

community-based organizations that are capable of providing supportive housing and/or supportive service center services for homeless veterans. The District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, may be considered eligible entities under the definition of "State" in the Final Rule, § 61.1 Definitions. It should be noted that VA payment is limited to the applicant's cost of care per eligible veteran minus other sources of payments to the applicant for furnishing services to homeless veterans up to the per day rate VA pays for State Home Domiciliary care. Awardees will be required to support their request for per diem payment with adequate fiscal documentation as to program income and expenses.

Interested organizations should know that the vast majority of homeless veterans in this country suffer from mental illness or substance abuse disorders or are dually diagnosed with 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.

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.

Authority: VA's Homeless Providers Grant and Per Diem Program is authorized by Public Law 107-95, section 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 final rule codified at 38 CFR 61.0. The final rule was published in the **Federal Register** on September 26, 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 \$15 million annually is available for the per diem only award component of this program. This funding is expected to be available for a period not to exceed 36 months from a date as determined by VA, and is subject to the availability of funds and reauthorization of the program past September 30, 2005.

Funding Priorities: VA establishes priority for funding to underserved and low utilization areas. VA encourages applications from applicants that are in the identified underserved areas listed in first two priorities. Also, it is known that many other areas of low utilization could exist in those states that are not prioritized in this NOFA. These areas may have high populations of homeless veterans and limited services to address homeless veterans needs. These areas can include both urban and rural areas but may be particularly prevalent outside the high population areas. VA urges organizations in those areas, even if the organization is not located in a prioritized state, to apply.

VA establishes the following funding priorities in order to: (1) Implement the provisions of Public Law 107-95 regarding geographical dispersion and non-duplication of service; and (2) bolster capacity in areas that are

underserved by the Grant and Per Diem Program. In this round of "Per Diem Only" funding, VA expects to award funding for approximately 1500 community-based supported housing beds.

In no case will a single organization in response to this NOFA be funded for more than 5% (75 beds) for a single project or for multiple project applications a total of 10% (150 beds) of the 1500 beds expected to be funded regardless of funding priority. Additionally, the cumulative number of beds within any State may not exceed 10% (150 beds) of the 1500 beds expected to be funded regardless of funding priority.

Funding priority 1. Priority one are Indian Tribal Governments; based on the total number of beds expected to be funded in this round, approximately 150 beds (10% of the 1500 beds expected to be funded) from Indian Tribal Governments will be selected in the first funding priority. Of those Indian Tribal Governments in the first funding priority, that are legally fundable, the highest scoring applicants will be funded first, until enough projects totaling approximately 150 beds are identified for funding. Applicants not funded in this priority may be considered in the third funding priority.

Funding priority 2. Priority two are applicants whose projects are physically located in the states of Alabama, Alaska, Georgia, Idaho, Illinois, Iowa, Kansas, Maine, Minnesota, Mississippi, Montana, Nebraska, New Mexico, Oklahoma, South Carolina, Texas, Utah, Vermont, and Virginia. Based on the total number of beds expected to be funded in this round, approximately 900 beds (60% of the 1500 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 second funding priority, that are legally fundable, the highest scoring applicants from each state will be funded until enough projects totaling approximately 900 beds are identified for funding. Applicants not funded in this priority may be considered in the third funding priority.

Funding priority 3. Finally, VA is encouraging interested, state and local governments, 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 450 beds (30% of the 1500 beds expected to be funded) from the eligible entities that are state and local governments, faith-based, and community-based organizations, along