



**TESTIMONY OF PHILIP F. MANGANO
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BEFORE THE HOUSE VA/HUD/INDEPENDENT AGENCIES
APPROPRIATIONS SUBCOMMITTEE**

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Mr. Chairman, Mr. Mollohan, Members of the Committee. I am pleased to be here this afternoon to discuss with you the work of the United States Interagency Council on Homelessness and our budget request for FY 2005.

This is the first time that I have been called to testify on behalf of the Interagency Council on Homelessness since the Council was revitalized in 2002 in accordance with the FY 2001 VA/HUD Appropriations bill. That Act extended the Council's then-expired authorization to October 1, 2005. The Council represents the collaborative efforts of 20 member agencies. In the two years since its revitalization, the Council, its Senior Policy Group, and Council staff have begun to develop and implement a federal strategy on homelessness that is research-driven and performance-based.

For FY 2005, the President's budget requests \$1.5 million for the Council, the same level as was appropriated for the Council in FY 2003 and FY 2004.

Funds will be used for staff salaries and benefits, travel, rental of space, communications, and other administrative needs.

With the additions of the White House Office of Faith-Based and Community Initiatives and the USA Freedom Corps as affiliate members, there are now 20 Cabinet Secretaries and Agency directors who are members of the Council. The Council has held four meetings since its revitalization in 2002 with a fifth meeting scheduled April 1, 2004. In March 2003 HHS Secretary Thompson became the first non-HUD Secretary to serve as Chair of the Council since passage of the McKinney Act in 1987. At the Council's April 2004 meeting, VA Secretary Principi and Labor Secretary Chao will begin one-year terms as Chair and Vice Chair respectively. The rotation of these leadership positions reflects the reality that homelessness has many causes and that the solutions to homelessness cannot be fashioned by any one agency but require collaboration by all.

The Council is establishing a new standard of expectation for the investment of federal homeless resources. That expectation is that our new initiatives will result in visible, measurable, and quantifiable change in our communities, on our streets, and in the lives of homeless people. Billions of dollars have been spent on homeless programs since the enactment of the McKinney Act in 1987. Research tells us that there are now more than 40,000 homeless programs around the country. Yet despite all this investment of resources over the last twenty years, there have been and continue to be thousands of people experiencing chronic homelessness living on the streets and in encampments in our communities and long term in our shelters. To get a different result, our investments must be guided by a management agenda that prioritizes results.

The "verb" of homelessness needs to be changed. For 20 years, we have been "managing" the problem; now this Administration is working to end the disgrace of chronic homelessness. To achieve different results, the Council staff and its member agencies are implementing the President's Management Agenda, which calls for investments and policies to be research and data driven and performance-based.

The President's FY 2005 proposed Samaritan Initiative is part of the Administration's larger effort to end chronic homelessness – a goal that is directly driven by research that shows this is a problem that can be solved. Chronic homelessness is the most visible

form of homelessness in our country, and is most often a result of disabilities. This form of homelessness, often finding its expression on the streets of our communities, is cited by the public, the media, community leaders, neighborhood groups, Chambers of Commerce, downtown business districts, and others as demanding a response. Seemingly intractable, chronic homelessness has been addressed by communities across the nation that have attempted ad hoc responses with little evidence of long term success.

Over the last few years a body of research has been developed that tells us that those experiencing chronic homelessness are a finite group representing only 10% of the homeless population. They, however, consume over 50% of all emergency homeless services and ricochet around the acute side of very expensive health care systems. As a result, they are some of the most expensive people in social service systems.

Most importantly, the research tells us that there are interventions that are not only effective in ending the homelessness of individuals who have been living long term on the streets and in shelters but which can be cost effective. Research shows that supportive housing strategies, such as multidisciplinary, clinically-based engagement with housing and appropriate supportive services, help to sustain tenancies. These models of housing, along with other models, can be effective in moving chronically homeless persons off the streets and out of shelters into sustainable tenancies and toward recovery and self-sufficiency. Outcomes of different models of supportive housing efforts in New York City, Columbus, Ohio and San Francisco, demonstrate a strong success rate of housing stability and retention for those most vulnerable and long-term shelter and street inhabitants.

The research shows chronically homeless persons not only spend significant periods of time living on the streets and in other public spaces, they also cycle repeatedly through a variety of expensive community care systems including shelters and correctional and emergency health care facilities. One study of nearly 5,000 homeless persons with severe mental disorders in New York City found that they had used an **average** of over \$34,000 a year in publicly funded hospitalization and correctional services.

Learning from - and acting on - what the research shows has given us a policy direction. That policy direction is embodied in the Samaritan Initiative which would provide authority for the Departments of Housing and Urban Development, Health and Human Services, and Veterans Affairs to jointly fund community-based efforts to coordinate the provision of housing with supportive services, including health care, mental health, and substance abuse treatment services to move chronically homeless persons from the streets and out of shelters into permanent housing with the supportive services available to sustain those tenancies. The President's budget requests \$70 million in new resources for this competitive grants initiative - \$50 million from HUD, \$10 million from HHS, and \$10 million through the VA Medical Care account. VA involvement ensures that chronically homeless veterans can be identified, engaged, and referred to the appropriate VA services.

THE COST OF CHRONIC HOMELESSNESS TO COMMUNITIES

City and County of San Diego statistics show that there are approximately 180-250 chronic inebriates living on the streets of San Diego. Police and paramedics routinely respond to calls to deal with these individuals who year after year cycle between the streets, jails and local hospitals. In 1998, the UCSD Medical Center decided to track for one year the number of visits made to its emergency room by 15 chronic inebriates. In that one year, these 15 street inebriates were transported by ambulance to UCSD's emergency room 299 times at a cost of \$967,000 to the public health system.

According to City and County of San Diego officials, adding the cost of police response to the ambulance and hospitalization expenses brings the total cost to the public to nearly \$3 million.

The Samaritan Initiative is a performance-based program intended to result in a visible and quantifiable reduction in the number of chronically homeless persons living on the streets and long term in shelters. Grantees would be expected to quantify the reduction in the number of chronically homeless persons.

In addition to the Samaritan Initiative, which is an intervention strategy in the lives of those who are experiencing chronic homelessness that works to end homelessness through innovative engagement and housing strategies, the Council has also focused on prevention of homelessness. To accomplish the Administration's objective to end chronic homelessness in the next decade, the Council has reprioritized prevention in the national strategy. Waiting for at-risk populations to fall into homelessness only creates more homeless specific programs, increases costs, and deepens the human tragedy.

The Council seeks to coordinate a more comprehensive strategy that includes intervention and prevention. To that end, the Administration continues its investment in mainstream prevention resources in the FY 05 budget including resources targeted to emerging populations that could fall into homelessness, including funding targeted to prevention and better outcomes for ex-prisoners, and young adults aging out of foster care. Deeper investments in mental health services and substance abuse treatment capacity will also have a preventative impact.

The Council has also worked to ensure that prevention is made tangible through improved discharge planning strategies and protocols at the federal, state and local levels. These strategies are evident in the state interagency councils and community 10-Year Plans fostered by the Council.

In fashioning a national response to preventing and ending chronic homelessness, the Council is establishing partnerships between federal agencies, state houses, city halls and county executive offices, downtown associations, Chambers of Commerce, faith-based and community organizations, the United Way, providers and advocates, and homeless people themselves. The Council recognizes that homelessness is a national problem with local solutions. No one federal agency, no one level of government and no one sector of the community can reach the goal alone. Federal agency collaborations and partnerships with state and local governments and the private and faith-based and community sectors are key to achieving the objectives of preventing and ending chronic homelessness.

Since its revitalization, the Council has established a broad range of intergovernmental partnerships to focus resources, incubate innovative solutions, and share best practices.

- *\$35 million Collaborative Initiative on Chronic Homelessness.* At the inaugural meeting of the revitalized Council in July 2002, the Secretaries of HUD, HHS, and VA announced an historic \$35 million joint funding initiative to address chronic homelessness. Funded through existing resources provided by each of the agencies and utilizing a single application and an interagency team for the review process, this successful and unprecedented federal interagency collaboration on homelessness resulted in 11 awards in communities across the

country for new efforts to end chronic homelessness through supportive housing. This Collaborative Initiative demonstrated both the feasibility of the multi-agency approach, and with over 100 applications received from communities around the country, the need and interest that exist in communities for such assistance.

- *Federal Regional Interagency Councils.* With direct support from HUD, the Council has appointed Regional Coordinators in the federal regions. These Regional Coordinators have been instrumental in convening the regional representatives of the various federal agencies as Federal Regional Interagency Councils to mirror the work of the federal partners in Washington to make resources more available and accessible to homeless people.

To date, there are Federal Regional Interagency Councils in 9 regions.

- *State Interagency Councils on Homelessness.* As a former Governor, HHS Secretary and current ICH Chair Tommy Thompson has helped lead the Council's efforts to encourage every state and territory to establish a State Interagency Council on Homelessness to examine and better coordinate the use of state resources and federal block grant funding to states to prevent and end homelessness. A series of Policy Academies sponsored by HHS, HUD, VA and DOL with other Council members, provided direct technical assistance to every state in examining mainstream resources and their applicability to ending chronic homelessness. 47 states have taken advantage of this opportunity, and by the end of April 2004, four additional States and territories will have received this assistance.

STATE INTERAGENCY COUNCILS ON HOMELESSNESS

New Hampshire Interagency Council on Homelessness

On May 2, 2003, the Interagency Council Executive Director met with New Hampshire Governor Craig Benson at the State House in Concord to discuss the establishment of a New Hampshire Interagency Council on Homelessness. The Governor agreed to review the idea and through discussions over the summer between the U.S. Interagency Council Regional Coordinator and the Governor's staff, agreement was reached on the establishment of the Council, its responsibilities, and its membership. New Hampshire sent a team in 2002 to the HHS-HUD-VA-DOL Policy Academy for technical assistance in developing a state plan to end chronic homelessness. Governor Benson appointed the Policy Academy team, comprised of state officials and advocates, to the membership of the New Hampshire Interagency Council on Homelessness.

On November 24, 2003, Governor Benson and Executive Director Mangano held a joint press conference in Manchester to announce the Governor's appointment of the New Hampshire State Interagency Council on Homelessness. On January 2, 2004, the New Hampshire Interagency Council convened its first meeting, at which Governor Benson expressed his belief that it was time to end homelessness in New Hampshire. The Council, now meeting monthly, is continuing the process of examining state resources, including those sent by the federal government, to reduce homelessness and increase access to mainstream programs for persons experiencing chronic homelessness.

The Council has facilitated the creation of state councils through technical assistance, provided through our Regional Coordinators. This technical Assistance has included mentoring and peer models including assistance with language for executive orders that create such councils.

The Council has also produced and distributed *“Developing a State Interagency Council on Homelessness: A Step-by-Step Guide.”* The purpose of these state councils is to buttress the efforts by the federal Interagency Council in making mainstream agency resources more available and accessible to reduce and end chronic homelessness.

To date, 45 Governors have taken steps to create state interagency councils.

- *City/County 10-Year Plans to End Chronic Homelessness.* The President’s FY 2003 budget called for ending chronic homelessness in ten years. Cities and counties across the country are being encouraged by the Council to create 10-Year Plans to end chronic homelessness. At their annual meetings last year, the US Conference of Mayors, the National League of Cities and the National Association of Counties all endorsed resolutions forwarded by the Council and actively supported by HUD supporting the Administration’s goal of ending chronic homelessness in ten years and encouraging communities to develop 10-Year Plans.

CITY 10-YEAR PLANS TO END CHRONIC HOMELESSNESS

Chattanooga’s 10-Year Plan to End Chronic Homelessness

Chattanooga, Tennessee, is an example of a community that committed to a regional planning approach and a short timetable for action. On September 19, 2003, ICH Executive Director joined Mayor Bob Corker of Chattanooga to announce Chattanooga’s new initiative to develop a 10-Year Plan to End Chronic Homelessness. A Blueprint Steering Committee, comprised of government, business, service providers, and homeless people, was convened in the jurisdictional process and developed guiding principles for their plan. This inclusive planning group identified specific action steps in four priority areas: expanding permanent housing options, increasing access to services and supports, homelessness prevention, and ongoing planning and coordination.

Less than six months later, on March 8, 2004, ICH Executive Director Mangano and Mayor Corker, now joined by Hamilton County Mayor Claude Ramsey in a regionally based plan, convened the 14-member Blueprint Steering Committee at City Hall for the unveiling of the Blueprint. Their plan called for the reduction of homelessness through increased permanent housing development and placements (setting a goal of 1400 new units over ten years), and the provision of more strategic prevention services, including additional efforts to divert individuals leaving hospitals, jails, and treatment facilities from becoming homeless. The Blueprint also created the Chattanooga Regional Interagency Council on Homelessness for ongoing planning and implementation.

Mayor Corker released the plan by noting, “Like so many efforts in our community, when our citizens come together around a shared vision, great things happen. This plan details the extent of the homelessness problem in our community and a specific plan of attack for addressing those problems. By better coordinating the efforts and resources already at work, we can do more to provide housing and services that will allow chronically homeless people and families to be productive citizens again.”

The Council has produced and distributed a guide to facilitate the development of these plans, *"The 10-Year Planning Process to End Chronic Homelessness in Your Community: A Step by Step Guide"*. The Council's Executive Director and Regional Coordinators have aggressively supported communities in their planning processes through direct technical assistance. The Collaborative Initiative and the proposed Samaritan Initiative are part of the federal investment of resources intended to achieve this 10 year goal.

To date 92 mayors, county executives and city managers have endorsed 10 year planning processes for their communities.

- *ICH Website.* The Council has created a website at www.ich.gov to disseminate innovative ideas and best practices information to state and local governments and the public. Federal resources on the strategies to end homelessness are facilitated through links to all 20 member agency websites. The ICH website is also used to post notices of funding opportunities, and to disseminate information concerning the state interagency councils and community 10-Year Plans. Cities and states can turn to the ICH website for examples of Executive Orders and 10-Year Plans developed by other communities.

Identifying Innovative Initiatives

Over the last 19 months the Council has held a number of national focus groups to inform our policy deliberations and identify best practices and innovative programs that are achieving the desired outcomes of preventing and ending homelessness and that can be replicated in other communities. Prior focus groups have focused on rural homelessness, family homelessness, innovative housing solutions, and faith-based initiatives. Future focus groups are planned on youth homelessness, research, state interagency council development and implementation, implementation of community 10-Year Plans to end chronic homelessness, and technical assistance.

In conjunction with the Council's work with communities in the development of 10-Year Plans, the Council has held regional focus groups bringing together city and county administrators from 180 communities. Innovative practitioners from around the country

and city officials from communities whose plans are already underway served as faculty. The impact of these focus groups was to encourage many communities to engage in 10- year planning processes and to disseminate information on results-oriented, evidence-based practices across the country.

(Language is included in the President's budget for the Council asking that restrictive language on rental of conference rooms in the District of Columbia be deleted which would facilitate the Council being able to hold more local and regional meetings.)

The Continuing Work of the Council

In FY 2005, the Council intends to continue its statutory activities of: 1) federal homeless program coordination 2) governmental and private programs evaluation 3) information distribution, and 4) provision of technical assistance. Additionally, the Council will continue to foster new collaborative prevention and intervention opportunities among federal agencies as well as monitor those initiatives already underway to document outcomes and identify best practices.

The Council will continue to work with federal, state and local agencies to strengthen partnerships. Our goal, by the end of 2004, is that every state and territory will develop a state interagency council on homelessness, and that more than 100 cities and counties will create and implement 10-Year Plans to end chronic homelessness.

The Council will continue to develop the ICH website as the central federal website on homelessness and will work with member agencies to improve navigation to homelessness information on their sites.

Since its revitalization in March 2002, the 20 member agencies that comprise the Council and the Council staff have taken an approach to homelessness that is based on accountability, collaboration and results. We believe that our approach to strengthen prevention programs and to fund performance-based, results-oriented interventions will produce a visible reduction in homelessness in this country.

Thank you, Mr. Chairman.