

both mental illness and substance abuse disorders. In addition, many homeless veterans have serious medical problems. Collaboration with VA medical centers, VA community-based outpatient clinics, or other health care providers is an important aspect of assuring that homeless veterans have access to appropriate health care services.

Through the merger of centrally directed funding for VA's Health Care for Homeless Veterans contract residential treatment programs and the Homeless Providers Grant and Per Diem Program some localities across the country may have lost capacity to provide community-based residential services for homeless veterans. In the interest of restoring some portion of lost capacity to as many locations as possible, VA encourages providers from these localities to submit applications. It is important to be aware that VA places great emphasis on responsibility and accountability. VA has procedures in place to monitor services provided to homeless veterans and outcomes associated with the services provided in grant and per diem-funded programs. VA is also implementing new procedures to further this effort. Applicants should be aware of the following:

All awardees that are conditionally selected in response to this NOFA must meet the Life Safety Code of the National Fire and Protection Association as it relates to their specific facility. VA will conduct an inspection prior to awardees being able to submit request for payment to ensure this requirement is met.

Each per diem-funded program will have a liaison appointed from a nearby VA medical facility to provide oversight and monitor services provided to homeless veterans in the per diem-funded program.

Monitoring will include at least an annual review of each per diem program's progress toward meeting internal goals and objectives in helping veterans attain housing stability, adequate income support, and self sufficiency as identified in each per diem program's original application. Monitoring will also include a review of the agency's income and expenses as they relate to this project to ensure per diem payment is accurate.

Each per diem-funded program will participate in VA's national program monitoring and evaluation system administered by VA's Northeast Program Evaluation Center (NEPEC). It is the intention of VA to develop specific performance targets with respect to housing for homeless veterans. NEPEC's monitoring

procedures will be used to determine successful accomplishment of these housing outcomes for each per diem-funded program.

VA encourages all eligible and interested entities to review this NOFA and consider applying for funds to provide service for homeless veterans.

It should be noted that VA expects to announce additional Notices of Fund Availability for construction grants and "Per Diem Only" awards in July or August of 2003 so that interested applicants can take advantage of technical assistance and training that will be available as a result of a technical assistance grant.

Authority: VA's Homeless Providers Grant and Per Diem Program is authorized by Pub. L. 107-95, § 5(a)(1) the Homeless Veterans Comprehensive Assistance Act of 2001 codified at 38 U.S.C. 2011, 2012, 2061, 2064 and has been extended through Fiscal Year 2005. The program is implemented by the interim final rule codified at 38 CFR part 61.0. The interim final rule was published in the **Federal Register** on March 19, 2003, the regulations can be found in their entirety in 38 CFR 61.0 through 61.82. Funds made available under this Notice are subject to the requirements of those regulations.

Allocation: Approximately \$8 million annually is available for the per diem only award component of this program. This funding is expected to be available from July 1, 2003 to June 30, 2006 subject to the availability of funds and reauthorization of the program past September 30, 2005.

Funding Priorities: VA establishes the following three funding priorities in order to: (1) implement the provisions of Pub. L. 107-95 regarding geographical dispersion and non-duplication of service; and (2) partially restore lost capacity resulting from the merger of the Health Care for Homeless Veterans (HCHV) contract residential treatment program and the Homeless Providers Grant and Per Diem Program. In this round of "Per Diem Only" funding, VA expects to award funding for approximately 800 community-based supported housing beds.

The Urban Institute's analysis of data collected through the 1996 Survey of Homeless Providers and Clients indicates that 21 percent of the homeless population is found in rural and suburban locations. Over the last 8 rounds of grants, VA awarded approximately \$63 million to help establish 271 projects for homeless veterans. Additionally, VA has provided operational funds in the form of per diem for 1,378 beds.

Funding priority 1. Seven states have no grant or per diem funded programs for homeless veterans. These states are

Alaska, Idaho, Kansas, Montana, North Dakota, New Hampshire, and Wyoming. Based on the total number of beds expected to be funded in this round, approximately 140 beds (17.5% of the 800 beds expected to be funded) from eligible entities whose projects are located in these states will be selected as the first funding priority. Of those eligible entities in the first funding priority, that are legally fundable, the highest scoring applicants from each state will be funded first, followed by the second highest scoring applicants from each state, until enough projects totaling approximately 140 beds are identified for funding. The goal will be to fund approximately 20 beds in each of the seven states that currently have no grant or per diem funded beds. Applicants not funded in this priority will be placed in the third funding priority.

Funding priority 2. Also, only three grant and per diem-funded programs are affiliated with Indian tribal governments. Based on the total number of beds expected to be funded in this round, approximately 140 beds (17.5% of the 800 beds expected to be funded) from Indian tribal governments will be selected in the second funding priority. Of those Indian Tribal Governments in the second funding priority, that are legally fundable, the highest scoring applicants will be funded first, until enough projects totaling approximately 140 beds are identified for funding. Applicants not funded in this priority will be placed in the third funding priority.

Funding priority 3. Finally, VA is encouraging interested, state and local governments, and faith-based, and community-based organizations to apply for funding under this NOFA. Based on the total number of beds expected to be funded in this round, approximately 520 beds (65% of the 800 beds expected to be funded) from the eligible entities that are state and local governments, and faith-based and community-based organizations, along with those applicants not selected in the first or second priority will be considered in the third funding priority. Of those eligible entities that are legally fundable, the highest-ranked applications, for which funding is available, will be selected for eligibility to receive per diem payment in accordance with their ranked order until enough projects totaling approximately 520 beds are identified for funding or until funding is expended.

Methodology: VA will review all non-capital grant recipients in response to this notice of funding availability. Then VA will group the applicants into the