right?

Mr. BUGAJ. If he hasn't gone out and got some, we'll get him some.

Mr. QUINN. Thanks a million. John Sampson, the Chairman of the Rehab Commission of the American Legion. Welcome.

Mr. SAMPSON. Thank you.

Mr. QUINN. And Commander Sergeant Major Gary Flaherty, Non Commissioned Officers Association. Thanks for being with us this morning.

We just want to quickly repeat, so we don't hold anybody here past the lunch hour, of course, we want to sort of finish up in time for that. If you could limit your verbal comments to about 5 minutes or so. We of course have your written testimony, it becomes part of the record, and then it will save some time for questions maybe from Congressman Evans and myself. Peter, why don't you start us off.

**STATEMENTS OF PETER G. MAZZARELLA, VFW PAST STATE COMMANDER, DEPARTMENT OF NEW YORK; PAUL ANGRISANO, VIETNAM VETERANS OF AMERICA; DENNIS FINK, EXECUTIVE DIRECTOR, FRIENDS OF CAZENOVIA MANOR, INC.; MARTIN BUGAJ, AMVETS FIRST VICE COMMANDER, DEPARTMENT OF NEW YORK; JOHN B. SAMPSON, CHAIRMAN, REHABILITATION COMMISSION, THE AMERICAN LEGION; AND COMMAND SERGEANT MAJOR GARY FLAHERTY, NON COMMISSIONED OFFICERS ASSOCIATION**

**STATEMENT OF PETER G. MAZZARELLA**

Mr. MAZZARELLA. Congressman Quinn, with your kind permission, I'd like to extend a cordial welcome to all former Marines and those who wish they were.

Mr. QUINN. Does that include Dennis Cullinan, too? He's here in the back, from Washington, DC.

Mr. MAZZARELLA. Well, he was our ferrying branch of the service.

Mr. QUINN. Okay. Thanks, Pete.

Mr. MAZZARELLA. On behalf of the over 100,000 members of the VFW Department of New York, and indeed all of this nation's veterans, I thank you for inviting our participation in today's most important legislative hearing. The legislation under discussion today, H.R. 3039, introduced by Chairman Stump together with yourself and Representatives Evans and Filner, addresses an issue that both defies ready solution while posing a most serious ethical problem—homelessness among this nation's veterans.

It has been estimated that somewhere around a third of our homeless population is comprised of veterans. Many of these individuals served in combat theaters. These are the men and women who bore great hardship and risked their very lives in defense of our freedom. There may be no doubt that the very rigor of their service and horrors that they witnessed pushed many of them to the bottom of the economic ladder and into the plight of homelessness. They are often homeless as a direct consequence of their military experience. Even so, this great nation has yet to answer the need of those who served her so valiantly.

As we all know, the solution to this problem is far from easy. Along with other problems too numerous to mention, the sheer cost associated with properly addressing the tragedy of homelessness is staggering. The fact that H.R. 3039 will provide essential multi-family transitional housing—by authorizing VA guaranteed loans to appropriate non-profit organizations, for homeless veterans without reliance on appropriated dollars is truly advantageous in light of the VA's frugal funding levels. Traditional housing is essential towards allowing homeless individuals to bridge the emotional, educational and psychological chasm that separates the streets from civil society.

I would emphasize here, however, that while we generally support using alternative funding streams to bolster VA, these dollars must be used to enhance veterans' programs and entitlements and not serve as a substitute for full appropriations support. It is the Federal Government that is responsible for fulfilling our national debt of gratitude to our former defenders in their time of need, not the private sector. The bill under discussion today is a strong and

innovative step in addressing the tragedy of homeless veterans but does not represent the sole course to be pursued in reaching a complete solution.

With respect to rehabilitation, the VFW applauds the language in H.R. 3039 requiring participating residents in the program to maintain sobriety and seek employment. It is only in this way that such individuals may recapture a sense of self-worth while rendering themselves economically viable. We also support this bill's provision that requires participating non-profit housing providers to work closely with VA as well as State and local authorities in this enterprise. It only makes sense to share knowledge and expertise while avoiding wasting precious resources on overlapping or duplicative services. In the end, homelessness is a national problem, a problem that may only be resolved by all elements of this great society working together as a whole.

Mr. Chairman, in closing, I'll cite that famous Italian patriot, Abraham Linguini, stand up and be seen, speak out and be heard, and sit down and be appreciated. This concludes my statement.

Once again, I think you on behalf of the men and women of the Veterans of Foreign Wars for today's hearing, and your strong and proactive position in addressing this most difficult and compelling issue. Thank you.

[The prepared statement of Mr. Mazzarella appears on p. 69.]

Mr. QUINN. Thank you, Peter. Thanks very much. Paul.

#### STATEMENT OF PAUL ANGRISANO

Mr. ANGRISANO. Thank you, Mr. Chairman. Mr. Chairman and members of the subcommittee, Vietnam Veterans of America is pleased to present our views and recommendations on H.R. 3039, the Veterans Transitional Housing Opportunities Act of 1997. On behalf of our more than 50,000 Vietnam War veterans whom we represent, we are pleased to offer our strong support for this innovative and needed legislation. We congratulate subcommittee chairman Quinn for holding this important hearing in Buffalo. And we wish to recognize and commend Chairman Bob Stump for his outstanding leadership as the original sponsor of the Veterans Transitional Housing Opportunities Act of 1997.

This authorization, when enacted into law, will meet the unmet need to provide cost effective fully repayable loans for qualified non-profit sponsors such as Veteran Service Organizations in Buffalo and other Western New York communities, to obtain mortgage and construction financing, to develop, renovate or lease housing with supportive services for homeless veterans. While VA already has a program to provide home loan guarantees for veterans it lacks the legal authority to help veterans who are homeless with housing needs. That gap would be closed by making it possible for VA to also guarantee such loans.

Veterans, especially male veterans, make up the largest percentage of the homeless population in America today. Yet they receive less than 5 percent of the available McKinney Act funds directly through VA related service programs annually.

The Department of Housing and Urban Development administers more than \$1 billion for McKinney Act homeless appropriated funds each year. Admitting by its own computations that veterans

approximate 30 to 50 percent of the entire homeless population in America, HUD approves less than 3 percent of its dollars for veterans specific homeless housing and services. We think that fair minded Americans will strongly agree that it is past time to assure that a minimum, a fair and proportional one-third share, should be made available to meet this need.

Recent surveys conducted by the VA and the International Union Gospel Missions and other organizations conclude that between 270,000 to as high as 300,00 men and women military service veterans are poor and homeless in any given day or night nationwide. Compounding matters, Social Security disability and SSI payments for 135,000 substance abusers have been ordered. A point of information, I believe that after the word ordered, there should be inserted the word terminated. This has already contributed to the increase in homelessness among veterans.

The legislative proposal being considered by this subcommittee and the subject of today's hearing, when incorporated with other positive changes made by the inclusion of much stronger pro-veteran requirements to the HUD/McKinney Act reauthorization bill, will help to assure a fair share of funding for homeless veterans programs and services in New York and Western New York.

Mr. Chairman, in our part of New York State, including the 30th Congressional District, over 4 million veterans reside.

In Erie County we have more than 103,000 men and women veterans in our population count.

We also want to make sure that Niagara Falls, the community in Niagara Falls and Copin House are included in any decisions that are going to be made on this bill.

Of this total 63,286 veterans live in the 30th Congressional District. Based on estimated need, at least one third or 20,000 are now or will end up on the streets without homes or jobs.

It is important to make the point that while VA spends over \$229 million dollars per year for all veterans programs and services, in Erie County almost none of these VA expenditures are made available for any housing or services needed for veterans in the area who are homeless.

The VA is not, nor was it ever intended to be able to meet the specialized needs of homelessness. And the Housing and Urban Development program as the lead agency also does not reach this need. It is essential to make, now make it possible for VA to meet their obligations to help veterans who find themselves homeless. As we believe that H.R. 3039 is modest and prudent step in giving VA some most needed authority to help on a national and local level.

Mr. Chairman, I respectfully ask for permission to include a letter from VVA National President George Duggins to the Honorable Bob Stump, dated July 30, 1997, to be made part of my written statement. Our letter contains our formal endorsement and support of the Veterans Transitional Housing Opportunities Act of 1997. The letter reflects our views and belief that this approach is a very safe and budget neutral method to assure that the most appropriate and effective housing and supportive services will be tested by VA.

(See p. 76.)

Mr. ANGRISANO. We are also pleased that sound protections are provided by this bill to assure that the safety and availability for the Veterans Life Insurance funds, when it is to be pledged as loan guarantees for the purposes of this Act.

We urge the committee and the Congress to move favorably and expeditiously to make this bill become law prior to the end of the session of the 105th Congress.

And in closing, we would also like to make note that Copin House has not been included in any of the statements today, and we believe that that should have been done. Copin House is the only homeless veterans program in Niagara County and needs support. They've been active since 1984. Hopefully we can continue to operate, and with the approval of these laws, we can gain assistance for the veterans in Niagara County.

Mr. Chairman, VVA very much appreciates the opportunity to present our views in support of H.R. 3039 and I will be pleased to answer any questions you or the committee may have. Thank you for allowing me to be of service to you.

Mr. QUINN. Paul, thanks for your help this morning.

Mr. ANGRISANO. You're welcome, sir.

Mr. QUINN. And without objection, your request to have your letter submitted as part of the record is approved. And we're not going to take questions now but just—or, ask questions. When we get finished, my first question will be to you, and I'm going to ask for just a 2 or 3 minute summary of Copin House for Lane's benefit. They are not here today. We will ask them to submit written testimony, and we'll conduct a meeting with our staff here afterwards.

Mr. ANGRISANO. Mr. Chairman, point of information.

Mr. QUINN. Sure.

Mr. ANGRISANO. The Director and the Administrative Advisor of Copin House are present this morning.

Mr. QUINN. That's great. Terrific. Okay. Dennis Fink is with us, the Executive Director of Friends of Cazenovia Manor, Inc. And you may proceed.

#### STATEMENT OF DENNIS FINK

Ms. FINK. Good morning, Chairman Quinn and colleagues. My name is Dennis Fink. I'm the Executive Director of Friends of Cazenovia Manor, Inc. I am also a Vietnam veteran, decorated and disabled combat veteran. How I arrived at this position, I won't go into it.

I'm very familiar with Post Traumatic Stress Disorder, but more importantly, let me talk about my agency. My agency currently operates 127 beds in the Western New York region. Back in 1989, we began a program of treatment, to shelter houseless Vietnam veterans and other populations, and also offered specialized group therapies of the Post Traumatic Stress Disorder.

I initially brought to Erie County's Medical Center and developed the first, which I am very proud of, the first Post Traumatic Stress Disorder group for all veterans. We found Korean War veterans and many of the other veterans suffered from the same symptomatology.

We currently have in residence five staff who have gone through our system, and currently have degrees, and were of the homeless veteran variety.

Your bill H.R. 3039 fits exactly in the direction we're headed because we may be obtaining approval for a women's and children's program, and also a program on Sycamore Street in Buffalo, which could be used as housing for homeless veterans that have substance abuse and/or other mental health disorders. I think the key piece is, we are also licensed to do business through the Office of Alcoholism and Substance Abuse so we may provide services.

I believe at this point, the most important thing to bring to your attention is, I've heard many people talk about the continuum of care. We have a true continuum of care. In our system, we have what is known as an intensive rehabilitation program, halfway houses, and supportive living. There was a question earlier about time, 2 months, 3 months, 4 months.

Well, our system, the way it operates and how we found it especially beneficial for the Vietnam combat vets, was simply this. We would send them to the highest structure of care, which would be our intensive rehabilitation program out in Eden, NY, and as they progressed, case by case, we would then move them in closer to Buffalo into our halfway house, which is a less intensive environment, and then after that, into sober apartment living, which we still have control over and call it our supportive living. At all levels there is counselling, abstinence from all chemicals, and then from there they graduate, with jobs hopefully, into independent living so they can go on and be productive members of society.

So this is what I have to offer today. Sean and I got kind of confused. I'm happy to be here. This something that is a dream for me. I can't say enough about people who are helping the Vietnam veterans. It's a very difficult population because of the Post Traumatic Stress Disorder that's involved, which exacerbates the alcoholism and the substance abuse and things of that nature. It's the revolving door type thing. But in our particular system, we can almost keep them for about 2 years. And it really does, in most cases, it's very productive. It's very productive.

A gentleman yesterday at the Christmas party I was at, sought me out. He's a Vietnam veteran. It didn't seem that he was going to do real well, but he finally made it. He went through our intensive level of care, halfway house, and supportive living. He's living in supportive living. He's now going to college. He'd like to be a counsellor. And at 47 years old, he brought me his test examinations for my Christmas present, from college.

Mr. QUINN. Great. Nice Christmas present.

Mr. FINK. So thank you for your time. We can offer the continuum of care, and we may even be able to help out in the women's and children's arena.

[The prepared statement of Friends of Cazenovia Manor, Inc. appears on p. 82.]

Mr. QUINN. Thank you, Dennis. Thank you very much. We appreciate it. Martin.

**STATEMENT OF MARTIN BUGAJ**

Mr. BUGAJ, Chairman, members of the House Veterans Affairs Subcommittee on Benefits. AMVETS thanks you for giving us the opportunity to share our views on the Veterans Transitional Housing Opportunities Act of 1997. AMVETS applauds this innovative idea to help our homeless veterans. While we support the idea and approve of the demonstration project, we caution that the program must be monitored closely. We would like to see clear goals and objectives set, so that the program can be properly assessed and adjustments made at the end of the demonstration. To have adequate goals set, we must first understand some characteristics of the homeless veterans.

About a third of the adult homeless population has served their country in the armed services. On any given day, as many as 250,000 veterans are living on the streets or in shelters, and perhaps twice as many experience homelessness over the course of a year. According to the VA, although veterans who served in combat do not appear to face any higher risk of homelessness than those without combat experience, the number of homeless veterans, most of whom are Vietnam veterans today, is greater than the number of U.S. soldiers who died during the Vietnam War. The number of the Desert Storm veterans is also increasing. Almost all homeless veterans are male. About 2 percent are female. And the vast majority are single. Homeless veterans tend to be older and more educated than homeless non-veterans. Only about 10 percent suffer from Post Traumatic Stress Disorder, and roughly 40 percent are African-American or Hispanic.

As you may know, when this idea was first brought up for discussion, AMVETS opposed the funding mechanism of the bill. Since then, changes have been made to make us more confident of the project. We were a little apprehensive of the 100 percent guarantee of the loans by the Department of Veterans Affairs. Now, the bill states that the VA will only guarantee 90 percent of the loan. We believe this amount will help dissuade organizations from trying to take advantage of the program for their own profit.

Another of our concerns with the original idea was that VA is not in the multi-family housing business. VA has no experience in making loans to multi-family transitional housing projects, and we were worried this program would be compromised. The current bill directs the VA to obtain advice from a non-profit corporation with experience in underwriting loans for transitional housing projects in administering the program.

We are also supportive of the fact that the Secretary of the Treasury will be the decision maker on how the National Service Life Insurance Fund is invested. We believe that if the World War II and Korean veterans were properly informed on the facts of this bill, they should not have a problem with the funding mechanisms. It has been our experience that veterans helping veterans go a long way with these older veterans. We see ourselves as stakeholders in this demonstration project, and we would like to be kept apprised of its progress or any possible problems that may surface.

In summary, AMVETS supports H.R. 3039, the Veterans Transitional Housing Opportunities Act of 1997 demonstration project under the following conditions:

We set clear goals and objectives for this program.

Keep the VSO's apprised of any progress or problems.

After the three year demonstration, the project should be evaluated and a clear decision made on whether this is a viable program or not. We don't want to see it take on a life of its own and go on for 10 years with no decisions or evaluations.

If done right, this program can be a win/win situation for everyone. I think it is very interesting that when writing this report I ran a spellcheck. Homelessness kept coming up and the computer suggested the word, hopelessness and a replacement. This is very telling. We need to help provide opportunities for our homeless so they don't remain hopeless. We believe this program is a huge step in the right direction.

Thank you for the opportunity to express our views on this bill. [The prepared statement of Mr. Bugaj appears on p. 86.]

Mr. QUINN. Thank you, Martin, and the AMVETS view on all of our work in Washington is always encouraged and appreciated all the way through. I have a question about assessment when we finish.

From the American Legion, John Sampson. Would you like to begin, John.

#### STATEMENT OF JOHN SAMPSON

Mr. SAMPSON. Mr. Chairman, the American Legion Department of New York appreciates the opportunity to share its views on H.R. 3039. If enacted, the bill would authorize private sector development of transitional housing for homeless veterans by offering VA loan guarantees for these projects.

While some homeless veterans actively seek VA's assistance and enroll in VA inpatient recovery care programs to overcome their problems, most veterans who have received care suffer a relapse and remain homeless.

The American Legion believes one of the major reasons for the high rate of relapse is the lack of veteran-specific programs offering both a safe residential environment and the appropriate support services to allow them to continue therapy on an outpatient basis, once their inpatient care is completed. Continued outpatient care is critical because it provides homeless veterans incentive to maintain sobriety, complete necessary job training and counselling, and to find suitable employment.

Positive features of the bill include a continuum of care, which requires residents to remain abstinent of alcohol and drugs. In addition, residents will be required to take responsibility for themselves by obtaining and holding employment and paying for a portion of their care. This is a necessary and appropriate approach.

The American Legion Department of Pennsylvania runs three homeless veterans transition homes for homeless veterans based on these same principals and is currently in the process of acquiring a fourth.

The American Legion Department of Pennsylvania and the local VA Homeless Veterans Coordinator entered into a Memorandum of Understanding. Under the guidelines of the Memorandum, the VA refers veterans to the transition homes and is responsible for outpatient medical care, alcohol and substance abuse counselling, as

well as employment counselling and job training and placement. If veterans violate the rules of the program, they're asked to leave. The program has a proven track record. Since the program's inception in 1987, 87 percent of the veterans who participated are no longer homeless.

H.R. 3039 is necessary because until 1994 VA policy advocated the fencing of funds for specialized outreach programs. VA policy no longer advocates set-asides for these programs. In fact, many VA staff for specialized outreach care are in the process of being reassigned to primary care and other areas. This is especially true in VISN 2, which includes the Greater Buffalo Metropolitan Area. According to VA's 1997 Annual Report, Health Care for Homeless Veterans Programs, data shows that in VISN 2, the number of new homeless veterans evaluated dropped by 5.9 percent and the number of staff in specialized homeless programs dropped 7 percent.

The American Legion has reason to believe the downward trend in VISN 2 will continue and we anxiously await next year's data.

The American Legion Department of New York would therefore encourage the subcommittee to consider amending Section 3772(b)(1)(B) of the bill to actually mandate the providing of supportive services and counselling services by the local VA Medical Centers, Vets Centers and Employment and Training Service.

In addition, the subcommittee should consider expanding the bill or inserting language that would make this program available for homeless veterans with a spouse and/or dependents. In many instances, these veterans and their families are homeless because of downsizing of some type and only need temporary assistance until they can secure decent employment and a new residence.

Lastly, more specific language should be used to address the financial well being of the monies from the Life Insurance Trust Fund. These funds should be invested in bonds rated no less than investment grade by Standard and Poor's, Moody's Investors Service and Fitch's Investment Service. Interest received should be placed in a separate interest bearing trust fund after the amount equal to the rate of return from investments in the U.S. Government Securities has been returned to the Life Insurance Trust Fund. Only revenue over and above that generated by the investments in the U.S. Government Securities should be used to guarantee loans. These funds should be invested for at least 12 months to generate the necessary funds for guarantees prior to any money being loaned to support the program.

In conclusion, Mr. Chairman, the American Legion salutes you and the subcommittee for your ongoing concern for America's veterans, particularly homeless veterans. Again, thank you for offering the opportunity to share the American Legion's views on H.R. 3039, and the American Legion Department of New York fully supports this important legislation. Thank you.

[The prepared statement of Mr. Sampson appears on p. 90.]

Mr. QUINN. Thank you, John. Thanks for the advice and suggestions. And I just talked with our staff here. In some cases, some of the changes you suggest and others have suggested have been made, and I think our best bet would be, after we return to Washington, to maybe respond to you in writing to point out what some of those are. Those are great suggestions. Thank you.

Mr. SAMPSON. Thank you.

Mr. QUINN. You're very welcome. From the Non Commissioned Officers Association, Sergeant Major Flaherty.

Mr. FLAHERTY. Good morning, Mr. Chairman.

Mr. QUINN. Good morning. Thanks for coming.

**STATEMENT OF CSM GARY FLAHERTY, USA (RET)**

Mr. FLAHERTY. In consideration of time, I will highlight our testimony because it's pretty extensive.

The Non Commissioned Officers Association of the United States appreciates this opportunity to appear and present testimony at today's hearing. We would like to thank the distinguished Chairman for the invitation and salute you for holding this hearing on such an important issue. NCOA is also grateful to Chairman Stump, Representative Evans, and Filner and you, Mr. Quinn, for this initiative.

We find it particularly important that you would take this time of year, when most people are looking toward next Wednesday and the holiday season to hold hearings on such an important issue.

As a professional non-commissioned officer, I always told my soldiers that a soldier is a soldier, and it doesn't make any difference what color you are or what sex you are, that we all bleed the same OD blood. And I feel the same about a veteran. A veteran is a veteran no matter what their plight is, and we must take care of each other.

H.R. 3039 is a good piece of legislation and we support the expedition, consideration and passage of this bill. It is a responsible bill that requires accountability, both from the borrower and the homeless veteran participant. In this respect, Mr. Chairman, H.R. 3039 encompasses a great deal of common sense. Unlike too many other government programs that throw federal appropriations at the problem without affixing responsibility and accountability, H.R. 3039 does none of this. It's no secret the Non Commissioned Officers Association did not endorse the original draft of this measure. In the beginning the Association had strong reservations about the potential for liability and harm that could accrue to the NSLI fund and thereby predominantly the World War II and Korean era veterans that hold these policies. As a matter of longstanding principle, the Association does not believe that any veteran program should be used as a resource to fund other veterans programs.

As a result of continuous dialogue with you and your committee staff since the initial discussion draft of the bill was circulated, NCOA is now satisfied that H.R. 3039 as introduced minimizes the potential harm to NSLI. In its current form, H.R. 3039 removes the basis of our earlier objections, and to the maximum extent possible, the Association now believes that the fund and policy holders are protected.

The Association also believes that the parameters of the program have been appropriately defined. In many respects, the Veterans Transitional Housing Opportunities Act of 1997 is a demonstration project that must prove itself.

As the Association understands the legislation, the goal of H.R. 3039 is not to provide moneymaking avenues for private sector entities, although that opportunity exists. And it must be attractive

enough to induce risk-takers. Rather, the aim of this legislation is to help the homeless veteran with a goal of facilitating their return to productive citizenship.

Mr. Chairman, NCOA fervently requests that we demand that results and not lose sight of that objective. The other details of the required annual audits notwithstanding, the bottom line must be the program's success or failure in helping homeless veterans assume and maintain personal independent responsibility for their lives. If evidence is not persuasive during the first 3 years, this result is being achieved, the Non Commissioned Officers Association asks that a serious evaluation be undertaken before further expansion of the program.

Although private sector involvement will be substantial, the Veterans Transitional Housing Opportunities is really a program of veterans helping veterans.

Before I close, I would like to give you an example of how this program can help someone on a personal nature. Back in October in Albany we held a standdown program and we had nearly 200 people from the Capital District attend the stand down that were homeless veterans or veterans in need.

We, my wife and I, were volunteers in doing an intake for the program and one of the first people to come through was a gentleman who had two teenaged children, no wife, and was living in a car for 6 months. These are the kinds of people that can benefit from such a program.

In closing, the Non Commissioned Officers Association again thanks the distinguished Chairman for holding this hearing and providing the Association the opportunity to express our views. We strongly support the legislation and urge the subcommittee for a favorable report the bill to the House Committee on Veterans' Affairs. Thank you, sir.

[The prepared statement of Sergeant Major Flaherty appears on p. 94.]

Mr. QUINN. Thank you, Sergeant Major. Thank you all for your suggestions and also, for the benefit of those here in the audience or the next panel that have not been involved, it's typically, whenever a bill is offered in the House or the Senate, it's a work in motion. And we start with one bit of information and work through it make some changes and amendments and with your input, hopefully end up with a document that's hopeful, not hopeless, for everybody. We'll check that through spell check as well.

Just, I got to make a comment rather than a question to start things off. I think one of the things that AMVETS mentioned, and I've heard it, and it's a recurring concern throughout this, is that we're not about trying to invent another bureaucracy, that we're not out there trying to make matters worse. And I think that's a legitimate concern. And I just want to assure everybody that that's not what we're about here, as the last witness mentioned.

So I hope, and think, we're headed in the right direction in that regard, but your comments are well-founded, and we ought to be paying attention to that. Lane?

Mr. EVANS. This is just how we go about enacting legislation. So I want to work with the Chairman as this proceeds. I don't know what timetable you think we may be on, Jack, at this point.

Mr. QUINN. In spring time.

Mr. EVANS. So this is still an ongoing process and if other things pop up that are concerns to, not only the individual VSO's that are here, but to individual agencies and private citizens here, they should let us know during this process.

A lot of you have mentioned the need for an audit. What we will also do in the committee is conduct oversight once the legislation is passed, to make sure it's been implemented in the ways that we intended, and that you agreed to help support. So this is an ongoing process.

Mr. QUINN. Good point.

Mr. EVANS. And we'll be working with you.

Mr. QUINN. Good point.

Mr. EVANS. I just wanted to make sure everybody knows how that works as well.

Mr. QUINN. Sure. Thanks, Lane, I appreciate that. We're told that we're close on time here, and I'm going to sort of finish off our panel here, and ask if our third panel, the Federal Government representatives, could come down and thank the panel that's been here today. Thank you very much.

[Discussion off the record.]

Mr. QUINN. Okay. Let's begin our third panel and thank—mention to the second panel, those who are going to stay for a while, there may be some written questions that we'll submit to those members of the second panel and request some written answers to, but I think that's a given in most of these situations.

Peter Dougherty from Central Office of the VA has agreed to sort of be our start-up witness here. I know that our Buffalonians, Bill Feeley and Greg Mason, are here in this building, for Greg's purposes, and at the VA Hospital for Bill's purposes, are here to answer questions that we might have, more than necessarily testimony. Jim, are you going to plan to make some remarks this morning?

Mr. HARTMAN. Yes.

Mr. QUINN. Okay. Peter, why don't we start with you.

Mr. DOUGHERTY. Thank you.

**STATEMENTS OF PETER DOUGHERTY, VA CENTRAL OFFICE, HOMELESS VETERANS PROGRAMS; BILL FEELEY, ACTING DIRECTOR, VA MEDICAL CENTER, BUFFALO; GREGORY MASON, NEW YORK VETERANS AFFAIRS REGIONAL OFFICE; AND JAMES H. HARTMAN, STATE DIRECTOR, NEW YORK VETERANS EMPLOYMENT AND TRAINING**

**STATEMENT OF PETER DOUGHERTY**

Mr. DOUGHERTY. Thank you, Mr. Chairman. It's indeed a great pleasure for me to be here and to see you and Mr. Evans.

The Department of Veterans Affairs, as I believe you've been informed, is not yet in a position to give our formal views regarding H.R. 3039. We are in the process of making a thorough review of that legislation. We promise you that we will respond as quickly as we can and will give it great thoughtful consideration.

Mr. QUINN. We'll give you about 45 minutes and expect you back here—no, I'm only kidding.

[Laughter.]

Mr. QUINN. kidding, only kidding.

Mr. DOUGHERTY. The Department of Veterans Affairs, Mr. Chairman, as you know, is the largest single provider of services to homeless persons in the United States of America. We serve about 40,000 veterans annually through our programs.

We also would like to take a few moments with you this morning to explore other things that the Department has done, other than the proposed legislation, that we think has helped to enhance the opportunities for homeless veterans in ways that did not exist a number of years ago.

One is the Homeless Grant and Per Diem Program legislation that I know you support and Mr. Evans worked very diligently on. Even though this is a small program the Department has been able, under the last 4 years, to award over 100 grants in 36 States and the District of Columbia. That program has helped to create over 1,700 transitional beds. It has provided service centers, mobile medical clinics, with a whole variety of services. I think our formal testimony, as you have seen, talks about some projects that have occurred right here in Western New York.

It's a wonderful opportunity for us to come here because what this program has done, in the three examples we cite here in Western New York, there are three programs in place that are all different. And the reason for that is, the program that Congress authorized gives the Department the opportunity to review competitive proposals that meet the local needs and address it in a variety of different ways. And it has been very good for us to do that.

The grant program is part of what we do, the per diem part, the ongoing cost, if you will, helps to maintain those programs. One of the things that we wanted to mention to you, more and more beds are coming on line and we inspect the programs and find them per diem eligible. There are over 500 beds of night care that are available for per diem reimbursement now. And one of the nice things that we have found in this program is that up to 15 percent of the beds that are out there, eligible for per diem, can service women veterans. And about 5 percent of the beds that are occupied each night are occupied by women veterans. Those are numbers that are higher than the regular programs the department has in the number of women, by percentage, that we are serving, and we're glad that these community partnerships have been very successful in also getting women veterans an opportunity to be served.

We also have a program that Congress authorized which we have labeled Project CHALENG for Veterans, which is really a community assessment process, which requires medical center directors and regional offices to meet with their communities at least annually, discuss what is going on, what is available for veterans, what the unmet needs for veterans are, and to help to develop within that veterans community, action plans. What we have found across the country is that this has been the catalyst in many places, for the needs of veterans to be addressed in a comprehensive way, and for grant proposals, both for VA's own program as well as for HUD funds. This has been a very good effort. We believe in the CHALENG process, we ask that VA staff to participate in this, but a overwhelming variety of people are community people. They

help to give us what the top unmet needs are. Not surprising to this committee, long-term and transitional housing for homeless veterans is always one of the top unmet needs that has been identified throughout the series of years that we report this information to the Congress.

We, as I indicated, have two major programs; our Health Care for Homeless Veterans program, and our Domiciliary Care for Homeless Veterans program. I want to remind the committee, that under the Health Care for Homeless Veterans program, which we have here in Buffalo; we have over a hundred contracts with local community service providers, as we do have here. We contract with money that we have to provide local services outside of Medical Center inpatient beds and programs, as well.

[The prepared statement of Mr. Dougherty appears on p. 100.]

Mr. QUINN. Excuse me for one second. While we're on that point; with those hundred contracts that are out there, some of which are here in Buffalo, are you able to point out to the hearing today, any major problems with those, not necessarily here in Buffalo, but general themes of how that system with the contracts out there, isn't working as well, or things that we could do? And I'm not thinking for us in this bill to overhaul anything, but if there is some areas that we need to pay attention to, as we continue to work H.R. 3039, that information will be helpful now rather than after. Can you do that?

Mr. DOUGHERTY. Right. One thing as you well know, the funds that we had for these kinds of contracts used to have what we call fences around them.

Mr. QUINN. Yes.

Mr. DOUGHERTY. And now they don't have fences, in the traditional sense. Administratively, we still have some fencing of that funding. One of the concerns, I know, that many of the community providers we work with is, as these funds become less fenced, are we going to insure that those programs are going to continue to have contract funds to serve homeless veterans.

Mr. QUINN. Yes.

Mr. DOUGHERTY. Our experience with the contracts is, they have been excellent. Across the Nation, we have a high standard that we look at to award contracts to those programs. The results have been very good. The concern that we get from community service providers is to make sure that funds are still going to be available, and homeless veterans are not going to be forgotten, as we go through the major changes in the delivery of health care services.

Mr. QUINN. Very good. Thanks for letting me interrupt. I appreciate it.

Mr. DOUGHERTY. We also, and Congressman Evans had mentioned this before, participate in standdowns. The Department of Veterans Affairs participates in literally hundreds of standdowns across the country. We, as a department, have been collecting some information over the last couple of years. It looks at the kinds of services that standdowns have been able to offer.

As was mentioned by one of the previous witnesses, the concept really began 10 years ago. It began with a group in San Diego, and they had their 10th anniversary standdown this past summer. But since that time, the process has grown, and it's really grown into

a community organizing effort, and San Diego is the example of how it began. Standdown is a 1 day or up to 3 day Veterans Assistance event. As a result of what's occurred at standdown events, we have found that communities have galvanized around the needs for homeless veterans, and it worked on a plan. The Vietnam Veterans of America at San Diego, for example, run a fairly large transitional housing program. And other communities where this has happened, they have found both the need to provide this event to bring people to connect with the services, but then also have found some roots in the community to provide ongoing services. So standdowns have been a very positive thing that has occurred. The Medical Centers and regional office staff and Vet Center people have participated virtually in all of those.

We have found in a three year review of standdowns that we could identify over 80,000 veterans and their family members have participated in standdowns. It's a great community opportunity.

The Congress gave us authority a few years ago, to take foreclosed properties and to offer them for sale at deep discounts and to lease to homeless service providers. The information we have is that there are about 124 properties that have come through that program that either have been sold at deep discounts, or have been leased to service providers. Sometimes these are appropriate and the right kind of housing. This is a good opportunity and in many communities they are a great opportunity for veterans service providers to have small programs in smaller communities. Compensated Work Therapy is a great program the department offers. It operates at over one hundred sites, including here in Buffalo. It's a therapeutic work experience, but it gives that veteran, who generally has been homeless, the opportunity to come through a program where he's had a bad work history in the past, to show that he is responsible, can maintain employment, can do the kinds of things that he needs to do to go back and work.

One of the things that we don't have in our formal testimony and I don't have the current number, but about once a year the department looks to see how many veterans who come through the homeless programs are employed by the Department of Veterans Affairs. Now, many of us might suggest that coming to the Department of Veterans Affairs is not the employer of choice today, but we have over 700 veterans, by the last count, who have come through the homeless specific programs, who worked fulltime for the Department of Veterans Affairs. We're not talking about people who may be on a therapeutic work assignment in a hospital or in a regional office, but people who work full time at the VA.

Let me just briefly, if I can, Mr. Chairman; since there was some discussion earlier about length of stay, I would like to add that as in all health care services that we have delivered, the length of stay in virtually all programs has gone down. The question of how long the length of stay needs to be is one that we constantly try to examine and scrutinize.

But I do want to indicate that my understanding is that there's a 30-day sobriety period that one has to have before one goes into a contract care facility, and then there's a 60-day contract. That contract can be extended by up to another 30 days. Consequently,

that clean and sober time, if you will, is up to 120 days. It's not just 60 days and you're out.

The other part I want to make sure we understand is, we case manage those veterans and there is a plan in place. We are not discharging people and our intent is not to discharge people out onto the street. We want to keep that continuum of care, link going. Thank you. My colleagues and I will be happy to answer questions.

Mr. QUINN. Thanks very much. Jim Hartman is a federal representative with the Department of Labor and in charge of the State of New York as it relates to veterans employment and training. Sir.

#### STATEMENT OF JAMES H. HARTMAN

Mr. HARTMAN. Thank you, Mr. Chairman. Thank you for this special opportunity to address you and your distinguished colleagues regarding the Veterans Transition Housing Opportunities Act of 1997.

I bring you warm regards from both our Secretary of Labor, Alexis Herman, and our recently confirmed Assistant Secretary for Veterans Employment and Training, Espiridon, Al Borrego. And let me also say, thank you for having this in Buffalo. You might not know this, Mr. Chairman, but this is my home town also, and I was sorry to see Congressman LaFalce leave because 26 years ago, boy, now I know what my parents, when they said how time flies, it does fly, but 26 years ago, I was Director of Buffalo State Veterans Affairs, and at that time the war was still going on. And Congressman LaFalce was perhaps our best champion on the hill in those days for veterans' benefits, and I am very happy to see that he's still involved. Please give him my regards.

Mr. QUINN. And I'm very happy he's—I certainly will, and I'm happy that he's a neighbor of mine here in Buffalo because he's never once turned us down when we've had veterans' issues, never once. Thanks.

Mr. HARTMAN. As it was mentioned by Dave Dollner from the State Labor Department, recently the Veterans Employment and Training Service sponsored a New York State summit on services to Vietnam veterans. And just let me quickly stop and publicly thank you and Congressman Evans for allowing Mike Brink and Jill Cochran to come to our summit from Washington. They really added a great deal, and as witness of that, by the time it was their turn to eat lunch, they only had crumbs left because everybody wanted to talk to them. So I really owe them a lunch.

Mr. QUINN. That's pretty much what he's getting today.

Mr. HARTMAN. The purpose of the summit was to ascertain why there has been such a significant increase, 14 percent, in the number of Vietnam veterans registering for services with the Department of Labor Job Service offices and the U.S. Department of Veterans Affairs vet centers over the last 3 years.

The issues that were discussed in work shops were broken down into four catchment areas; employment, homelessness, incarceration, parole, medical and mental health. Our complete summit findings are still in the preparation stage, but there were two issues identified that transcended all others.

Number one, combat veterans appear to have more difficulty than the general veterans population in the readjustment process, and the readjustment process for combat veterans appears to be ongoing, continuing long into their return to the civilian life.

Concerning the summit findings regarding our homeless veterans population, once again, combat veterans face homelessness at a greater rate than non-combat veterans. As evidence of this, and Gary Flaherty touched upon this a bit, a homeless veterans standdown was held in Albany just prior to the summit and we found that over 50 percent of the homeless veterans that attended were Vietnam theater combat veterans. Considering the fact that non-combat veterans outnumber combat veterans in this State almost three to one, this is a very disturbing finding indeed.

The summit participants also addressed the issues regarding housing for homeless veterans. Their major findings were: (1) there is an overall lack of cooperation among local, county and city officials in acquiring sites for housing, (2) residential communities balk at having transitional housing in their neighborhoods, (3) programs funded through grant monies are subject to funding cycles that are often not timely in their appropriation process, resulting in an on-again, off-again delivery system.

As evidence of the Department of the Labor's concern for homeless veterans, the department this month awarded 12 bridge grants to entities assisting homeless veterans, to see these groups through the next competitive grant cycle. The grants totalled over \$343,000. A grant of \$33,000 went to the Salvation Army in New York City. And if you haven't had an opportunity to visit their Borden Avenue veterans shelter, I strongly urge you to do so. It's just a tremendous, tremendous program, and one of the things that I think makes it so great is, as your bill discusses, sobriety. In that place, if they find that you have alcohol on your breath or you're using drugs, you're out on the street. The thing is, they have a 5,000 waiting list to get in there. So the veterans listen.

Mr. QUINN. Yes.

Mr. HARTMAN. As further evidence of the Department's concern, the Department was successful in obtaining Congressional reauthorization for the Homeless Veterans Reintegration Project in the amount of \$3 million. Among several recommendations made by the summit participants was a need for more private sector involvement, both financially and through general support from employer groups. However, another key finding from our summit was that many agencies and organizations providing services to veterans need to improve communications, cooperation and coordination. We believe that providing adequate housing for our homeless veterans is without question the first step that needs to be taken, but the process cannot end there. We must ensure that relationships are established and maintained between those providing housing and those who provide medical care, counselling, employment, transportation, banking, et al.

We in the Veterans Employment and Training Service are prepared to play a major role in this process and remain available to this committee to provide whatever assistance is necessary to help our homeless veterans become once again productive members of our society. And like our friends from the VA, I'm sure you're

aware, Mr. Chairman, that the Federal Department of Labor has not come out with a position statement on this bill as yet, but as the State Director of Veterans Employment in New York, I will say that, if it does get passed, I will be available to you to do anything I possibly can.

Mr. QUINN. Thank you.

Mr. HARTMAN. Thank you very much.

[The prepared statement of Mr. Hartman appears on p. 102.]

Mr. QUINN. Thanks very much. Thank you both for your testimony, and Bill and Greg both for being at the table for the purposes of questions. I just, Mr. Dougherty, more of a general type situation, we've sat, all of us, through lots of hearings in Washington about veterans and health care. Earlier on, one of our witnesses talked about VISN 2, which is where we are here in the Western New York, New York State area, we're VISN number 2 for our locality. Dr. Kaiser has met with us and met with me privately a couple of times in Washington to talk about where all this is headed, and I have a great deal of respect for him and the work that he's doing for us and for our veterans.

But, as we look at all of those changes in the health care field, nationally, but then limiting it to veterans in the VA Hospitals, one of which we have here in Buffalo, and it's a great one, I really am concerned with our treatment of the homeless, knowing, you know, here we are with H.R. 3039 trying to deal with the homeless, and you've brought it up in your opening statement, which is maybe why you're unable yet to commit one way or another. But it's more of a concern than a question, but I would ask your comment on it. As we're doing everything we're doing with health care, I mean, talking about all of those things, is there any way, are we already doing anything, can we do anything, to help you make certain that our attention and our treatment of homeless veterans isn't lost in the shuffle. I mean, we're spending a great 2 days here. Lane has been great to give up his own time to visit a site this morning and talk with Frank and his folks and we're having the hearing, you all came here, you're testifying, it is the right thing to do. We all agree. In that backdrop, is there anything you can recommend, comment to make certain that this homeless issue stays where it should be, and that's the forefront.

Mr. HARTMAN. Mr. Chairman, the—in the legislation you recently passed, you require the Department to respond sort of department wide on all the efforts that we're making to assist homeless veterans. We have done a lot to report on the domiciliary care program, the CWT program, all those things sort of in individual reports come in in bits and pieces. This is the first time the Department is going to be asked to respond in a comprehensive way to all the things that we do for homeless veterans. The one piece, obviously, that is critical for us to monitor, unlike a lot of things that we do in government, the homeless programs the VA has had, have been monitored extensively from the very beginning. So we can tell you pretty much where every dollar has gone and where every staff position has been and who's doing what kind of work in this program, in ways that we probably can't in many other areas in the past. And so, I guess the—I appreciate the subcommittee's interest in this, and I guess the vigilance of sort of what we do and making

sure we're continuing to take care of those veterans as Congress wants us to do, is—will be seen I guess when we report to you in the spring. I think our intention is to sort of comprehensively report to you probably in about April or by the 1st of May, this year, on all the Department's efforts, and to sort of review that and maybe slap this around a little.

Mr. QUINN. Okay. And short of a response right now, it's your opinion that that kind of focus on homeless as we've asked for the report and have given you enough time to respond, even extra time to respond to H.R. 3039, in your opinion that's adequate enough to keep the spotlight on it.

Mr. HARTMAN. Well, I think our reporting, if we don't change our reporting systems, if we use the same kind of reporting systems that we have now, our homeless programs on the health care side have come out of our Northeast Program Evaluation Center out of West Haven, that's a very detailed report.

Mr. QUINN. Yes.

Mr. HARTMAN. That tells us a lot of information about who the person is when they come to us, what happens to them in the way of treatment, the time, the length of stay, the treatment outcomes, all those things, and the staff. We monitor that because we have outliers, because we either don't have enough veterans being treated or we have—or you're doing well in your program given the number of staff you have.

Mr. QUINN. Excuse me. We talk about a lot of those same kind of numbers when we talk about employment—

Mr. HARTMAN. Right.

Mr. QUINN (continuing). With veterans. And we've held some hearings on the Hill. I think Lane even organized one there, so I, I appreciate your answer. We—some of that responsibility rests with us, as well, members of the committee, subcommittee chairman, full committee ranking members. And I understand that. I just want to make certain before we leave here today that we're working together on this rather than at odds with it.

Mr. HARTMAN. Mr. Chairman, I'm pretty sure that we would be more than happy to meet with the staff as reports first coming up to you all and certainly would respond to the committee in any way, once we do—

Mr. QUINN. Super. Super. And there's no reason for me not to think that would happen. Thank you.

Mr. EVANS. Maybe following up on that same line of inquiry, you've worked the Hill and you've worked in the Administration now. You know, when we sent things up from the Hill, it's not always been implemented the way that we intended, particularly sometimes in innovative areas, and I think this bill represents a lot of new, innovative approaches here. I just hope that we'll have strong central office support for what we do and don't hold up funding as we've seen in the past. Not when you were on the watch over there, but in previous times. So if you'd give us that commitment, we would appreciate it.

Mr. DOUGHERTY. Mr. Evans, one of the things I think homeless programs have done is, long before I got there, is that they have been an innovator in many things. For example, partnering with the community, which is now a mainstay of what VA's health care

system is about, in my view came as a result of what the homeless initiatives. Having people out of the hospital, in the community, working with non-profit groups and organizations, all that started 10 years ago with the homeless programs. So I'd like to think we've been a leader within the Department of the things that we've been able to do with the community. I haven't talked to the Secretary designate, but I certainly know the deputy secretary's view about this, and I know that there is at the top leadership level in the VA a need to continue this program and to continue to serve these veterans.

Mr. EVANS. All right. Thank you, thank you, Mr. Chairman.

Mr. QUINN. Thank you, Lane. I guess the key to that is, the reason why a hearing today is critically important, is that we, we—I, in Buffalo, and John LaFalce and Lane in his District, and all over, make that connection between Washington, DC and locally. You heard the first panel described as experts in their field, and they are. When we have a chance to talk with the Frank Falkowski's and the Mary Lee Sulkowski who know what's going on, and to hear them say here this morning, they need flexibility, they need for us to give them the tools to do their job better, or as good as they possibly can, is the connect. I mean, that's, that's what it's all about. And to hear those kinds of responses are encouraging to me. We stand ready to help you as best we can on the hill, too, when we get back.

Mr. DOUGHERTY. Thank you, Mr. Chairman.

Mr. QUINN. Mr. Evans.

Mr. EVANS. No other questions, Mr. Chairman.

Mr. QUINN. Okay. Thanks to the third panel and those who are with us here and stayed through almost the full morning here. We appreciate all your input, and as Lane said, it's a work in progress here, I suppose. Are there any other comments from you, Lane, closing remarks?

Mr. EVANS. No, thank you.

Mr. QUINN. Okay. Then we're adjourned.

[Whereupon, at 12:30 p.m., the subcommittee was adjourned.]

**A P P E N D I X**

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TESTIMONY OF  
DAVID V.H. DOLLNER  
BEFORE THE  
HOUSE VETERANS AFFAIRS COMMITTEE  
ON BENEFITS  
DECEMBER 18, 1997

Thank you Congressman Quinn for inviting me here today. On behalf of Governor George Pataki and Acting Commissioner James Dillon, I commend you for holding this hearing that focuses on Transitional Housing for Veterans. My name is David Dollner, and I am the State Veterans Program Administrator for the New York State Department of Labor.

Homelessness in America has become fairly well documented in the 90's. While the statistics vary greatly, there is general consensus that the problem is growing. Over a third of all homeless are "veterans", and most studies show the overwhelming preponderance of these are "combat" veterans.

Here in New York, we just completed a Summit on Services to Veterans, with particular emphasis on Vietnam Theater veterans. The summit was sponsored jointly by the US Department of Labor Veterans' Employment and Training Service and the New York State Department of Labor. This summit was prompted by a startling 14% increase over the past three years in the number of Vietnam Theater veterans applying for employment services at New York State Department of Labor Community Service Centers. The Veterans Administration (VA) reported a similar increase in

Vietnam vets applying for services at their Vet Centers. The summit focused on four main areas of concern:

- Employment
- Homelessness
- Incarceration/Parole
- Medical/Mental Health

Several issues were identified by the “Homeless” workgroup. One of the more significant involves the need for more transitional housing. The New York State Department of Labor certainly supports the requirement that residents seek and obtain employment and maintain sobriety.

Passage of H.R. 3839 will lead to veterans earning their own income, employers utilizing available workforce skills, and local economies receiving increased benefits from veteran spending.

New York State Department of Labor supports placing veterans into jobs to reduce unemployment and V.A. inpatient rolls which may be related to homelessness. It is also recommended that a stronger linkage to VA Health Care Administration be incorporated by requiring veteran applicants enroll in Veterans Administration Health care as well as with employment services including the US Department of Labor, Veterans Employment and Training Service, in either the Disabled Outreach Program Specialist or Local Veterans Employment Representative programs (DVOP/LVER), Homeless Veteran ReIntegration Program, the Job Training Partnership Act, or others.

Cost-savings appreciated by V.A. could be invested in its National Servicemans Life Insurance policy reserves to build trust funds via “GNMA” mortgage-backed securities. The bottom-line benefit would help protect against private investors defaulting on loans to undertake construction of the multiple-family veterans housing projects.

Allow me to comment on the issue of transportation availability as it relates to commuting to and from the worksite. Veterans [and the community of non-veterans, as well,] who are otherwise job-ready face significant challenges in obtaining inexpensive public transportation. Industry is not always located on the bus routes; and busing is virtually unavailable in most rural areas. A reliable, inexpensive means of public transportation is a critical need that must be addressed on a national level. Securing private means of transportation i.e. – with rising costs of vehicle purchase, insurance premiums and maintenance—is almost always cost-prohibitive to the unemployed/homeless veteran.

Department of Labor can provide job counseling and assist with the job placement process, while the veteran receives V.A. out-patient services, if required. However, veterans need transitional or “temporary” housing within commuting distance to their worksite.

Given access to affordable, stable living conditions in partnership with state job services, veterans can be expected to successfully transition from a state of homelessness to achieving responsible, self-supporting lives.

Thank you for your attention and consideration.

Statement of William Lyons, Vice President, First National Bank

**Jack Quinn**  
**Chairman**  
**Subcommittee on Benefits**  
**Committee on Veterans' Affairs**  
**U. S. House of Representatives**

**December 18, 1997**

**Dear Congressman Quinn, Members of the Committee, staff and to all concerned with the plight of the homeless veteran.**

**We are here today to discuss H. R. 3039, the Veterans's Transitional Housing Opportunities Act of 1997. I will be commenting on this bill from three perspectives. First, as an active member of the volunteer community in Buffalo, I have been involved in a variety of housing initiatives. I will share from my direct experiences in that capacity. Second as a member of our local banking community, I will speak to the frequent use of loan guaranties and how they have a positive impact for the banking community. Finally I will speak as a Viet Nam veteran, and the son of a Marine Vet from WW II. I will address how this bill can insure the repayment of the debt we all owe to those that served their nation in combat.**

### **COMMUNITY PERSPECTIVE**

**First let me share my experience in our community as an activist in housing rehabilitation. In 1975 I was elected as the first treasurer of Buffalo Neighborhood Housing Services, Inc.(NHS). NHS began in Pittsburgh and has grown into a nationally recognized program. NHS took a concept that began with the FHA in the 30's and expanded by the VA in the 40's and 50's. The concept was partnership. Both the FHA and the VA were in partnership with the financial community providing the funding for millions of Americans to own their own home. NHS built upon that partnership. The private sector worked with the Federal Government to solve problems. NHS added the community to that partnership. H. R. 3039 expands the partnership to address another community issue. We know we have homeless veterans in the community. We know we have nonprofit community-based groups in the**

community and we have banks that need to meet their fiduciary responsibility as well as their responsibility under the Community Reinvestment Act. H. R. 3039 facilitates the formation of a new partnership.

Two other community groups that I am familiar with have also built partnerships: The Western New York Veterans Housing Coalition, Inc.(WNYVHC) and Alcohol and Drug Dependency Services, Inc.(ADDS). The housing coalition has taken old and new buildings and created affordable drug and alcohol free quality housing for low income, physically challenged veterans and non veterans in our community. I know that Frank Falkowski will speak to the challenges faced by the coalition and the need for more housing. I will always remember Frank's disbelief when he moved some of our residents into our first project. The conditions they came from were subhuman. The housing coalition is looking to provide more units and HR 3039 is a perfect solution. By providing loan guaranties the housing coalition can buy or build additional drug and alcohol free units to house homeless veterans. Since it was founded, the coalition has utilized a variety of city, state, and federal programs. Private sector financing including tax credit packages, lines of credit and equipment loans have been used to finance their projects. HR 3039 is a workable, simple solution that brings together an established community group, the financial community and the VA focused on getting homeless veterans off the streets.

ADDS serves a unique population. For many the Erie County Rehabilitation Center is the last house on the street. It provides one last opportunity to turn around a life impaired by drug and alcohol abuse. This facility takes the homeless that have been devastated by alcohol and drug abuse and provides shelter and treatment. Many of the residents are veterans. In addition to the rehab center the agency also operates a men's and women's half way house. These two community residences provide drug and alcohol free environments. Again many of the residents are veterans. Dick Gallagher, Executive Director of ADDS will speak about the veterans population that the agency serves and their needs. I know ADDS recently acquired title to the men's residence and HR 3039 is the perfect solution to fund the acquisition and repairs. ADDS is a community-based agency, experienced in serving the population that HR 3039 targets. ADDS through its Kids Escaping Drugs program has demonstrated that local partnerships work. ADDS has built an adolescent

community treatment facility and long term residence by combining the efforts of the state, the agency, the banks and this community. HR 3039 gives the agency the opportunity to continue on building partnerships with the local banking community and the homeless veteran population. HR 3039 will provide drug and alcohol free living conditions and allow the homeless veteran the opportunity to recover and return as active, contributing members of our society.

## **BANKING**

My perspective from the banking community comes from more than twenty-five years in the business. Upon returning from Viet Nam in 1972 I began my banking career. I have been very fortunate that my career has allowed me to serve my community in many capacities. As noted I was with NHS in the beginning and I have also been active with the WNY Veterans Housing Coalition and ADDS. In all of those capacities I was able to utilize my skills to fund projects.

The federal loan guaranty programs, the FHA, the VA, the SBA and many others have been a very successful part of nurturing community partnership. Home ownership, the growth of small business and for many our educations were funded by federal loan guaranties. The potential with HR 3039 for safe, secure, clean, drug and alcohol free housing for the homeless vet is significant.

HR 3039 gives my bank an excellent opportunity to work with community based nonprofit agencies. It meets both my fiduciary responsibilities and my CRA responsibilities. I mentioned earlier two community-based groups that are looking to provide quality living conditions for the homeless vet. I can tell you that with HR 3039 I can provide them with the loans that will allow these nonprofits to develop the housing we need. Housing that is not only safe and clean and affordable but also drug and alcohol free. My sincerest hope is that someday a vet will move from housing created by HR 3039 will be in my office looking for an SBA loan to start or grow a business or for a VA loan to buy a home.

**VETERANS PERSPECTIVE**

**Let me close by letting you know I grew up as the son on a decorated Marine and it was privileged for me to serve with my contemporaries in Viet Nam. It is my obligation, and our obligation to provide opportunities. We must provide opportunities for hope, for a future and in some cases for a dignified farewell. The partnerships that will be created as a result of HR 3039 help fulfill that obligation. Quality living conditions for the homeless veteran will be a direct result of HR 3039. I can tell you here today that if HR 3039 becomes law I know of two non profit agencies and one banker that will be standing in line to get our guaranties.**

**I want to thank you for this opportunity. I also want to thank you for your vision. The Veterans' Affairs Committee has always been a wonderful advocate for all veterans. Especially for those that defended our county and for a variety of reasons can't defend themselves. I congratulate you on your forward thinking, and am looking forward to the day when I can close my first HR 3039 loan. It is a pleasure to speak about a proposed bill that has taken a successful concept and is looking to apply it to benefit those that have served their country.**

**Thank you.**



**WNY Veterans Housing Coalition**  
1125 Main Street  
Buffalo, New York  
14209-2307

**Phone: 716/882-5935**  
**FAX: 716/885-3073**

**Statement of Frank J. Falkowski**  
**Chief Operating Officer**  
**Western New York Veterans' Housing Coalition, Inc.**

**to**

**Chairman Jack Quinn**  
**and the United States House of Representatives**  
**Veterans' Affairs Subcommittee on Benefits**

**Regarding:**  
**Veterans' Transitional Housing Opportunities Act of 1997 H.R. 3039**

Dear Mr. Chairman and Members of the Subcommittee on Benefits:

I am Frank J. Falkowski, Chief Operating Officer of the WNY Veterans' Housing Coalition, Inc. Thank you for the opportunity to speak on behalf of our veteran population here in Western New York and to express my views regarding the Veterans' Transitional Housing Opportunities Act of 1997.

On a personal note, I want to point out that I am not just an advocate for veterans, but a disabled veteran of the Vietnam War, who for the past ten years has worked in the housing development arena.

In May of 1990, our agency provided testimony before the Veterans Affairs Subcommittee on Oversight and Investigations regarding homelessness among our veteran population. It is most unfortunate that we must continue to address this staple issue area that still impacts those who served when their country called.

Since that testimony, our Board of Directors have focused on the need for "Special Needs" housing and housing related services for low income, physically challenged and disadvantaged veterans.

Through innovative partnerships with community resources and a major private sector developer, the WNY Veterans' Coalition provides housing and case management program services to veterans who might otherwise face homelessness or prolonged hospital and nursing home stays because they are unable to find accessible and affordable housing.

The Coalition has completed \$7.2 Million in new development since 1993 and is currently in discussion with our local Veterans Administration Medical Center to develop and operate transitional housing, using underutilized space at VA facilities.

Before commenting on H.R. 3039, I believe that it is important to understand some of the common denominators that influence our agency's approach to permanent and transitional housing here in Western New York.

- The "term transitional housing" no longer is associated with only homeless veterans who have drug and alcohol problems. There must be an intentional focus of special attention on, and consideration for, veteran transitional housing of special populations such as veteran families with children, the elderly, and the mentally and physically challenged.

- New York has approximately 1.5 million veterans of which 36.6% are over 65 years of age. The Department of Veterans Affairs estimates that approximately 27% of their in-patients are homeless or facing homelessness due to a lack of affordable and accessible housing.
- New York State is facing a housing crisis which over 2 million New Yorkers have a significant problem with their housing. More than one out of every three households is unable to find a decent and affordable place to call home.
- By the year 2000, New York State will have over 114,000 veterans older than 65, who will need access to housing with supportive services. The last step before long-term nursing care.
- Cuts made in the New York State budget for mental health services, continue to impact our region. The problem is exacerbated when combined with reductions in preventive homelessness programs and housing. Combine these factors with the lack of capital and private sector financial commitment to develop transitional housing, and you will find a formula that creates added stress on the community system.
- The Veteran Administrations' Homeless and Drug/Alcohol Program per-diem contracts have reduced the lengths of stay for veterans from 6 months to 2 months. Other programs provide only shelter and are available on a limited short term basis. The amount of time allotted to bring a veteran from homelessness to independent living is woefully deficient. A need exists to provide Step I and Step II approaches to transitional housing that would absorb the reduction in contract stay and lower the "revolving door syndrome".
- Emergency shelters provide an immediate need, but long and short term transitional housing provides the continuum of care needed to return a veteran to mainstream society by providing them transitional housing and linking them to relevant community resources.
- Cutbacks in support programs, and welfare reform, have immediate implications for housing across the country. These policy changes undermine the ability of the service provider to fully integrate the veteran into employment with an independent and supportive living environment.

In theory, H.R. 3039 could be an excellent conduit for developing and maximizing resources for innovative partnerships and new ventures which would increase housing and employment opportunities to underserved veterans. It certainly would be a cost effective alternative to housing hold over in-patients who cannot find affordable and accessible housing.

I see this bill not as a panacea to the challenge of providing this housing, but as a tool that could ensure that the needs of our homeless veterans continue to be served while providing the needed housing and case management services at significantly lower costs.

First and foremost this bill must be deployed to accommodate new veteran housing initiatives now and in the future.

Secondly, it must demonstrate that new strategic initiatives in veteran housing will better position the VA to increase sharing agreements with their local communities. We all know that currently the Department of Veteran Affairs is going through major strategic planning initiatives and cost-cutting reductions that are attempting to meet the needs of its veterans at reduced funding levels.

H.R. 3039 could be an excellent way to open doors into the lending community. It is my opinion that financial lending institutions could do more relative to their CRA mandate in assisting veterans or veteran service agencies. The NIMBY experience is not limited to just our local community and neighborhood associations. H.R. 3039 could impact on this barrier.

The authorization of this bill to provide guaranteed commercial loans for homeless housing and investing existing reserves in higher-yielding securities is a sound one, provided we do not slip to junk bond status. For this demonstration to be successful, we must be very careful about the potential risks of partnerships that do not exercise discipline and do not give real estate risk as much consideration as social policy.

A potential problem with the loan guarantee is that by itself, it may not be enough to create transitional housing for low income veterans. Assuming that the loan covers 100% of the development cost of a project, there is still the need to cover costs of operation, debt service and services.

The bill looks for local and state assistance at a time when resources are scarce and special interest competition in preferred regions extremely high. A proper balance in the financing component will be necessary to cover this overhead. It may be worth considering a set-aside of the proposed VA fund for use in operations. There is still some money, both federal and state, to build or rehabilitate housing, including tax credits. Operating money is the most difficult to obtain.

Perhaps the money available through extra earnings generated from higher yielding investments of the reserve fund could be increased, with some set aside for operating support to be matched by other federal, state or local funds which might well be used for new construction.

Also, instead of restricting the match of the VA guaranteed loan to state and local, we may want to consider allowing the VA per diem programs and other federal funds to be used as a match as well.

I remain behind the curve on some parts of this bill, and hope that today's testimony will flush out any cloudiness that exists.

Is this additional money or does this mean that monies will be pulled from other VA programs as part of a cost-reduction strategy?

Who and how does a CBO become one of those non-profit advisors? Do they get paid? Is there a possibility, as in the VERA/VISN scheme of things, that the VA will have the opportunity to create a non-profit entity that will pay themselves for their own advice? Can this entity steer the contract in a manner that creates no conflict of interest?

The bill points to relying on lenders for decisions. Who will advise them? What do they know about veterans? Does their decision making power include program operations?

Will priority be given to those developments whose parameters include utilization of under-used VA facilities and DOD real estate from military base closings? Development of transitional housing in the vicinity of VAMC's would prove valuable and cost effective. It would strengthen linkages between veterans currently in VA programs.

Will veterans who are eligible for this housing and who have never participated in the VA Health Care System have full and complete access and participate in eligibility screening at their local VA?

I believe that in time the VA will be 100% Medicare approved, thus increasing new income streams which could be utilized for operations and thus free up additional monies for new construction and/or rehabilitation of existing facilities for transitional housing.

Will the employment component be fully engaged with current and proposed DOL programs including Title IV-C, II, III, as well as Welfare Reform Employment Initiatives, CWT and local PIC employment and training programs? Will DOL be on board in terms of coordination?

Though questions have been raised, I believe that H.R. 3039 will go a long way in leveraging funds that will not only fulfill the basic needs for shelter, but also play a vital role in the re-integration of our veteran homeless population.

It will serve the commitment to maintaining the capacity of veterans special needs programs, provide better utilization of resources and foster closer working and therapeutic relationships within our respective communities.

The right service could be provided in the most appropriate setting without compromising the quality of care to those who served and sacrificed for their country.

**WNY Veterans Housing Coalition, Inc.**  
**FEDERAL GRANT AWARDS - TRANSITIONAL HOUSING**  
 1996-97

<u>Source</u>	<u>Revenue Recognized</u>	
	<u>June 30</u>	
	<u>1997</u>	<u>1996</u>
Veterans Administration HCMI	\$146,597	\$171,236
Veterans Administration Drug/Alcohol	72,890	70,853
Shelter Plus Care	38,535	38,866
Emergency Shelter Grant	1,654	---
Community Development Block Grant	12,600	---
Homeless Housing Assistance Program	25,000	16,667
Dept. of Social Services	15,284	29,746

The Veterans Administration awarded the Coalition a grant to provide community-based residential care and rehabilitative services for homeless veterans and other special needs individuals. The original contract period from 1990 was extended through September 30, 1998. The rate of reimbursement is \$45 per day for each resident.

The Veterans Administration also awarded a grant to fund community-based residential care and services to homeless veterans and other special-needs individuals with drug and alcohol addictions. The original contract began in 1993, but was extended through September 1998 and provides a reimbursement rate of \$45 per day per participant.

The Coalition entered into an agreement with The Buffalo Urban Renewal Agency to receive grant funds under the Shelter Plus Care grant program in the amount of \$641,640 from March 1, 1995 through February 28, 2000. This subsidy enables the Coalition to provide 28 units of assisted-housing with supportive services for homeless persons with disabilities at three of its housing projects and one related project managed by the Coalition.

The Buffalo Urban Renewal Agency also awarded an Emergency Shelter Grant to the Coalition for the provision of emergency and transitional housing for homeless individuals at their Howard Street apartments in the amount of \$15,000 from May 1997 through April 1998.

Grant funding was received for the rehabilitation of the Engine #16 Firehouse from the Buffalo Urban Renewal Agency in the amount of \$115,000 and requires the Coalition to provide nine units of accessible housing for tenants who are severely physically disabled.

The Homeless Housing Assistance Program awarded a grant in the annual amount of \$25,000 in 1995 and was renewed through October 1997. The funding provided assistance for salary and fringe benefits of the Case Manager position.

The Department of Social Services provided (1) an award in the amount of \$20,000 from July 1995-1996 providing funding to establish a Homeless Prevention Coordinator position and (2) an award in the amount of \$16,000 from December 1995-1996, and renewed effective February 1997-1998, to provide funding for an Intake Specialist position.

**CIRRICULUM VITAE**

**FRANK J. FALKOWSKI**  
 12667 Roll Road  
 Akron, NY 14001  
 (716) 542-1096

**SUMMARY:** 17 years experience in Program Administration, Project management, with a proven track record in grant development including housing and Small Business Development.

**EMPLOYMENT HISTORY**

- 11/89 to Present**      **WNY VETERANS HOUSING COALITION, INC. - BUFFALO, NY**  
**Chief Operating Officer/Director of Development**
- Responsible to the Board of Directors for preparing and monitoring projects during development and operational phases. Work with various funding sources to ensure compliance with procedures and reporting requirements. Supervise renovation plans for compliance with the general development passed by the Board of Directors.
- Work with accountants, financial institutions and project consultants in preparation of project budgets, AIA Request for Payments and Management Plans. Direct staff and residential care providers to ensure compliance with Federal Contracts for Transitional Housing Programs. Perform other appropriate tasks at the direction of the Corporation's Board of Directors.
- 5/88 to 10/89**      **BUFFALO AND ERIE COUNTY PRIVATE INDUSTRY COUNCIL - BUFFALO, NY**  
**Program Director**
- Manage and direct Federal JTPA Title IV-C Veterans Employment and Training Grant. Conducted orientations and workshops to unemployed, underemployed and dislocated veterans to improve their vocational skills. Coordinated public and private sector resources for employment of veterans after acquisition of marketable skills. Researched and prepared proposals for funding of programs to meet the needs of targeted client groups. Counseled and networked veterans and families to needed services.
- 7/87 to 2/88**      **PRESIDENTIAL CAMPAIGN - AL GORE FOR PRESIDENT - BUFFALO, NY**  
**Advisor/Veterans Affairs - Office Coordinator**
- Authored position papers on pending veterans legislation. Assisted Secret Service and National Campaign staff with scheduled site visits in Buffalo area. Assisted in recruitment of volunteers and responsible for administrative functions at local campaign headquarters.

Frank J. Falkowski  
Page 2

- 9/85 to 6/87      **RESEARCH FOUNDATION, STATE UNIVERSITY COLLEGE AT BUFFALO-BUFFALO, NY**  
Project Director
- Directed SUNY Contract with Buffalo and Erie County Private Industry Council for assessment and counseling of eligible veterans. Conferred with government officials, employers and civic leaders to disseminate information on veterans' employment problems. Assisted in formulation of policies to meet demonstrated needs. Coordinated outreach and promotional materials for program recruitment.
- 4/83 to 6/87      **VIETNAM VETERANS LEADERSHIP PROGRAM, INC. - BUFFALO, NY**  
Executive Director
- Coordinated veterans' programming with 33 VVLP National offices. Promoted from Assistant Director in September, 1985. Developed office services, including volunteer recruitment, grant budget preparation, records control, and organizational needs assessments. Researched, prepared and secured grant funds from State, Federal and Private Sector for veterans' programming. Directed and assisted the Board of Directors in disbursement of funds for veteran projects including the W.N.Y. Vietnam Veterans Waterfront Memorial and the VVLP Scholarship Fund. Conducted veterans' outreach in eight W.N.Y. counties including radio and television interviews.
- 9/84 to 6/87      **APPLIED RESEARCH AND DEVELOPMENT DEPARTMENT**  
**STATE UNIVERSITY COLLEGE AT BUFFALO - BUFFALO, NY**  
Research Associate
- Conducted research on veterans' advocacy issues with the University of Massachusetts at Boston. Developed program initiatives for veterans' housing, small business and employment and training. Collected and monitored local, State and Federal veterans' legislation. Compiled data for use by National and State Veteran organizations and Congressional Committees. Administered and monitored college exams for the Economics Department of SUNY at Buffalo. Consulted with local community groups and legislative staff members for Economic Development Projects and researched economic data for Community Based Organizations.
- 1/80 to 3/83      **CITY OF BUFFALO, DEPARTMENT OF HUMAN RESOURCES - BUFFALO, NY**  
Veterans' Counselor
- Assisted veterans and dependents in processing disability and educational claims. Coordinated services with other veteran and community-based organizations. Prepared bulletins and informational briefs on current veterans' activities and legislation. Initiated and participated in civic functions and mass communication programs.

Frank J. Falkowski  
Page 3

**EDUCATION:** STATE UNIVERSITY COLLEGE AT BUFFALO  
Business Management - Public Administration

CANISIUS COLLEGE  
Registered Apartment managers (RAM) Program

CANISIUS COLLEGE  
Professional Multi-Housing Management Certificate

**MILITARY SERVICE:** Honorable Discharge - U.S.A.F., 1968 to 1972  
Awarded the Distinguished Flying Cross and 4 Combat Air Medals,

**AFFILIATIONS & PUBLICATIONS:**

- Member: Erie County Legislature Veterans Committee.
- Member: Disabled American Veterans
- Member: Phi Beta Lambda Business Fraternity
- Member: American Management Association
- Member: Speaker of the House Congressional Conference on Vietnam Veterans, Washington, D.C.
- Co-Author: 'Impact Study on V.A. Budget Cuts'  
Commentary to the National Community Action Association.
- Co-Author: 'Statistical Survey on Health Symptomology of Veterans Exposed to Herbicide.'  
Presented to the N.Y. State Dioxin Commission, 1982.
- Testified: U.S. House of Representatives Committee on Small Business, Subcommittee on General Oversight and the Economy. 1986, 1987 and 1988.
- Testified: U.S. House of Representatives, Committee of Veterans Affairs, Subcommittee on Oversight & Investigation
- Testified: New York State Dioxin Commission, 1982.
- Testified: 2nd District Federal Court, Agent Orange Litigation, 1984.
- Advisor: ABC-TV News Close Up: "Vietnam Requiem", July, 1982. Documentary.

**CIVILIAN AWARDS:** Network Leadership Award, Dept. of Veterans Affairs VISN II Network  
Commendation, Veterans Administration Medical Center  
Disabled Veterans National Outreach Award  
Certificate of Merit, V.F.W. Dept. of New York  
Disabled American Veterans Certificate of Merit  
Buffalo Courier Express, Veteran of the Year  
New York State Conspicuous Service Cross  
Physicians Recognition Award, Veterans Administration  
Certificate of Appreciation, Rotary Club  
Certificate of Appreciation, Tonawanda Exchange Club  
Commendation, Vietnam Veterans of America

**STATEMENT**

**of**

**Linda Boone**  
*Executive Director*

**of the**

**National Coalition *for* Homeless Veterans**

**before the**

**Subcommittee on Benefits**

**of the**

**Committee on Veterans Affairs**  
**United States House of Representatives**

**The Honorable Jack Quinn**  
*Chairman*

**December 18, 1997**  
**Buffalo, New York**

Mr. Chairman, on behalf of the **National Coalition for Homeless Veterans (NCHV)**, I thank you for the opportunity to present our views here today. NCHV salutes your vision and leadership in joining with The Honorable Bob Stump, Chairman of the Committee on Veterans Affairs to introduce H.R. 3039, the proposed legislation entitled "*The Veterans Transitional Housing Opportunity Act of 1997.*" This legislation, when enacted, will expand the vitally needed supply of transitional housing for homeless veterans. Moreover, it will do so without reliance on appropriated funds by means of investing existing reserves of the National Life Insurance Trust Fund (NLSI) with virtually no increased risk to the fund.

The **National Coalition for Homeless Veterans (NCHV)** enthusiastically supports H.R.3039 as a creative and yet thoroughly prudent approach that will help meet the increasing needs for transitional housing for veterans. By "transitional housing" we mean housing that is safe, clean, sober and has responsible staff to ensure that it stays that way, and that supportive services are regularly provided as to be sufficient to help veterans fully recover as much independence and autonomy as possible.

In order for transitional housing for homeless veterans to be successful, NCHV believes that there must be five elements present in any community:

*First*, there must be one or more real estate assets that can be identified as being suitable and potentially available at a cost effective rate for this purpose; and,

*Two*, there must be available adequate clinical support from the Veterans' Administration medical system, (possibly augmented by other resources from the community); and,

*Three*, there must be access to entry level jobs and proper support to assist veterans to sustain such employment once a job is obtained; and,

*Four*, in a given community there must be:

- a) Local financial support sufficient to cover at least 10 to 20% of the total capital and starting operational costs; and,
- b) Adequate continuum of care funds for supportive services to assist in the recovery and rehabilitation of veteran residents; and,
- c) A strong community commitment to support an organization with a good record of performance and management in a unified effort to create transitional housing for veterans; and,

*Five*, there must be adequate, long term, permanent and affordable financing available.

Many communities have the first four of the key elements, but the crucial fifth element, affordable capital financing, is lacking. *"The Veterans Transitional Housing Opportunities Act of 1997"* would help provide such financing in some communities that have the first four elements, but currently lack access to the capital funds at an affordable rate necessary to create such viable, self-sustaining projects.

Mr. Chairman, the **National Coalition for Homeless Veterans (NCHV)** believes that the mechanism created by this act could create an additional 5,000 beds in long term transitional housing for homeless veterans in the next five years. This estimate of 5,000 beds is based on the experience of LAVETS in the renovation and construction of the type of transitional housing units that would be created by this proposed authority. The experience is that it should cost no more than approximately \$20,000 per bed. It is the belief of NCHV and of LA VETS that in some cases this cost could possibly be reduced a bit with more experience, at least in some areas of the country.

It is our belief that the *Western New York Veterans Housing Coalition* (a stalwart member of NCHV) would be able to utilize this newly created mechanism to even further expand

their fine work here in Buffalo, at possibly less cost per beds than has been the experience of LA VETS.

Mr. Chairman, while the **National Coalition for Homeless Veterans (NCHV)** is very committed to the creation of additional pools of capital that would enable some of our members to be able to create additionally needed transitional housing for homeless veterans, NCHV is equally committed to ensuring that adequate safeguards be taken in regard to the administration of such projects to ensure that they contribute to helping homeless veterans return to a productive role in American society.

The provisions of H.R. 3039 in regard to requiring that projects financed pursuant to this new authority require veteran residents to maintain sobriety as a condition of occupancy, charge a reasonable fee to occupants, provide supportive services and counseling (including job counseling), and requiring the veteran resident to obtain and keep employment (or engage in an education or training program designed to lead to meaningful employment) are all requirements that NCHV supports. NCHV believes that forcing veterans to pay rent and keep active helps those residents re-establish personal responsibility, pride, and self esteem necessary to successful recovery and reintegration into mainstream society.

NCHV does, however, support adding a provision that would allow each facility to grant a waiver on the requirement for employment in a limited number of cases for veterans who are permanently and totally disabled.

NCHV holds that the goal of transitional housing must not be just to create more units of housing, but rather to create more units of safe, clean, sober, supportive housing that promotes the recovery of self sufficiency and exercise of responsibility of each veteran who is currently homeless. The stringency of the rules must be matched by the positive environment and quality supportive/counseling services established. The difference here is not just one of semantics, but rather reflects a commitment to an approach that works.

Mr. Chairman, NCHV shares your commitment to respect our veterans enough to move beyond "warehousing" to help create additional projects where each veteran has the opportunity to re-establish his or her sense of self-worth and pride. Enactment of H.R. 3039 will be one more solid step in the direction of creating enough tools to assist veterans to overcome problems and realize their potential.

The National Coalition *for* Homeless Veterans (NCHV) is concerned that enough flexibility and responsiveness be built into the administration of the fund to be able to respond to the various circumstances that projects may occasionally experience. NCHV members have found HUD requirements to be too inflexible and restrictive to create the environment for good projects to be developed that foster the kind of supportive requirements.

There is a need for a significant number of new units of transitional housing for veterans, NCHV believes that the need is clear, apparent, and pressing in most areas of the country. There are 275,000 veterans who are homeless on any given night, with double that number during the course of a given year. NCHV members and others express the need for safe, clean, sober housing for veterans as being one of the most pressing needs in their efforts to assist veterans, if indeed not the most pressing need.

NCHV believes that the need for such housing is accelerating as a result of both the shift of the delivery of health care services by the Veterans Administration (VA) from inpatient based models to outpatient models of service delivery, as well as the system wide pressures on VA to "save money."

The outpatient delivery of neuro-psychiatric care, including substance abuse treatment, treatment for Post Traumatic Stress Disorder (PTSD), and other psychiatric services becomes a real problem for veterans who do not have safe, clean, sober housing. As an example, one VA Medical Center in a major city in the Eastern area of the United States

has discovered that the success rate in their homeless outreach program diminished from over 50% positive outcomes to 30% since the elimination of most of the inpatient programs for substance abuse and drastic curtailment of the inpatient psychiatric programs at that VA Medical Center.

NCHV has much anecdotal evidence to indicate that the diminishment or virtual elimination of adequate quality substance abuse treatment and other neuro-psychiatric treatment services is a significant problem in virtually every major city. In some cases the inpatient resources devoted to these purposes have not been shifted to delivery of similar services on an outpatient basis. In other cases the lack of safe, clean, sober housing for veterans while in outpatient treatment or participating in partial hospitalization programs destroys any effectiveness that the treatment might provide toward rehabilitation and recovery of the veterans affected, particularly veterans who are homeless.

Often the concentration of the local VA officials and others is on "transportation" of veterans to and from the VAMC to be able to receive outpatient treatment during the day. The problem is that if, as is all too often the case, there is no sober supportive housing at the other end of the transport, then the positive effects of the treatment during the day are reversed overnight. Some very creative solutions to the transportation dilemma are being achieved (i.e., Connecticut VAMC), and these are necessary and important, but the dilemma of how to create more veterans' transitional housing is still often the single most vexing problem facing many communities. Early passage and enactment of H.R. 3039, *The Veterans Transitional Housing Opportunity Act of 1997*, while not a panacea, will be of extraordinary assistance in meeting this problem in some areas. NCHV believes that it is important to note that this proposed new authority will not only meet the objective of creating more sober, safe housing, but is another tool to help ensure the viability of the delivery of vitally needed medical care to veterans.

In regard to the pressure on each VA Medical Center, and each *Veterans Integrated Service Network (VISN)* to save money and more carefully husband their resources, NCHV draws your attention to data collected and analyzed by Dr. Jeffrey Wilkins, M.D., the Medical Director of the Comprehensive Homeless Center at the West Los Angeles VA Medical Center. This data shows that over the course of one year the "Westside Residence Hall" project of LA VETS demonstrates \$14 Million to \$16 Million cost avoidance savings to the West Los Angeles VA Medical Center. This has been accomplished through decreased "in-patient stay days" to the medical center. These are dollars not being spent on hospital care for the year after leaving Westside.

Of the first 308 veterans in the study to leave Westside, 263 (85%) had been admitted to the hospital for an average stay of 111 days during the year prior to entering Westside, adding up to 29,000 patient days during that year. After leaving Westside, only 125 (41%) were admitted to the hospital, for an average length of stay of 29 days during the year. This adds up to 25,000 *fewer* patient days. NCHV would contend that the availability of capital funds (unique to that area of Los Angeles) was the key ingredient in achieving this success story, given that the other four ingredients for a successful project were present in this community. There are many other cities that have a concentration of homeless veterans and very low income veterans at risk of being homeless who are in vital need of transitional housing. Many of these cities will be able to achieve positive results similar to that in Los Angeles when capital financing at an affordable rate is leveraged by virtue of the authority created by *The Veterans Transitional Housing Opportunity Act of 1997* and where HUD continuum of care funds will provide supportive services for veterans in that community.

Once again, the *National Coalition for Coalition Veterans (NCHV)* is strongly in favor of early passage and enactment of H.R. 3039. NCHV thanks you for your leadership on this issue, as well as your strong leadership in general toward better meeting the vital needs of America's veterans.

I again thank you for the opportunity to present the views of the **National Coalition for Homeless Veterans (NCHV)** here today.

#### **CURRICULUM VITAE**

**Linda Boone**, Executive Director, National Coalition *for* Homeless Veterans took over the management of this national organization in April 1996. Although she is a native of Oregon, she came to DC after two years in Little Rock, Arkansas as executive director of a state wide association of nonprofits.

Linda's efforts for veterans issues started in 1969 as a volunteer in her local community. In 1990 she became aware of the growing crisis of homeless veterans and began her advocacy for these veterans. In September 1993 Linda completed a year as National President of the one-million member American Legion Auxiliary.

#### **FEDERAL GRANT OR CONTRACT DISCLOSURE**

The National Coalition for Homeless Veterans has not received in Federal funding in FY98 (Oct. 1, 1997- Sept. 30, 1998) to date.

The National Coalition for Homeless Veterans did not receive any Federal funding in FY97.

In FY96, NCHV received \$4, 999 from the Department of Veterans Affairs for a "*Stand Down 94 Survey*".

**VETERANS OF FOREIGN WARS OF THE UNITED STATES**

**STATEMENT OF  
PETER MAZZARELLA  
DEPARTMENT OF NEW YORK  
VETERANS OF FOREIGN WARS OF THE UNITED STATES**

**BEFORE THE**

**SUBCOMMITTEE ON BENEFITS  
COMMITTEE ON VETERANS AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES**

**WITH RESPECT TO  
H.R. 3039, THE VETERANS' TRANSITIONAL HOUSING  
OPPORTUNITIES ACT OF 1997**

**BUFFALO, NY**

**DECEMBER 18, 1997**

**MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:**

On behalf of the over 100,000 members of the VFW's Department of New York and, indeed, all of this nation's veterans, I thank you for inviting our participation in today's most important legislative hearing. The legislation under discussion today, H.R. 3039, introduced by Chairman Stump together with yourself and Representatives Evans and Filner, addresses an issue that both defies ready solution while posing a most serious ethical problem—homelessness among this nation's veterans.

It has been estimated that somewhere around one-third of our homeless population is comprised of veterans. Many of these individuals served in combat theaters. These are the men and women who bore great hardship and risked their very lives in defense of our freedom. There may be no doubt that the very rigor of their service and horrors that they witnessed pushed many of

them to the bottom of the economic ladder and into the plight of homelessness. They are often homeless as a direct consequence of their military experience. Even so this great nation has yet to answer the need of those who served her so valiantly.

As we all know, of course, the solution to this problem is far from easy. Along with other problems too numerous to go into here, the sheer cost associated with properly addressing the tragedy of homelessness is staggering. The fact that H.R. 3039 would provide essential multi-family transitional housing—by authorizing VA guaranteed loans to appropriate non-profit organizations—for homeless veterans without reliance on appropriated dollars is truly advantageous in light of VA's frugal funding levels. Transitional housing is essential toward allowing homeless individuals to bridge the emotional, educational and psychological chasm that separates the streets from civil society.

I would emphasize here, however, that while we generally support using alternative funding streams to bolster VA, these dollars must be used to enhance veterans programs and entitlements and not serve as a substitute for full appropriations support. It is the federal government that is responsible for fulfilling our national debt of gratitude to our former defenders in their time of need, not the private sector. The bill under discussion today is a strong and innovative step in addressing the tragedy of homeless veterans, but does not represent the sole course to be pursued in reaching a complete solution.

With respect to rehabilitation, the VFW applauds the language in H.R. 3039 requiring participating residents in the program to remain sober and

seek employment. It is only in this way that such individuals may recapture a sense of self-worth while rendering themselves economically viable. We also support this bill's provision that requires participating non-profit housing providers to work closely with VA as well as state and local authorities in this enterprise. It only makes sense to share knowledge and expertise while avoiding wasting precious resources on overlapping or duplicative services. In the end, homelessness is a national problem, a problem that may only be resolved by all elements of this great society working together as a whole.

Mr. Chairman, this concludes my statement. Once again I thank you on behalf of the men and women of the Veterans of Foreign Wars for today's hearing and your strong and proactive position in addressing this most difficult and compelling issue.



***Vietnam Veterans of America, Inc.***

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*A Not-For-Profit Veterans Service Organization Chartered by the United States Congress*

Statement of

**VIETNAM VETERANS OF AMERICA**

Presented by

**PAUL ANGRISANO**

Before the

**House Committee on Veterans' Affairs,  
Subcommittee on Benefits Field Hearing  
Buffalo, NY**

Regarding

**Hearing On H.R. 3039  
The Veterans Transitional Housing  
Opportunities Act of 1997**

**December 18, 1997**

## Introduction

Mr. Chairman and members of the Subcommittee, Vietnam Veterans of America (VVA) is pleased to present our views and recommendations on H.R.3039, The Veterans Transitional Housing Opportunities Act of 1997. On behalf of our more than 50,000 Vietnam war veterans, whom we represent, we are pleased to offer our strong support for this innovative and needed legislation. We congratulate subcommittee chairman Quinn for holding this important hearing in Buffalo. And we also wish to recognize and commend Chairman Bob Stump for his outstanding leadership as the original sponsor of The Veterans Transitional Housing Opportunities Act of 1997.

This authorization, when enacted into law will meet and unmet need to provide cost effective, fully repayable loans for qualified non-profit sponsors, such as Veteran Service Organizations (VSOs), in Buffalo or other Western New York communities, to obtain mortgage and construction financing to develop, renovate or lease housing with supportive services for homeless veterans. While VA already has a program to provide home loan guarantees for veterans it lacks the legal authority to help veterans who are homeless with housing needs. That gap would be closed by making it possible for VA to also guarantee such loans.

### **Strong Justification for More Housing and Supportive Services for Homeless Veterans**

Veterans, especially male veterans, make up the largest percentage of the homeless population in America today, yet receive less than 5% of the available McKinney Act funds directly through VA related service programs annually.

The Department of Housing and urban Development (HUD) administers more than \$1 billion for McKinney Act homeless appropriated funds each year. Admitting by its own computations that veterans approximate 30-50% of the entire homeless population in America, HUD approves less than three percent of its dollars for veterans specific homeless housing and services. We think that fair minded Americans will strongly agree that it is past time to assure that as a minimum a fair and proportional one third share should be made available to meet this need.

Recent surveys conducted by VA, and The International Union Gospel Missions and other organizations conclude that between 270,000 to as high as 300,000 men and women military service veterans are poor and homeless in any given day or night nationwide. Compounding matters, Social Security (SSI-Disability) payments for 135,000 substance abusers have been ordered. This has already contributed to an increase in homelessness, among veterans

The legislative proposal being considered by this subcommittee and the subject of today's hearing, when incorporated with other positive changes made by the inclusion of much stronger pro veteran requirements to the HUD/McKinney Act reauthorization bill, will help to assure a fair share of funding for homeless veterans programs and services.

#### **Local Western New York Need**

Mr. Chairman, in our part of the state of New York, including the 30th Congressional District, over 4 million veterans reside. In Erie County we have more than 103,000 men and women veterans in our population count. Of this total 63,286 veterans live in the 30th Congressional District. Based upon estimated need at least one third (20,000), are now or will end up on the streets without homes or jobs.

It is important to make the point that while VA spends over \$229 million per year for all veterans programs and services in Erie County, almost none of these VA expenditures are made available for any housing or services needed for veterans in the area who are homeless (\*\*).

The VA is not nor was it ever intended to be able meet the specialized needs of homelessness. And HUD as the lead agency also does not reach this need. It is essential to now make it possible for VA to meet their obligation to help veterans who find themselves homeless. And we believe that H.R. 3039 is modest and prudent step in giving VA some most needed authority to help on a national and local level.

#### **VVA letter to Chairman Stump**

Mr. Chairman I respectfully ask for permission to include a letter from VVA National President George C. Duggins to The Honorable Bob Stump, dated July 30, 1997 to be made part of my written statement. Our letter contains our formal endorsement and support for The Veterans Transitional Housing Opportunities Act of 1997. The letter reflects our views and belief that this approach is a very safe and budget neutral method to assure that the most appropriate and effective housing and supportive services will be tested by VA.

#### **Conclusion**

We are also pleased that sound protections are provided by this bill to assure that safety and availability for the Veterans life Insurance funds, when it is to be pledged as loan guarantees for the purpose of the Act.

We urge the Committee and the Congress to move favorably and expeditiously to

make this bill become law prior to the end of the second session of the 105th Congress.

Mr. Chairman VVA very much appreciates the opportunity to present our views in support of H.R. 3039, and I will be pleased to answer any questions you or the Committee may have

Enclosure

**\*\* 1996 National Center for Veterans Analysis and Statistics ,DVA Assistant Secretary for Policy and Planning**



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*A Not-For-Profit Veterans Service Organization Chartered by the United States Congress*

July 30, 1997

The Honorable Bob Stump  
 Chair  
 House Committee on Veterans' Affairs  
 335 Cannon House Office Building  
 Washington, D. C. 20515

COPY

Dear Chairman Stump:

Vietnam Veterans of America (VVA) has taken the opportunity to review your draft bill regarding loan guaranties for non-profit homeless veteran providers. We very much appreciate being given a briefing on the concept and an invitation to review this bill. This is a very important issue to our membership, as you know, and we commend you and the Committee staff for developing a very creative idea for addressing the problem of homelessness among veterans.

I know that you share VVA's belief that the disproportionate representation of veterans among the homeless population (approximately one-third) is truly a national tragedy. And it is equally shameful that so few of the federal tax dollars spent each year on homelessness are directed toward programs which specifically target the needs of veterans. As such, we appreciate your support and cosponsorship of H.R. 1754, Rep. Metcalf's bill to specify that 20 percent of McKinney Act homeless funds are directed toward veteran-specific programs.

Recognizing the challenges the veterans community faces in receiving a fair share of the HUD-administered homeless program funds, VVA supports your effort to put additional tools into the hands of non-profit homeless veteran providers to get additional funding resources from private lenders. The VA loan guaranty program this bill contemplates will not only give these organizations an opportunity to access direct funds through the loans, but may help them to leverage these monies to get additional private, state and community resources.

Thousands of military veterans are experiencing severe problems including PTSD, substance abuse, or serious mental illnesses; in extreme circumstances these factors can contribute significantly to their descent into homelessness. Targeted programs to assist these special needs among homeless veterans, especially transitional housing using the continuum-of-care model, have proven very effective in transitioning these individuals back

Chairman Bob Stump  
July 30, 1997  
Page 2

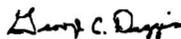
into mainstream society and reducing recidivism. If these unique needs -- often the underlying cause(s) of veterans' homelessness -- are not adequately addressed, VVA believes scarce homeless program dollars and more importantly human potential may be wasted because many of these veterans will circulate in and out of various homeless services, never really recovering.

VVA firmly believes that the Veterans Transitional Housing Opportunities Act of 1997 has significant potential to make more services available to a larger number of homeless veterans. And one of the very appealing aspects of this bill is the "recyclable" nature of the guaranty funds; as borrowers pay off their loans, VA will be able to reinvest these funds into additional loan guaranties to other homeless veteran providers. As VVA recommended to your staff at the July 21 meeting, we would urge the Committee to add some provisions to encourage lenders to make prudent loans, thereby reducing the possibility of default. Two possible methods of accomplishing this goal are: 1) limit the loan guaranty to a percentage slightly less than 100 percent; or 2) require some kind of cash equity contributions from the borrower.

VVA does have concerns with the funding offset proposed in the draft bill. VVA agrees that VA should have the authority to invest the current veterans life insurance funds more aggressively. This is really a "good government" concept. But we are concerned that using these increased earnings to fund this program may be perceived as robbing-Peter-to-pay-Paul. It has the potential to complicate the perception and overall success of this program. Having raised these reservations about the funding mechanism in this bill, VVA does support the loan guaranty concept and pledges to work with you and the Committee to assure enactment.

VVA strongly believes this is one of the foremost issues facing the veterans community at this time, and it is closely tied in -- as the Committee's oversight efforts have noted -- to the ongoing evolution of VA medical care to primarily outpatient modalities and reduced access to inpatient substance abuse and PTSD treatments. VVA appreciates the Committee's attention to this very important and timely issue and we look forward to working with you on this and other measures to address homelessness among veterans.

Sincerely,



George C. Duggins  
National President

GCD:krw



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### VIETNAM VETERANS OF AMERICA, INC.

Funding Statement

February 27, 1997

Feb. 18, 1997

The national organization Vietnam Veterans of America, Inc. (VVA) is a non-profit veterans membership organization registered as a 501(c)(19) with the Internal Revenue Service. VVA is also appropriately registered with the Secretary of the Senate and the Clerk of the House of Representatives in compliance with the Lobbying Disclosure Act of 1995.

VVA is not currently in receipt of any federal grant or contract, other than the routine allocation of office space and associated resources in VA Regional Offices for outreach and direct services through its Veterans Benefits Program (Service Representatives). This is also true of the previous two fiscal years.

**For Further Information, Contact:**

Director of Government Relations  
Vietnam Veterans of America, Inc.  
(202) 628-2700, extension 127

**Vietnam Veterans of America, Inc.**  
*National Task Force On Homeless Veterans*

1995  
Proposed Convention Resolution  
HV-2-95

**A "Fair Share" of Funding For Homeless Veterans Programs and Services**

**Issue:**

Veterans, especially single male veterans, make up the largest single percentage of the homeless population in America today, yet receive less than 5% of the available McKinney Act Funds directly through VA related services or programs. Homeless veterans must be given a "Fair Share" of the full spectrum of homeless veterans programs and services presently available and being funded in the United States.

**Background:**

The Department of Housing and Urban Development (HUD) administers the funds set aside by the McKinney Act. Admitting by its own computations that veterans approximate 30 - 50% of the entire homeless population in America, HUD would have us believe that it is in fact reaching this population by providing a general, overall relief effort to the homeless in America. This could not be further from the truth. By its own admission, HUD is presently distributing those funds in such a "fragmented" manner as to be practically ineffective. With the "special needs" status of other populations in America receiving specifically allocated funding, veterans are once again having to fight a war on the home front to obtain rights and benefits that should rightfully be theirs.

The US Department of Labor (DOL) "hopes" that local boards having control over the allocated

funding will have veteran representation on them when legislation consolidating HUD's Homeless Programs passes, and further states that it "urges" cooperation among federal agencies serving homeless veterans in creating "continuum of care" programs. The special written agreements between the VA and DOL outlining the collaboration with the Homeless Veterans Reintegration Program (HVRP) and the grantee's responsibility to meet the FY 1994 plan has no teeth in it. There is little or no clarity as to who has what responsibility. DOL may provide guidelines, but they may not necessarily meet VA's rules or regulations. It is a classic "too many cooks in the kitchen" environment, and veterans starve while they figure out who is going to feed, house, provide medical care, and retrain them.

The Interagency Council On The Homeless acknowledges that veterans are an "important segment" of the homeless population and that their needs must be addressed by programs "specifically targeted to veterans", and by the general range of services available in the community. But again, veterans' special needs are being totally ignored, and are lumped together under an umbrella of institutionalized social programs that veterans by nature avoid. Providing only non-specific services is like providing no services at all.

This resolution reaffirms Resolution E-6-83 and V-4-83

**Position:**

Vietnam Veterans of America, Inc. at National Convention in Houston, Texas, August 15-19, 1995 supports legislation that would incorporate a "Fair Share" dollar approach for the funding of programs and services that specifically target homeless veterans. With HUD, the major agency for dealing with the homeless, failing to recognize the unique causes of homelessness among veterans, HUD has failed to employ

this "Fair Share" concept in allocating its funds. Neither do most state and municipal governments.

Part of the "Fair Share" concept should include the creation of veterans offices in major federal agencies similar to the Department of Labor's Office of Veterans Employment and Training, to suggest policy and coordinate services. In addition, veterans advisory committees consisting of the VSOs should be initiated for all agencies serving the homeless, beginning with the VA and HUD.

**FRIENDS OF CAZENOVIA MANOR, INC.****AGENCY DESCRIPTION**

**Friends of Cazenovia Manor, Inc.** is a not-for profit corporation certified by the Office of Alcoholism and Substance Abuse Services to operate chemical dependency community residences in Erie County. The agency currently has 115 beds supported by approximately 40 staff working at 5 separate sites. All programs employ qualified health professionals, are disabilities accessible and offer programming for individuals 18 years of age or older. Random breathalyzer and drug screening is conducted at all programs with follow-up verification provided by an outside laboratory contracted by the agency. The agency has involved itself in the developing and maintaining of **Comprehensive Partnership Treatment Systems (CPTS)** agreements which allow our clients barrier-free access to other area providers and significantly enhance the overall quality of care.

The agency operates three levels of community residential services; a Recovery Care Home, two Halfway Houses and eighteen Supportive Living residences. Each level is viewed as part of a continuum of care which is tiered according to degree of intensity and structure. The Recovery Care Home is the highest or most intensive level of care, followed by the Halfway Houses and Supportive Living Program respectively. While the optimal course of a client's treatment would be a progressive transition from a higher to lower level of care, our program's comprehensive continuum is such that a transfer from a lower to higher level can occur with minimal disruption at any time based on client need. The agency views this concept of barrier-free transitions as not only therapeutically sound, but in both the short and long term highly cost effective and efficient.

**PROGRAM DESCRIPTIONS**

**Turning Point House**, the Recovery Care Home, is the highest level of care in the agency. Located on six acres of wooded property in Eden, N.Y., the program is recognized for its intense, highly structured regimen of treatment. As such, it lends itself to that population which has consistently demonstrated a need for services not available in traditional settings. All programming, habilitative as well as rehabilitative, is conducted on premise and includes a wide range of specialized therapy and skill development groups. Its vocational program offers a complete range of services and is provided in partnership with the Erie County Medical Center's **Vocational Rehabilitation and Recovery Program**. An onsite workshop compliments this multifaceted program which also provides tutoring for GED preparation for those individuals lacking a high school degree. The length of stay at Turning Point House varies based on individual need, but can be

expected to be between six and nine months. Referrals and transportation are provided for medical, dental and other needed services.

Cazenovia Manor and New Beginnings, the Halfway Houses, are 18 and 16 bed residences located on Buffalo's South and West Side respectively. Both sites provide ambulatory detoxification beds and differ from the traditional Halfway House model by the highly structured nature of their programs. While the average length of stay is four months, it can vary significantly according to clinical need. Co-case management is emphasized between the Halfway House programs and outpatient clinics, in that all residents are required to participate in continuing care counseling.

Both programs provide individualized tracts of treatment responsive to referral source recommendations (e.g. Employee Assistance Programs, Probation Departments) and include diversified educational and skill development groups not provided in traditional Halfway House settings. All residents are expected to pursue educational, vocational and/or employment goals as part of their preparation to return to the community as productive employed members. In addition, volunteering at local service agencies is strongly encouraged as a way of giving something back for the opportunities one is receiving.

The Supportive Living Program comprises eighteen, 3 and 4 bedroom apartments for men and women located conveniently around Cazenovia Manor and New Beginnings. The program is targeted primarily towards those individuals who while actively pursuing educational, vocational and/or employment goals, still require a significant degree of structure as part of an overall relapse prevention strategy. All residents are required to participate in continuing care counseling, either in-house or on an outpatient basis. Length of stay varies depending on individual need, but averages approximately eight months. The Supportive Living Program is viewed as the final transition phase for those individuals who have attained a readiness for independent living. Presently, the program is operating out of a three story former convent, owned by the agency and centrally located on Buffalo's East Side. Although the building was initially intended to be a Halfway House (prior to the 1995 moratorium), it offers substantial therapeutic potential as a Recovery Care Home for a population in need of ongoing services and supervision.

The agency's Administrative Offices are located in Downtown Buffalo, affording efficient access for all required to conduct business there.

## ASPECTS OF CARE

Admission to one of Friends of Cazenovia Manor, Inc.'s programs is gained through completion of a comprehensive admission process that includes a referral from a recognized provider of chemical dependency or associated services. In most instances the applicant participates in a face to face interview, although exceptions can be made where logistics are prohibitive. In such cases, telephone interviews can be an appropriate alternative. Following the completion of the interview and the compilation of required documentation (e.g. consents, biopsychosocial history, medical clearance), the case is reviewed by members of the Assessment Team and a decision is made regarding appropriateness for admission. Based on the findings of the assessment process and utilizing criteria from the American Society of Addiction Medicine, Patient Placement Criteria-2 (ASAM PPC-2), the approved applicant is matched with the appropriate level of care (e.g. Recovery Care Home, Halfway House, Supportive Living Program). Although there is a formal waiting list for each of the programs, priority cases will be given the foremost consideration for immediate placement depending on bed availability.

When a person is admitted to an agency program, he is first assigned a house counselor whose immediate task is to facilitate the individual's adjustment to the program, and to identify and respond to all priority treatment needs. Immediate counseling tasks include the administration of the Addiction Severity Index (ASI), mutual development of the Initial Treatment Plan, the scheduling or confirmation of an initial outpatient assessment (Halfway Houses), immediate referral to the vocational program, the reviewing of the particular program's rules and guidelines, and the immediate attending to of any medical issues. All residents are placed in a restrictive Entry Phase, the length of which varies depending upon the particular program and the resident's progress. The purpose of the phase is to assist the new resident in focusing on his treatment needs, while minimizing the potential distractions of outside issues.

The three different levels of care in the agency are structured in such a way as to facilitate the resident's adjustment, ongoing participation, and eventual termination from a particular program. In order to provide an objective means to gauge a resident's progress, each program has its own set of progressive phases which the resident must advance through in order to complete the program. Each phase has its own set of tasks, expectations and requirements, all of which are designed to empower the resident as he moves towards self responsibility. All phase advancements are reviewed with the resident by staff in case conferences, where input is sought and feedback offered for purposes of updating the treatment plan. This is done in full consultation with the co-case managers, who include outpatient, vocational and all other concerned parties (e.g. EAP, Probation). Together with the program specific phases, the agency employs the ASAM PPC-2 criteria as part of its ongoing assessment of the resident's place and progress in a particular level

of care. This not only allows for more informed decisions, but promotes enhanced communication among providers resulting from the use of a common language.

In addition to the emphasis on educational, vocational and/or employment goals previously mentioned, the agency prides itself in providing the most comprehensive treatment possible within each level of care. A resident at Turning Point House can expect to complete multiple ongoing Educational groups, Assertiveness training, basic and advanced Rational Emotive Behavioral Therapy (REBT) groups, comprehensive Adult Daily Living (ADL) skills group, substance specific Relapse Prevention groups and where appropriate, Post Traumatic Stress Disorder group, in addition to core individual and group therapy. As part of the unique structure of the Halfway Houses, residents are required to complete a 16 week Chemical Dependency Education series, a 12 week ADL group, a 12 week Cocaine Relapse Prevention group, a 6 week Discharge group, and an ongoing REBT group, as well as their individual and house group sessions. As previously mentioned, these residents also attend outpatient counseling and are expected to attend Self Help (AA/NA) on a daily basis. Supportive Living provides staff monitored house meetings weekly, as well as ongoing multiple level group therapy depending upon the individual resident's needs. Residents of the Supportive Living Program may also be involved in outpatient counseling. All residents in the agency's programs receive a minimum of 3 hours HIV/AIDS Prevention education and 3 hours of Domestic Violence Prevention education during their first 90 days of residency. The agency views this model of comprehensive treatment as ethically responsible, therapeutically justified and in the long term, the most cost effective and efficient.

Another unique aspect of the agency is the level of mutual therapeutic cooperation between the resident's house counselor and the respective outpatient counselor. Beginning with the exchange of the initial treatment plan, ongoing communication throughout the course of treatment is the rule rather than the exception. Mutual responsibilities are delineated in the CPTS agreements between participating agencies. The effects of this have been improved case management, elimination of duplication of services and an overall raising of the quality of care provided.

In conclusion, while the above narrative touched upon a number of different components of Friends of Cazenovia Manor, Inc., it is important to note that this is but a thumbnail sketch of the agency as a whole. The agency is highly committed to those it employs and places high emphasis on their personal growth and development. Friends of Cazenovia Manor, Inc. is also an active member of the chemical dependency treatment community and is committed to improve the quality of care we provide through the mutual sharing of ideas and experiences.



**S**  
**ERVING**  
**WITH**  
**PRIDE**

Statement of

Martin Bugaj  
AMVETS First Vice Commander  
Dept of New York

Before the  
House Veterans Affairs Subcommittee



Veterans Transitional Housing Act  
H.R. 3039

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**A M V E T S**

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Thursday, December 18, 1997

Mr. Chairman and members of the House Veterans Affairs Subcommittee on Benefits. AMVETS thanks you for giving us the opportunity to testify today. AMVETS has not received any Federal grants or contracts during the fiscal year 1997 or in the previous two fiscal years in the relationship to the subjects presented today.

We appreciate the opportunity to share our views on the Veterans Transitional Housing Opportunities Act of 1997. AMVETS applauds this innovative idea to help our homeless veterans. While we support the idea and approve of the demonstration project, we caution that the program must be monitored closely. We would like to see clear goals and objectives set, so that the program can be properly assessed and adjustments made at the end of the demonstration. To have adequate goals set, we must first understand some characteristics of homeless veterans.

About a third of the adult homeless population has served their country in the armed services. On any given day, as many as 250,000 veterans are living on the streets or in shelters, and perhaps twice as many experience homelessness over the course of a year. According to VA, although veterans who served in combat do not appear to face any higher risk of homelessness than those without combat experience, the number of homeless Vietnam veterans today is greater than the number of U.S. soldiers who died during the Vietnam war. The number of Desert Storm veterans is also increasing. Almost all homeless veterans are male (about 2% are female), and the vast majority are single. Homeless veterans tend to be older and more educated than homeless non-veterans. Only about 10% suffer from post traumatic stress disorder (PTSD). Roughly 40% are African-American or Hispanic.

As you may know, when this idea was first brought up for discussion, AMVETS opposed the funding mechanism of the bill. Since then, changes have been made to make us more confident of the project. We were a little apprehensive of the 100% guarantee of the loans by Department of Veterans Affairs. Now, the bill states that VA will only guarantee 90% of the loan. We believe this amount will help dissuade organizations from trying to take advantage of the program for their own profit.

Another of our concerns with the original idea was that VA is not in the multi-housing business. VA has no experience in making loans on multi-family transitional housing projects and we were worried this program would be compromised. The current bill directs VA to obtain advice from a nonprofit corporation with experience in underwriting loans for transitional housing projects in administering the program.

We are also supportive of the fact that the Secretary of the Treasury will be the decision maker on how the National Service Life Insurance Fund is invested. We believe if the World War II and Korean veterans were properly informed on the facts of this bill, they should not have any problem with the funding mechanism. It has been our experience that veterans helping veterans go a long way with these older veterans. We see ourselves as stakeholders in this demonstration project. We would like to be kept apprised of its progress or any possible problems that may surface.

In summary, AMVETS supports H.R. 3039, the Veterans Transitional Housing Opportunities Act of 1997 demonstration project under the following conditions:

- Set clear goals and objectives for this program.
- Keep the VSOs apprised of any progress or problems.
- After the three-year demonstration, the project should be evaluated and a clear decision made on whether this is a viable program or not. We don't want to see it take on a life of its own and go on for 10 years with no decisions or evaluations.

If done right, this program can be a win/win situation for everyone. I think it is very interesting that when writing this report I ran a spellcheck. Homelessness kept coming up and the computer suggested the word hopelessness as a replacement. This is very telling. We need to provide opportunities to our homeless so they don't remain hopeless. We believe this program is a huge step in the right direction.

Thank you for the opportunity to express our views on this bill. If you have any questions, I will be glad to answer them for you.

**BIOGRAPHY OF  
MARTIN BUGAJ**

Martin Bugaj joined AMVETS on April 1, 1991. He became Post Commander of the Buddy Kwaus Post in 1996. As commander he was responsible for the administration and coordination of all post activities.

Bugaj progressed through the post and department of New York ranks and currently is the department of New York First Vice Commander in charge of membership.

Originally Martin is from Buffalo, New York where he still resides with his wife Denise and his two children, Steven and Laura. He is a graduate of the school for the Performing Arts in Buffalo, New York. His first job after graduation was with the United States Marine Corp.

During his tour of duty with the Marines, he served at Guantanamo Bay , Cuba as a non-commissioned officer. After serving in the military Martin has been employed as a Sales Representative for Rosas appliance stores in the Buffalo area.

STATEMENT OF JOHN B. BAMPSON, CHAIRMAN  
REHABILITATION COMMISSION  
THE AMERICAN LEGION DEPARTMENT OF NEW YORK  
BEFORE THE COMMITTEE ON VETERANS' AFFAIRS  
SUBCOMMITTEE ON BENEFITS  
UNITED STATES HOUSE OF REPRESENTATIVES  
FIELD HEARING IN BUFFALO, NEW YORK  
ON  
THE VETERANS' TRANSITIONAL HOUSING ACT OF 1997

DECEMBER 18, 1997

Chairman Quinn and distinguished members of the Subcommittee: The American Legion Department of New York appreciates the opportunity to share its views on H. R. 3039, The Veterans' Transitional Housing Opportunities Act of 1997. This bill seeks to amend Chapter 37 of Title 38, United States Code, for the purpose of increasing transitional housing for homeless veterans. If enacted, the bill would authorize private sector development of transitional housing for homeless veterans by offering Department of Veterans Affairs (VA) loan guarantees for projects designed to be financially self-supporting.

The American Legion understands that there various reasons why so many former members of this country's armed forces are now homeless. The American Legion also understands that many veterans, for various reasons, find it difficult, if not impossible, to break the bonds of homelessness. That is why delegates to The American Legion's seventy-ninth National Convention in Orlando, Florida passed Resolution No. 213, Support for Homeless Shelter Funding, on September 3, 1997. This resolution closely mirrors the provisions of H. R. 3039 and supports this bill.

The American Legion firmly believes one of the major contributing factors why veterans become homeless, and all too often remain homeless, is because of the lack of affordable housing. In February 1992, The American Legion Magazine presented an in-depth article on the reasons for homelessness among veterans. The article stated, "The lack of low-cost housing, particularly in cities, is a factor. In Los Angeles, for instance, half of downtown's single room occupancy units were demolished in urban renewal campaigns between 1970 and 1985." Compounding this problem is the lack of adequate employment for homeless veterans with little or no education and job skills.

In addition, two other major reasons for homelessness among veterans are mental illness and/or substance abuse. According to the same article, "Deinstitutionalization of psychiatric wards is another primary factor.

Starting in the 1980s and continuing to today, state mental hospitals, pressured by both civil libertarians and budget cutters, have emptied their beds. In 1955, those hospitals had 552,000 patients; today's number is 119,000. Unfortunately, many now reside on the streets."

When that article first appeared, the VA estimated that over 40 percent of all homeless veterans suffered from chronic mental illness and that over 50 percent had problems with substance abuse. Although no concrete medical data existed at the time, VA had reason to believe a large percentage of the homeless veterans with a psychiatric diagnosis were also addicted to alcohol and/or drugs.

Recently, The American Legion contacted VA's Northeast Program Evaluation Center (NPEC) to update the February 1992 estimate. The NPEC is responsible for tracking the effectiveness of VA programs in that regional area of the country, to include the Buffalo Metropolitan Area. According to the director of that office, those figures are still valid.

While some homeless veterans actively seek VA's assistance and enroll in VA's inpatient recovery care program to overcome their problems, most veterans who have received care suffer a relapse and remain homeless. The American Legion believes one of the major reasons for the high rate of relapse is the lack of veteran-specific programs offering both a safe, residential environment and the appropriate supportive services to allow them to continue therapy on an outpatient basis once their inpatient care is complete. Continued outpatient care is critical, because it provides homeless veterans incentive to maintain sobriety; complete necessary job training and counseling to find suitable employment.

A study recently conducted by NPEC in its region, found that 90 percent of the homeless veterans admitted for psychiatric and/or substance abuse problems successfully complete inpatient treatment. Of those veterans, the study found that:

- 13.6% were discharged to their own house, apartment or room
- 31% went to live with family or friends
- 35.6% went to live in some type of institution (homeless shelter, halfway house, transitional setting, etc.)
- 10.8% had no place to go and remained homeless
- 9% no information available

According to these figures, it is entirely possible that as many as 20 percent of the veterans in the study are still homeless. According to the director of the NPEC, "That is totally unacceptable." The American Legion Department

of New York fully concurs. Mr. Chairman, The American Legion fully supports The Veterans' Transitional Housing Act of 1997. While this innovative pilot program will not bring about an end to homelessness among veterans, it is certainly a step in the right direction.

Some of the positive features of the proposed program would require a continuum of care which requires residents to remain abstinent of alcohol and drugs. In addition, residents will be required to take responsibility for themselves by obtaining and holding employment and paying for a portion of their care. The American Legion believes this is a necessary and appropriate approach. The American Legion Department of Pennsylvania runs three homeless veterans transition homes for homeless veterans based on these same principles and is currently in the process of acquiring a fourth.

The American Legion Department of Pennsylvania and the Veterans Affairs Medical Center (VAMC) Homeless Veterans Coordinator in the local area enters into a Memorandum of Understanding (MOU). Under the guidelines of the MOU, the VAMC refers veterans to the transition homes and is responsible for outpatient medical care, alcohol and substance abuse counseling, as well as employment counseling and job training and placement. If veterans violate the rules of the program, they are asked to leave. The program has a proven track record of decreasing the homeless veterans population in Pennsylvania and ensuring these veterans become productive taxpaying members of society. Since the programs inception in 1987, 87 percent of the veterans who have participated are no longer homeless. Mr. Chairman, that is taking care of homeless veterans!

The American Legion Department of New York believes H.R. 3039 is necessary, because until 1994, VA policy advocated the fencing of funds for specialized outreach programs. VA policy no longer advocates "set asides" for these programs. In fact, many VA staff for specialized outreach care are in the process of being reassigned to primary care and other areas, which can significantly degrade the vehicle for getting homeless veterans help. This is especially true in VISN 2 which includes the greater Buffalo Metropolitan Area. According to VA's 1997 Annual Report, Health Care for Homeless Veterans Programs, data shows that in VISN 2, the number of new homeless veterans evaluated dropped by 5.9 percent and the number of staff in specialized homeless programs dropped 7 percent. In VISN 4, which includes Pennsylvania, there was a 19 percent increase in veterans treated and no decline in staff. The American Legion has reason believe the downward trend in VISN 2 will continue and anxiously awaits next years data.

The American Legion Department of New York would therefore encourage the Subcommittee to consider amending Section 3772(b)(1)(B) of the bill to

actually mandate the providing of supportive services and counseling services by the local VAMC's, Vets Centers and the Veterans Employment and Training Service. Most homeless veterans will not go to the local VAMC to receive help. Outreach has proven to be a very effective way to help these individuals on the road to recovery.

In addition, the Subcommittee should consider expanding the bill or inserting language which would make this program available for homeless veterans with a spouse and/or dependents. Some homeless veterans have a spouse and/or dependents that are also homeless. The American Legion Department of Pennsylvania recognizes that many homeless veterans have a spouse and/or dependents and recently acquired one of their transitional homes specifically targeting this population. In many instances, these veterans and their families are homeless because of corporate downsizing and only need temporary assistance until they can secure decent employment and a new residence.

Lastly, The American Legion Department of New York would recommend adding more specific language which addresses the financial well being of the monies to be used from the National Service Life Insurance trust fund. The American Legion believes these funds should be invested in bonds rated no less than "investment grade" by Standard and Poor's, Moody's Investors Service and Fitch's Investment Service. Interest received from this new investment plan should be placed in a separate interest-bearing trust fund after the amount equal to the rate of return from investments in the U.S. Government Securities has been returned to the National Service Life Insurance trust fund. Only revenue over and above that generated by investments in U.S. Government securities should be used to guarantee loans by non-profit groups seeking to borrow funds to open and operate shelters and that these funds be actually invested for at least twelve months to generate the necessary funds for guarantees prior to any money being loaned to support this program.

In conclusion, Mr. Chairman, The American Legion salutes you and the Subcommittee for your ongoing concern for America's veterans, particularly homeless veterans. Again, thank you for offering the opportunity to share The American Legion's views on H. R. 3039, The Veterans' Transitional Housing Opportunities Act of 1997. The American Legion Department of New York fully supports this important legislation.



**Non Commissioned Officers Association of the United States of America**

225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

**STATEMENT OF**

**CSM GARY L. FLAHERTY, USA (Ret)  
NCOA New York State Legislative Coordinator**

**BEFORE THE  
FIELD HEARING  
OF THE**

**SUBCOMMITTEE ON BENEFITS  
COMMITTEE ON VETERANS AFFAIRS  
U.S. HOUSE OF REPRESENTATIVES**

**IN BUFFALO, NY**

**REGARDING**

**H.R. 3039  
THE VETERANS' TRANSITIONAL HOUSING  
OPPORTUNITIES ACT OF 1997**

**DECEMBER 18, 1997**



**Non Commissioned Officers Association of the United States of America**

225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

**DISCLOSURE OF FEDERAL GRANTS OR  
CONTRACTS**

**The Non Commissioned Officers Association of the USA (NCOA) does not currently receive, nor has the Association ever received, any federal money for grants or contracts. All of the Association's activities and services are accomplished completely free of any federal funding.**

**Good morning Mr. Chairman. The Non Commissioned Officers Association of the USA (NCOA) appreciates the opportunity to appear and present testimony at today's hearing. The Association thanks the Distinguished Chairman for your invitation and salutes you for holding this field hearing on an important issue. NCOA is also grateful to Chairman Stump, Representatives Lane Evans and Bob Filner, and you, Mr. Quinn, for the initiative that is the subject of this hearing.**

**At a time when the attention of most people is devoted to their shopping lists, it is noteworthy and commendable Mr. Chairman that you have chosen this time of year to focus the Subcommittee on the plight of the Nation's homeless veterans. The Association trusts that our testimony will be helpful to you and the other distinguished members of the Subcommittee in your deliberations and actions to help these deserving Americans and patriots.**

**H.R. 3039, The Veterans Transitional Housing Opportunities Act of 1997, is a good piece of legislation that merits expedient consideration and passage. But, H.R. 3039 is more than a good piece of legislation – it is a “responsible” bill that requires accountability from both the borrower and the homeless veteran participant. In that aspect, Mr. Chairman, H.R. 3039 encompasses a great deal of common sense. Unlike too many other government programs that throw federal appropriations at a problem without affixing responsibility and accountability, H.R. 3039 does none of this. The legislation clearly involves a private sector risk that will not be undertaken unless the opportunity for success outweighs the risk. NCOA is also pleased with, and strongly endorses, the personal responsibility and accountability required from the homeless veterans who will participate in the program. These are strong features of the bill, Mr. Chairman, which must be maintained and enforced.**

**It is no secret Mr. Chairman that NCOA did not endorse the original draft version of this measure. In the beginning, the Association had strong reservations about the potential liability and harm that could accrue to the National Service Life Insurance Fund, and thereby the predominately World War II and Korea War era veterans**

that hold these policies. As a matter of long-standing principle, the Association does not believe that any veteran program should be used as a resource to fund other veteran programs.

As a result of a continuous dialogue with you and the Committee staff since the initial discussion draft of the bill was circulated, NCOA is now satisfied that H.R. 3039 as introduced minimizes the potential harm to the National Service Life Insurance Fund. In its current form, H.R. 3039 removes the basis of our earlier objection and, to the maximum extent possible, the Association believes the NSLI fund and policy holders are protected. For accommodating NCOA concerns in this area, the Association is indeed grateful.

The Association also believes that the parameters of the program have been appropriately defined. In many respects, The Veterans Transitional Housing Opportunities Act of 1997 is a demonstration project that must prove itself. By limiting loans to not more than five during the first three years, an opportunity for program oversight and accountability has been assured. In this regard, NCOA believes the annual audits are therefore crucial, particularly so during the first three years.

As NCOA understands the legislation, the goal of H.R. 3039 is not to provide a moneymaking avenue for private sector entities, although that opportunity exists and it must be attractive enough to induce risk-takers, if the program is to succeed. Rather, the aim of this legislation is to help homeless veterans with the goal of facilitating their return to productive citizenship. Mr. Chairman, NCOA fervently requests that we demand that result and not lose sight of that objective. The other details of the required annual audits notwithstanding, the bottom line must be the program's success or failure in helping homeless veterans assume and maintain personal, independent responsibility for their lives. If evidence is not persuasive during the first three years that this result is being achieved, NCOA asks that a serious evaluation be undertaken before further expansion is authorized.

**Although private sector involvement will be substantial, The Veterans Transitional Housing Opportunities Act of 1997 is really a program of veterans helping veterans. Even though the risk has been minimized, the money of one group of veterans will be used as a guarantee to hopefully help other less fortunate veterans. As a military and veteran organization that counts many NSLI policyholders among its membership, NCOA requests that the Subcommittee be vigilant in fulfilling its oversight responsibilities to ensure that the goal of the program is achieved.**

**In closing, NCOA again thanks the Distinguished Chairman for holding this hearing and providing the Association the opportunity to express our views on H.R. 3039. NCOA supports the legislation and urges the Subcommittee to favorably report the bill to the House Committee on Veterans Affairs.**

**Thank you.**



# NCOA<sup>®</sup>

## **Non Commissioned Officers Association of the United States of America**

225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

**Command Sergeant Major Gary L. Flaherty, U.S. Army (Retired)**  
**NCOA New York State Legislative Coordinator**  
**And**  
**Chairman/President,**  
**New York State Council of Veterans Organizations**

As NCOA's New York State Legislative Coordinator, CSM Flaherty is responsible for the New York State legislative activities of a 160,000 member Congressionally Chartered military association and veteran service organization. He monitors the activities of that legislative body and seeks legislation that pertains to the goals and priorities of the Association's membership. CSM Flaherty corresponds and interacts with members and staff of the New York State Legislature to support or initiate legislation. He also serves as the Chairman/President of the New York State Council of Veterans Organizations that is comprised of twenty-eight military and veteran service organizations within the State of New York. For his service, CSM Flaherty received NCOA's coveted Eagle Award for legislative achievement.

CSM Flaherty began his Army career in 1961 and in the ensuing 23 years he held numerous positions of responsibility and authority, worldwide, including tours in Germany, Vietnam, Korea and throughout the United States. He served as Commandant of the Eighth U.S. Army Non Commissioned Officer Academy responsible for training U.S. and Korean soldiers. CSM Flaherty also served as the Command Sergeant Major of the Northeastern Regional Recruiting Command that entailed responsibility for thirteen eastern U.S. states and Europe. During his military service, CSM Flaherty was named as an Outstanding Young Man of America, cited as Citizen of the Year, and won the Veterans of Foreign War's Outstanding Soldier of the Year. He retired from the U.S. Army in 1984 as the Post Command Sergeant Major, Fort Meyer, Virginia.

CSM Flaherty's achievements following military service are equally impressive and include: President/CEO, MEDEX International; President/CEO, Hospital Recruiting, Inc.; and Executive Recruiter, RITTA Professional Search. He holds a Bachelor of Arts Degree (with honors) from Columbia University.

Among numerous military decorations and awards, CSM Flaherty is the recipient of the Soldier's Medal for heroic service in the Republic of Vietnam, the Legion of Merit, Bronze Star Medal, Meritorious Service Medal (2 awards), Army Commendation Medal (6 awards), and the Army Achievement Medal (2 awards).

Statement of Peter H. Dougherty  
U.S. Department of Veterans Affairs  
Before  
U.S. House of Representatives  
Committee on Veterans' Affairs  
December 18, 1997

Mr. Chairman, members of the Subcommittee on Benefits.

My name is Peter H. Dougherty and it is my pleasure to speak to you about the U.S. Department of Veterans Affairs' national efforts to assist homeless veterans. As this subcommittee attempts to improve the supply of transitional housing for veterans that have been homeless, you can be assured that our department will work diligently with you to improve this critical aspect in the rehabilitative process. It is both a personal and professional pleasure to appear before you since I served for four years as a member of this committee's professional staff and know first hand the commitment of the Members of Congress and staff of the committee to serving our nation's veterans.

You requested our comments on H.R. 3039, the "Veterans Transitional Housing Opportunities Act of 1997." Due to the complex nature of this proposal and the relatively short amount of time we have had to review it, we are unable to provide you with comments and costs at this time. VA is carefully reviewing this bill and hopes to provide the Committee with our comments and cost estimate when the Second Session of 105th Congress convenes in January.

VA has over 100 specialized programs assisting eligible homeless veterans. Those programs which operate across the country are largely limited to those veterans with diagnosed mental health disorders, including substance abuse problems. VA's specialized programs include the Health Care for Homeless Veterans (HCHV) and the Domiciliary Care for Homeless Veterans (DCHV) through which we treat up to 40,000 veterans annually. In addition, VA offers a full range of medical,

opportunity to experience and accept the responsibility of employment as part of the patients' VA treatment program.

CWT works with more than 13,000 veterans each year and during our last reporting year those veterans earned more than \$25 million. This real job experience is critical to helping these veterans return to work since most have long periods of unemployment or have poor work histories since leaving military service. A job, in many cases, is what gives that formerly homeless veteran the drive to continue to maintain his or her health and sobriety and to fully reintegrate into society.

Our Department is always willing to work with you Mr. Chairman and other members of this committee and your staff on ways to improve housing and other opportunities to improve the lives of veterans.

My colleagues and I are prepared to answer your questions.

**U.S. Department of Labor**

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Veterans' Employment and Training  
Hartman State Office Building Campus  
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**TESTIMONY OF  
JAMES H. HARTMAN  
STATE DIRECTOR, NEW YORK  
VETERANS' EMPLOYMENT AND TRAINING/USDOL  
BEFORE THE  
SUBCOMMITTEE ON BENEFITS  
HOUSE VETERANS AFFAIRS COMMITTEE**

**DECEMBER 18, 1997**

**MR. CHAIRMAN,**

**THANK YOU FOR THIS SPECIAL OPPORTUNITY TO ADDRESS YOU AND YOUR DISTINGUISHED COLLEAGUES REGARDING THE VETERANS TRANSITIONAL HOUSING OPPORTUNITIES ACT OF 1997. I BRING YOU WARM REGARDS FROM BOTH OUR SECRETARY OF LABOR, ALEXIS HERMAN, AND OUR RECENTLY CONFIRMED ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING, ESPIRIDON "AL" BORREGO.**

- **RECENTLY THE VETERANS' EMPLOYMENT AND TRAINING SERVICE SPONSORED A NEW YORK STATE SUMMIT ON SERVICES TO VIETNAM VETERANS**
- **THE PURPOSE OF THE SUMMIT WAS TO ASCERTAIN WHY THERE HAS BEEN SUCH A SIGNIFICANT INCREASE (14%) IN THE NUMBER OF VIETNAM VETERANS REGISTERING FOR SERVICES WITH THE DEPARTMENT OF LABOR JOB SERVICE OFFICES AND THE U.S. DEPARTMENT OF VETERANS AFFAIRS VET-CENTERS OVER THE LAST THREE YEARS.**

- THE ISSUES WERE DISCUSSED IN WORK SHOPS BROKEN DOWN INTO FOUR CATCHMENT AREAS:

1. EMPLOYMENT
2. HOMELESSNESS
3. INCARCERATION (PAROLE)
4. MEDICAL/MENTAL HEALTH

- OUR COMPLETE SUMMIT FINDINGS ARE STILL IN THE PREPARATION STAGE, BUT THERE WERE TWO ISSUES IDENTIFIED THAT TRANSCENDED ALL OTHERS:

1. COMBAT VETERANS APPEAR TO HAVE MORE DIFFICULTY THAN THE GENERAL VETERANS POPULATION IN THE READJUSTMENT PROCESS.
2. THE READJUSTMENT PROCESS FOR COMBAT VETERANS APPEARS TO BE ON-GOING, CONTINUING LONG INTO THEIR RETURN TO CIVILIAN LIFE.

- CONCERNING THE SUMMIT FINDINGS REGARDING OUR HOMELESS VETERANS POPULATION:

- ONCE AGAIN COMBAT VETERANS FACE HOMELESSNESS AT A GREATER RATE THEN NON-COMBAT VETERANS. AS EVIDENCE OF THIS, A HOMELESS VETERANS STANDOWN WAS HELD IN ALBANY JUST PRIOR TO THE SUMMIT AND WE FOUND THAT OVER 50% OF THE HOMELESS VETERANS THAT ATTENDED WERE VIETNAM COMBAT THEATER VETERANS. CONSIDERING THE FACT THAT NON-COMBAT VETERANS OUTNUMBER COMBAT VETERANS IN THIS STATE ALMOST 3 TO 1, THIS IS A VERY DISTURBING FINDING.

- THE SUMMIT PARTICIPANTS ALSO ADDRESSED THE ISSUES REGARDING HOUSING FOR OUR HOMELESS VETERANS. THEIR MAJOR FINDINGS WERE:

1. THERE IS AN OVERALL LACK OF COOPERATION AMONG LOCAL, COUNTY AND CITY OFFICIALS IN ACQUIRING SITES FOR HOUSING.
2. RESIDENTIAL COMMUNITIES BALK AT HAVING TRANSITIONAL HOUSING IN THEIR NEIGHBORHOODS.
3. PROGRAMS FUNDED THROUGH GRANT MONIES ARE SUBJECT TO FUNDING CYCLES THAT ARE OFTEN NOT TIMELY IN THEIR APPROPRIATION PROCESS RESULTING IN AN ON AGAIN/OFF AGAIN DELIVERY SYSTEM.

- AS EVIDENCE OF THE DEPARTMENT OF LABOR'S CONCERN FOR HOMELESS VETERANS, THE DEPARTMENT THIS MONTH AWARDED 12 BRIDGE GRANTS TO ENTITIES ASSISTING HOMELESS VETERANS, TO SEE THESE GROUPS THROUGH THE NEXT COMPETITIVE GRANT CYCLE. THE GRANTS TOTALED OVER \$343,000. A GRANT OF \$33,000 WENT TO THE SALVATION ARMY IN NYC.
- AS FURTHER EVIDENCE OF THE DEPARTMENT'S CONCERN, THE DEPARTMENT WAS SUCCESSFUL IN OBTAINING CONGRESSIONAL RE-AUTHORIZATION FOR THE HOMELESS VETERANS REINTEGRATION PROJECT IN THE AMOUNT OF \$3,000,000.
- AMONG SEVERAL RECOMMENDATIONS MADE BY THE SUMMIT PARTICIPANTS WAS THE NEED FOR MORE PRIVATE SECTOR INVOLVEMENT BOTH FINANCIALLY AND THROUGH GENERAL SUPPORT FROM EMPLOYER GROUPS.
- HOWEVER, ANOTHER KEY FINDING FROM OUR SUMMIT WAS THAT MANY AGENCIES AND ORGANIZATIONS PROVIDING SERVICES TO VETERANS NEED TO IMPROVE COMMUNICATION, COOPERATION AND COORDINATION. WE BELIEVE THAT PROVIDING ADEQUATE HOUSING FOR OUR HOMELESS VETERANS IS WITHOUT QUESTION THE FIRST STEP THAT NEEDS TO BE TAKEN. BUT THE PROCESS CAN NOT END THERE - WE MUST INSURE THAT RELATIONSHIPS ARE ESTABLISHED AND MAINTAINED BETWEEN THOSE PROVIDING HOUSING AND THOSE WHO PROVIDE MEDICAL CARE, COUNSELING, EMPLOYMENT, TRANSPORTATION, BANKING, ETC. WE IN THE VETERANS' EMPLOYMENT AND TRAINING SERVICE ARE PREPARED TO PLAY A MAJOR ROLE IN THIS PROCESS AND REMAIN AVAILABLE TO THIS COMMITTEE TO PROVIDE WHATEVER ASSISTANCE IS NECESSARY TO HELP OUR HOMELESS VETERANS BECOME ONCE AGAIN PRODUCTIVE MEMBERS OF OUR SOCIETY.

THAT CONCLUDES MY TESTIMONY MR. CHAIRMAN. I REMAIN AVAILABLE TO YOU TO ANSWER ANY QUESTIONS YOU MAY HAVE.



**Alcohol and Drug Dependency Services, Inc.** Previously delivering services as Alcoholism Services of Erie County, Inc.

December 15, 1997

Congressman Jack Quinn, Chairman  
Subcommittee on Benefits  
US House of Representatives  
335 Cannon House Office Building  
Washington, DC 20515

RE: *Testimony - H.R. 3039*

Dear Congressman Quinn:

My name is Richard Gallagher, Executive Director of Alcohol and Drug Dependency Services, Inc. an agency that operates 7 treatment programs for alcohol and substance abusers.

I support the passage of H.R. 3039 The Veterans Transitional Housing Opportunities Act of 1997. H.R. 3039 will provide homeless veterans the opportunity to be engaged in treatment for their addictions.

Alcohol and Drug Dependency Services, Inc. has served a homeless population for the past 20 years including providing services to homeless veterans. Overall 31% of the veterans we treated in 1996 and 1997 were homeless and 63% of the homeless veterans were under the age of 45.

From a practical standpoint this bill would make it easier to secure loans to operate programs that provide transitional housing and services for homeless veterans. For example, sites may be identified by providers but attempting to secure loans can be extremely frustrating because the lenders many times are hesitant to loan monies particularly to non-profit agencies.

Offering VA loan guarantees will help immensely to increase the number of veterans served and to assist them in their recovery.

I appreciate the opportunity of providing this testimony and your commitment to veterans.

Sincerely,

*Richard J. Gallagher*  
Richard J. Gallagher  
Executive Director

An Equal Opportunity/Affirmative Action Employer

RJG/gaw

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FAMILY ADDICTIONS OUTPATIENT SERVICES  
210 Franklin Street  
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IVY HOUSE  
2025 Broadway  
Buffalo, NY 14212  
(716) 892-7401

CASA DI VITA  
200 Albany Street  
Buffalo, NY 14213  
(716) 882-8898

TESTIMONY OF  
CHARLES WILLIAMS  
COLONEL, U.S. ARMY (RET.)  
EXECUTIVE DIRECTOR  
MARYLAND HOMELESS VETERANS, INC.

BEFORE THE  
UNITED STATES HOUSE OF REPRESENTATIVES  
COMMITTEE ON VETERANS' AFFAIRS

DECEMBER 18, 1997

■ ■ ■ ■ ■ ■ ■ ■

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS COLONEL CHARLES WILLIAMS, U.S. ARMY (RETIRED). I AM CURRENTLY EMPLOYED AS THE EXECUTIVE DIRECTOR OF MARYLAND HOMELESS VETERANS, INC. IT GIVES ME GREAT PLEASURE TO PROVIDE WRITTEN TESTIMONY TO THE COMMITTEE ON AN ISSUE THAT IS OF PARAMOUNT IMPORTANCE TO THE MEN AND WOMEN WHO HAVE SERVED OUR COUNTRY.

MARYLAND HOMELESS VETERANS, INC. HAS BEEN IN OPERATION FOR THREE YEARS AND IS A PRIVATE, 501 (C)(3) ORGANIZATION DEDICATED TO PROVIDING HOMELESS VETERANS AND OTHER VETERANS IN NEED, WITH A COMPREHENSIVE PROGRAM TO ASSIST THEM IN BECOMING VIABLE, PRODUCTIVE AND TAX-PAYING CITIZENS OF THEIR RESPECTIVE COMMUNITIES. MARYLAND HOMELESS VETERANS OPERATES A MILITARILY STRUCTURED PROGRAM WHERE HOMELESS VETERANS RECEIVE AN ARRAY OF SUPPORTIVE SERVICES WHICH INCLUDE BUT ARE NOT LIMITED TO:

- \*\*DAY DROP-IN FACILITY
- \*\*EMERGENCY HOUSING
- \*\*TRANSITIONAL HOUSING
- \*\*SINGLE ROOM OCCUPANCY APARTMENTS (S.R.O.)

THE AFOREMENTIONED APPROACHES TO ASSISTING HOMELESS VETERANS IS A "CONTINUUM OF CARE" EMPLOYED BY MY AGENCY TO

RECLAIM LIVES THAT HAVE BEEN DAMAGED BY ADDICTION TO ALCOHOL AND NARCOTIC SUBSTANCES.

MARYLAND HOMELESS VETERANS ALSO SERVES AS AN ADVOCATE, PROMOTING THE INTERESTS OF OVER 1,100 HOMELESS VETERANS IN THE CITY OF BALTIMORE AND OVER 3,600 HOMELESS VETERANS IN THE STATE OF MARYLAND. IT IS ESTIMATED THAT AS MANY AS ONE-THIRD (1/3) OF ALL HOMELESS MEN AND WOMEN ARE VETERANS--AS MANY AS 250,000 VETERANS ARE HOMELESS ON THE NATIONAL LEVEL. AS AN ADVOCATE, WE SPEAK OUT FOR THE INTERESTS OF HOMELESS VETERANS BEFORE THE STATE LEGISLATURE AND AT THE LOCAL LEVEL. WE ALSO PARTICIPATE IN COALITIONS WITH OTHER HOMELESS SERVICE ORGANIZATIONS IN AN EFFORT TO INCREASE PUBLIC AND GOVERNMENT AWARENESS AND SUPPORT TO MEET THE NEEDS OF THE HOMELESS POPULATION WHICH WE SERVE.

MARYLAND HOMELESS VETERANS FULLY SUPPORT THE VETERANS TRANSITIONAL HOUSING OPPORTUNITIES ACT OF 1997: HR. 3039. THIS BILL WILL PROVIDE A "HAND-UP" TO A SEGMENT OF AMERICA WHO HAS GIVEN A FULL MEASURE OF THEIR BODIES AND SOUL TO THE CALL OF THEIR COUNTRY. THIS BILL IS TIMELY AND DESERVES YOUR SUPPORT FOR THE FOLLOWING REASONS.

FIRST, HOMELESSNESS AMONG VETERANS USUALLY RESULTS FROM EXPERIENCES YOUNG MEN ARE NOT QUITE READY TO DEAL WITH. WE TRAIN OUR YOUNG MEN ON WEAPONS OF MASS DESTRUCTION AND SEND THEM TO DEFEND THE IDEALS OF OUR COUNTRY BEFORE THEY ARE OLD ENOUGH TO VOTE OR BUY ALCOHOL. AS A RESULT OF THESE EXPERIENCES, SOME BECOME FRACTURED. WE HAVE HAD YOUNG MEN IN OUR PROGRAM WHO WERE SNIPERS IN VIETNAM, WHOSE JOB IT WAS TO COLLECT BODIES AND BODY PARTS ON THE BATTLE FIELD, WHO HAVE STOOD BY AND WATCHED THEIR BUDDIES GET BLOWN UP, AND WHO HAVE PARTICIPATED IN FURIOUS FIRE FIGHTS. THUS, THESE YOUNG MEN

HAVE SIGNIFICANT ISSUES THAT MOST PEOPLE DO NOT UNDERSTAND.  
H.R. 3039 WOULD AID IMMEASURABLY IN THE PROCESS OF RECLAIMING  
 THE LIVES OF THESE YOUNG MEN.

SECOND, AUTHORIZING VA TO GUARANTEE LOANS FOR MULTIFAMILY TRANSITIONAL HOUSING FOR HOMELESS VETERANS WOULD INCREASE THE AVAILABILITY OF HOUSING FOR A NEEDY POPULATION. HOWEVER, A SYSTEM SHOULD BE DEVELOPED WHEREBY FUNDS CAN BE MORE EASILY ACCESSED RATHER THAN WAITING FOR APPROPRIATED DOLLARS.

THIRD, THE REQUIREMENT FOR BORROWERS TO WORK WITH AND OBTAIN ASSISTANCE FROM VA HEALTH CARE FACILITIES AND STATE AND LOCAL AUTHORITIES SHOULD ADD PROGRAMS AND STRUCTURE TO THE PROCESS. THIS TIE-IN WOULD MAKE COUNSELORS, MANAGERS, AND OTHER ASSISTANCE AVAILABLE WHICH IS SO NECESSARY IN DEALING WITH THIS POPULATION. MARYLAND HOMELESS VETERANS HAS TAKEN FULL ADVANTAGE OF THE SERVICES ALREADY AVAILABLE AT THE VA HEALTH CARE FACILITIES, STATE AND LOCAL GOVERNMENTS. THESE PARTNERSHIPS HAVE MADE AN UNLIMITED NUMBER OF SERVICES AVAILABLE TO OUR RESIDENTS WITHOUT ADDITIONAL RESOURCES.

FOURTH, THE REQUIREMENT FOR RESIDENTS TO SEEK AND OBTAIN EMPLOYMENT AND MAINTAIN SOBRIETY WILL ENSURE THAT THE PROGRAM WILL BE A "HAND-UP" PROGRAM AND NOT A "HAND-OUT" PROGRAM. HERE, PARTNERSHIPS WITH FEDERAL AND LOCAL AGENCIES CAN TAKE ADVANTAGE OF ESTABLISHED JOB FINDING PROGRAMS. THIS IS ONE OF THE STRONG POINTS OF MARYLAND HOMELESS VETERANS

PROGRAM. MHV HAS A FULL TIME STATE HIRED EMPLOYEE ON SITE FOR JOB FINDING PURPOSES. SOBRIETY IS A MUST IF THE PROGRAM IS TO BE SUCCESSFUL. THERE SHOULD BE A SYSTEM FOR CHECKING THE SOBRIETY ISSUE WITH ZERO TOLERANCE AS THE BAROMETER.

IN CLOSING , I WOULD LIKE TO THANK YOU FOR THE OPPORTUNITY TO SHARE OUR VIEWS WITH THE SUB COMMITTEE ON VETERANS BENEFITS. HOMELESS VETERANS ARE LIKELY TO FACE GREATER CHALLENGES IN THE YEARS AHEAD AS SCARCE RESOURCES STRAIN AN ALREADY OVERBURDENED HOUSING SYSTEMS. I URGE YOU TO FAVORABLY CONSIDER THIS BILL AS IT WILL MAKE MORE HOUSING AVAILABLE TO THIS DESERVING POPULATION. TOO, I MUST ALSO EMPHASIZE THE NEED FOR STRUCTURE AND PROGRAMS AND THE ABILITY TO POLICE THE SYSTEM.

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