

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	Interagency Veterans Policy Group meeting attendees (partial) (2 pages)	05/24/1995	P6/b(6)
002. list	Interagency Veterans Policy Group meeting attendees (partial) (2 pages)	05/24/1995	P6/b(6)
003. list	Interagency Veterans Policy Group meeting attendees (partial) (2 pages)	05/25/1995	P6/b(6)

COLLECTION:

Clinton Presidential Records
 Domestic Policy Council
 Molly Brostrom
 OA/Box Number: 8398

FOLDER TITLE:

Interagency Veterans Policy Group Meeting with VSOs [Veterans Service Organizations] 5/24-25 [1995]

2012-0326-S

kc785

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

Facsimile Cover Sheet

To: Molly B. _____

Company: _____

Phone: (202) 456-7028 _____

Fax: _____

From: _____

Company: Office of the Secretary

Phone: _____

Fax: _____

Date: _____

Pages including this
cover page: _____

Comments:



Putting Veterans First



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

MAY 4 1995

MEMORANDUM

TO: Executive Directors:
American Legion
AMVETS
Blinded Veterans Association
Disabled American Veterans
Military Order of the Purple Heart
National Association of State Directors
for Veterans Affairs
Paralyzed Veterans of America
Veterans of Foreign Wars
Vietnam Veterans of America

FROM: Robert L. Jones, Office of Public Liaison
and Veterans Affairs *RJ*

SUBJ: White House Interagency Veterans Policy Group
(Time Change)

The White House Interagency Veterans Policy Group meeting on
May 24, 1995, originally scheduled for 2:00 p.m. to 3:30
p.m. is now scheduled for 1:00 p.m. to ~~2:00~~ p.m. So sorry
for the inconvenience. *2:30*



Putting Veterans First



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

APR 26 1995

MEMORANDUM

TO: Executive Directors:
American GI Forum of the U.S.
Catholic War Veterans
Jewish War Veterans
Military Coalition
National Association of Black Veterans
National Association for Uniformed Services
National Guard Association
Non Commissioned Officers Association
Reserve Officers Association
The Retired Officers Association
The Retired Enlisted Association

FROM: Robert L. Jones, Office of Public Liaison
and Veteran Affairs

SUBJ: White House Interagency Veterans Policy Group

We cordially invite you to attend a meeting of the White House Interagency Veterans Policy Group. The meeting will be held on Thursday, May 25, 1995 from 11:00 a.m. to 12:30 p.m. in Room 180, Old Executive Office Building.

The White House Domestic Policy Council, Office of Public Liaison, and Office of Cabinet Affairs recently created an Interagency Veterans Policy Group consisting of representatives from federal agencies who are responsible for veterans policy in order to provide a forum to discuss veterans policy issues that cross agency boundaries. This group allows the representatives from federal agencies representing the needs of veterans to coordinate their efforts, to foster communication, and to better meet the needs of the veteran community.

The Policy Group will also provide members of the Veteran Service Organizations and the military coalition an opportunity to provide input into emerging policy issues

affecting their membership. We are holding this meeting to provide organizations an opportunity to highlight issues that they would like the Policy Group to address. You are invited to make a five minute presentation to Domestic Policy, Cabinet Affairs, and Office of Public Liaison staff on issues concerning your interests. Please submit written issue papers to Bob Jones, Office of Public Liaison, three days prior to the meeting.

Due to the space and time limitations we ask that you send only one representative to the meeting. Please RSVP by faxing or calling the date of birth and social security number for your representative to Virginia Copeland at (202) 273-4836 or fax (202) 273-4876.

**Meeting with Veteran Service Organizations
May 24, 1995**

Summary

VSO Representatives: Attached

White House Representatives: Kitty Higgins, Carol Rasco opened meeting; Jeremy Ben-Ami, Lee-Ann Inadomi, Steve Hilton, Molly Brostrom, Bob Jones

General suggestion: Request for meeting between agency members of the IVPG and VSOs. WH said would consider for early fall.

American Legion

- Support for Constitutional amendment prohibiting flag burning
- Normalization with Vietnam--no movement until significant cooperation and full accounting of POW/MIAs has been accomplished

Blinded Veterans Association

- Continued advocacy for health reform and disability policy

Paralyzed Veterans of America

- Praise for WHCoA and generally for IVPG--pressure from White House is helpful
- Legislative hopes: health reform; and eligibility reform
- Disability policy review very important, particularly in context of budget and philosophical attacks on programs.

Disabled American Veterans

- Employment agenda: transition assistance--the current downsizing/relocation in the private sector has resulted in significant focus on impact on civilians. Why is there not a commensurate concern for veterans and military in military downsizing/base closures?
- Employment and Training system/vouchers--why not use GI Bill of Rights system for preventing fraud? no need to reinvent the wheel.
- DVA and PVA are looking at legislation for 8A-like program to assist people with disabilities, including veterans

- Homeless veterans not given attention or preference at HUD; need for more coordination and outreach during application process for HUD grants (HUD promised guidelines?)
- Supportive of Administration's Civil Service Reform proposal--better than Congressional; King has been very accessible
- Native Americans and claims process/denial of benefits-- Advisory Committee needs to look into.

Veterans of Foreign Wars

- Strong support for VA health care eligibility reforms; oppose Republican budget proposals

Vietnam Veterans of America

- Homelessness among veterans--continues to need greater attention, in particular at HUD. Veteran-specific programs are most effective. HUD doesn't recognize veterans as special needs population. Suggestion: Recognize veterans as special needs population and explore pass-through arrangement *→ budgetary fear (ess'ly send some \$ directly to VA) or DOL → ↑ funding for VARP (successful, relatively cheap)* ?
- Employment--concern about beginning of Vietnam Veterans employment crisis; Vietnam Veterans are being hurt in disproportionate numbers by recent downsizing and dislocation.

Suggestion: Don't include veterans employment programs in consolidation/block granting. *→*

Problem: voc rehab doesn't do enough on the employment side. (New issue: VA Voc Rehab/DOL Veterans interaction *→ ?*)

- Civil Service Reform--important that OPM retains ability to monitor agency compliance with federal personnel policies.

National Association of State Directors for Veterans Affairs

- Budget is top concern

Meetings with VSOs and Military Coalition Groups (5/24-25/95)

Date
Minutes

VSOs 5/24

Attendees:

Comments/Issues Raised:

DVA/PVA--looking at legislation for 8A-like program to assist people with disabilities including veterans

HUD grants: Do they go proportionately to veterans?

American Legion--New issues: 1) support for Constitutional amendment prohibiting flag burning; 2) Normalization with Vietnam--no movement until significant cooperation and full accounting of POW/MIAs

Blinded Veterans Association--continued advocacy for health reform and disability policy

Paralyzed Veterans of America--Kudos for WHCoA and generally for IVPG--pressure from White House helpful. Legislative hopes: health reform; eligibility reform (sees \$2 billion savings); Disability policy review very important, particularly in context of budget and philosophical attacks on programs.

Disabled American Veterans--Employment agenda: transition assistance program; Supportive of Civil Service Reform proposal (better than Congressional; King very accessible); E & T system/vouchers--why not use GI Bill of Rights system for preventing fraud? no need to reinvent the wheel. Native Americans and claims process/denial of benefits--Advisory Committee needs to look into.

VFW--presented paper opposing Republican budget proposals and promoting eligibility reforms.

Vietnam Veterans of America: 1) Homelessness among veterans-- continues to need greater attention, in particular at HUD. 2) Employment--concern about beginning of Vietnam Veterans employment crisis, given downsizing, dislocation. Problem: voc rehab doesn't do enough on the employment side. (New issue: VA Voc Rehab/DOL Veterans interaction) 3) Civil Service Reform--~~important that~~ OPM retains ability to monitor compliance.

SDVA: Budget is top concern.

vet-specific
progs work
most
effective

Support
for cont
of care

agency w/fed'l
personnel
policies
OPM: check

HUD doesn't
recognize
as sp needs

Suggestion:
recognize as
sp needs pop
to explore
pass thru
argmt

paper

VV disp'g'ly affected by d'ed
Sugg': Don't include vets ^{empl} progs in ans
* Have ^{DOL} agencies check on status

4) Gulf War → coord
answr - for Gulf
update

5) Presl Pout/MTA comm

→ technicians shipped out being

→ DOD + NPR needs to address

- REGO and National Guard Positions--the bulk of REGO reductions happening at DOD; at the same time that Perry says he wants to put greater emphasis on Guard/Reserve--threatens the readiness of troops.

Reserve Officers

- Erosion of earned benefits not discretionary entitlements--can't just change them: e.g. health care, changing retirement for people in system; survivors benefits programs, COLAs.
- Seconded concern about troop readiness and REGO reductions.

Retired Officer Association

- Medicare subvention--why is OMB blocking; HHS lobbying against.
- TriCare will lock many of DOD retirees out of DOD's health care system--will cost HCFA at least ?\$4800/person?.
- COLA equity

Jewish War Veterans

- Subvention; Lock out from Military Health Care system.

National Association of Black Veterans

- Role of veterans in dealing with social problems, youth here in this country.

Mil. technicians - civ/military - one of most powerful lobbying

gp

- doesn't want to take their fair share
- prob'ly get 65c

- 1) e-mail → sched'g request - will convene after
- 2) JB → raise @ 8:15.

5/24/95 MEETING WITH USD's

- POSTAL SERVICE ISSUES
- DVA / PAV - looking @ legislation for 8A-like program to assist people w/ disabilities incl. veterans.
- HUD grants: do they go proportionately to vets?

AM. LEGION: ① VA Budget ② ELIG REF IN VA med. care.

- CAUSE: ANNO on flag burning.
- VIETNAM normalization - AL wants no new ~~to~~ norm until signif inc in coop in accounts, for POW/MIA.

AMVETS:

BLIND VETS: ① Health important ② Dialogue encouraging.
③ Initiatives this a.m. were encouraging.

GORDON MANFIELD - PVA: ① HUD issue ② LEGISLATING people:
HC, elig. reform: #2B savings. ③ WHICH was good.
④ DISAB POL REVIEW - very important.

D.A.V. - ROS DEACH: ① Briefing this am was good.
② Transition Assistance Program:
③ JETS PROF.
④ E+T system - Voccons - why not use GI Bill of Rights system?

*

- Note: N.A.'s concerned re: denial for benefits.

VFW: ① Budget ② ELIG REFORM

CALL
TO
EXPLORE
THESE
ISSUES
MORE??

→ Viet Vets Am: ① Homeless Vets ② Employment: SALVAGE
Vet emp system! - very concerned w/ dislocation,
retraining areas. Prob: JAC RENES doesn't do w/ out
on the employment side.

- Vets PREF: imp. that EPM have ability to
monitor compliance

* New issue: VA Job Renewal / DOL Vets interaction.

SDVA: ① Budget

5/24 IVPG Mtg

waves

6-6742

273-5615
503

Kitty - Reactions to VE Embs

⇒ Possibility of joint mtg w/ IVPG stuff
- perhaps once/yr (fall)

Ron Drach: h'less vets

Katz: h'less vets → VA;

93-94 → long when on applications

* get statutory lang & quotes from HUD

HUD ⇒ promised g'lives on vets' applications for grants

Am Legion - VA budget

(John Sommers) - elig reform ⇒ drafting leg.

New: 1) Const'l amend - agst flag burn,
- H Judiciary Subcomm by today

2) Normalization w/ V'nam → no mmt until
sig't coop & full acctg of Du/MIA
(- Pres met w/ Kerry/McLain yesterday)

Am VETS

- James Kenney

REGO reactions, perhaps

Blinded Vets - Tom Miller

- dialogue encouraged

- h'reform disab

Paralyzed Vets - Gordon Mansfield

- Interagency pressure by WH imp't
- Message to leg. → reform → elig. reform (\$2B)
- * WH got excellent Medicare
- Disability review very imp't → attacks from budget & philosophical

Ron Douch

- employment agenda: transition assistance
- civil service return - like much better than Cong'l
- King very accessible

- ? [HR 1617 - Goodling - fraud & abuse
- began needs to look @ GI Bill's process for prev's fraud
- VETS transfer → Cong'l hq
- Ind. Budget → \$2B
- Claims process + Native Am
- ⇒ Adv Comm needs to look into → simplification → outreach/feedback

VFW - paper
Vietnam

- illness: needs for atten; not being given @ HUD
- employment: common abt beginning of UV empl crisis - downsizing (pub & priv)
- partly for disab vets
- Vockelhab doesn't do good job on empl side
- Civil Service: imp't that OPM returns oversight abt

Wkg together well
 Bob Jones { Preston Taylor
 & Larry (Vockelhab head)
 Vockelhab: - Civil Service: imp't that OPM returns oversight abt
 outreach/feedback

SDVA - biggest concern is budget

3 - veterans specific results → all failed

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WHITE HOUSE INTERAGENCY VETERANS POLICY GROUP
OLD EXECUTIVE OFFICE BUILDING

MAY 24, 1995
1:00 PM - 2:00 PM
Room 180

American Legion

John Sommer

① E.O.

SSN: [REDACTED]
DOB: [REDACTED]

AMVETS

James Kenney

② E.O.

SSN: [REDACTED]
DOB: [REDACTED]

Blinded Veterans Association

Tom Miller

③ E.O.

SSN: [REDACTED]
DOB: [REDACTED]

Disabled American Veterans

Ron Drach

④ N.E.O.

SSN: [REDACTED]
DOB: [REDACTED]

Military Order of Purple Heart

Greg Bresser

SSN: [REDACTED]
DOB: [REDACTED]

National Association of State Directors
for Veterans Affairs

Col. Joseph R. Clelan, Deputy Adjutant
General for Veterans Affairs

⑦

SSN: [REDACTED]
DOB: [REDACTED]

Paralyzed Veterans of America

Gordon Mansfield

4.5

SSN:

P6/(b)(6)

DOB:

Veterans of Foreign Wars

Frederico Juarbe, Jr.

SSN:

P6/(b)(6)

DOB:

Vietnam Veterans of America

William F. Crandell

6

SSN:

P6/(b)(6)

DOB:

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OLD EXECUTIVE OFFICE BUILDING

MAY 24, 1995

1:00 PM - 2:00 PM

Room 180

American Legion

✓ John Sommer

SSN:

P6/(b)(6)

DOB:

AMVETS

James Kenney

SSN:

P6/(b)(6)

DOB:

✓ Blinded Veterans Association

Tom Miller

SSN:

P6/(b)(6)

DOB:

Disabled American Veterans

✓ Ron Drach

SSN:

P6/(b)(6)

DOB:

Military Order of Purple Heart

Greg Bresser

SSN:

P6/(b)(6)

DOB:

National Association of State Directors
for Veterans Affairs

✓ Col. Joseph R. Clelan, Deputy Adjutant
General for Veterans Affairs

SSN:

P6/(b)(6)

DOB:

✓ Paralyzed Veterans of America

Gordon Mansfield

SSN: [REDACTED]
DOB: [REDACTED] P6/(b)(6)

Veterans of Foreign Wars

✓ Frederico Juarbe, Jr. *Harold Sever*

SSN: [REDACTED]
DOB: [REDACTED] P6/(b)(6)

✓ Vietnam Veterans of America

William F. Crandell

SSN: [REDACTED]
DOB: [REDACTED] P6/(b)(6)

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[003]

White House Interagency Veterans Policy
Thursday, May 25, 1995
11:00 a.m. to 12:30 p.m.
OEOB - Room 180

American GI Forum

~~Gretchen Navas~~ Carlos Martinez

SSN: [REDACTED]
DOB: [REDACTED] P6/(b)(6)

Catholic War Veterans

Ray Williams

SSN: [REDACTED]
DOB: [REDACTED] P6/(b)(6)

Jewish War Veterans

Col. Herb Rosenbleeth

SSN: [REDACTED]
DOB: [REDACTED] P6/(b)(6)

Military Coalition

Wilford G. Butler

SSN: [REDACTED]
DOB: [REDACTED] P6/(b)(6)

National Association of Black Veterans

Thomas H. Wynn, Sr.

SSN: [REDACTED]
DOB: [REDACTED] P6/(b)(6)

National Association for Uniformed Services X

Charles C. Partridge

SSN: [REDACTED]
DOB: [REDACTED] P6/(b)(6)

National Guard Association

General MG Robert F. Ensslin

SSN: [REDACTED]
DOB: [REDACTED] P6/(b)(6)

Non Commissioned Officers Association

Richard Johnson

SSN: [redacted]
DOB: [redacted]

Reserve Officers Association

Gen. Roger Sandler

SSN: [redacted]
DOB: [redacted]

The Retired Officers Association

Col. Paul Arcari

SSN: [redacted]
DOB: [redacted]

The Retired Enlisted Association

Mike Zabko ✓

SSN: [redacted]
DOB: [redacted]

FLEET?

5/25/95

MIL COALITION

• NA Jtiff Serv Chuch

• Ret Eric

Fratt

Black Vets

G4 Forum

NCO Dick S

Norm G. Bob Ew

Res Off Roger

Ret

Herb Rosenblum

① WHCOA - issue of 3 resos was raised.

• Abstentions were caused by "no's."

* COMMITMENT TO GET BACK AND CONCERN OVER VOTING

② Chuch Partridge: Medicare reimbursement to VA hospitals.
+ MILITARY hospitals

③ Mike Zabro

• REIMBURSEMENT issues

• Under 65 mil retirees - are insolvent in
Tricare prog.

• US Treatment Fees - JSTFS - int. migration
into Tricare - going into Tricare will
be negative for under 65's retirees.

- * will have to pay Tricare premium
- has been submitted by govt: but mil personnel are losing.

- * • VP closing the ^{staff} Univ. Medical School
- flawed data - possibly false
- affects quality of care.
- would welcome opportunity to
- won't succeed on Hill anyway.

③ Acute Data Report System people still being told there is nothing wrong with them.

RIFs? non vets have pref in RIFs?

④ Gifford - Carlos Martinez

- HURP is in rescission - is it a priority.

⑤ NCOA - Dick Johnson

- Concurrent receipt?

* RIF - special sep bonuses - pay back to secure VA entitlement.

→ Those pd are included in out to be repaid.
↳ Truson issue.

⑥ Natl Guard -

- House mark up cuts 40% #

→ DoD has been supportive - incl's high-school dropouts.

→ push in the states.

Natl Gu. positions:

* Bottom line: too much of LEGD reduction w/ of military - public concerned w/ reduction of Guard positions.

⑦ Res. Off. Assn

Roger Sander.

- recruit. issue of technicians in the Reserves.

- readiness issue.

- Air Natl Guard as well as Natl Guard.

• Erosion of earned benefits.

- not discretionary ~~benefits~~ - can't just change benefits, health package; COLAS.

⑧ Retirees Off Assn

- Why is OMB blocking the ~~reimb.~~ substitution?

- HHS lobbying against.

- OMB against.

→ looking for support on the substitution issue.

- Also: COLA equity.

⑨ Jewish War Veterans (Herb)

- echo depth of feeling on he/benefits

⑩ Black Jews

- Nice statement on role of Jews in dealing with social problems, your life in this country.

5/25 IVPG Mtg w/ Military Coalition Groups

WHCoA - superb - but 3 resolutions ^{not passed}
- brewing
- 600+ signatures on each
- voting
900 / 100 - 900 abstentions counted as no

Nat'l Assoc for Uniformed Services

- expand to
- Allow use of Medicare at Military hosp's → Subvention

Retired Enlisted Assoc

- 465 mil. retiree → DOD Tri-Care Prime program
HMO Medicare

Very Upset

Herb → VP Closing of ^{Uniformed Services} Med. V. Medical School } Cong'l Dems, Committees rejected
(budget proposal) - flawed data

?

- Soldiers Navy
- RIF's give preference to VA, not military

Am. GI Forum

- HVRP progr

NCOA

- concument receipt → going nowhere
- Draw down? / SSB - regulatory issue
- Treasury - IRS 3-yr statute

?

*

Nat'l Guard

- H cut youth at-risk progs in Nat'l Guard -
H belief that shouldn't be funded out of DoD -
DoD supports progs

- Reinforce - bulk of draw down @ DoD (20% add'l ↓
to already ↓'d Guard) - at same time as Perry
says he wants to put ^{100%} emphasis on Guard/Res
- threatens readiness of units

Reserve Officers

seconded

- Erosion of earned benefits: HCare, A's Retiree
for ppl in syst; survival benefits progs; courts

- Medicare Subvention: Shulkin lobbying

- but Tri-Care will lock many of DoD retirees out of
DoD's hc system - will cost HEPA @ least

\$2800

Jewish Veterans

- Subvention / Lock out from Mil. HCare

Bl Veterans

- ⇒ Mil. Coalition mtgs
Ad Hoc Mtgs

* article

Flag burning
budget
wky draft

**INTERAGENCY VETERANS POLICY GROUP
WORKING AGENDA
June 28, 1995**

Short term Issues

1. Budget

The budget continues to be of primary interest to the veteran service organizations (VSOs) and military coalition groups. The groups reiterated their support for the President's 1996 budget and opposition to Republican proposals.

They also expressed concern about provisions in the Republican Rescission package, including a \$50 million cut in VA medical care and a \$5 million cut/elimination of DOL's Homeless Veterans Reintegration Program.

OMB will report on status of Rescission package and these specific provisions.

2. White House Conference on Aging

Representatives of veterans service organizations had high praise overall for the the 1995 White House Conference on Aging, held on May 2-5. The Conference included 20 delegates appointed by Secretary Brown and 40 appointed by veterans' organizations. .

VSOs and the military coalition groups expressed concern, however, about the resolutions voting process and outcome. The WHCoA staff, working with Veterans Affairs, are in the process of scheduling a meeting for early to mid-July to discuss these concerns.

3. Uniformed Services Medical School

Several of the military coalition groups are concerned about an Administration proposal to close the Uniformed Services Medical School. The proposal has been a part of the Vice President's National Performance Review, the President's budget, and the Pentagon's Bottom Up Review. The groups have concerns about the data used in making the decision to close the school, and claim that the proposal has no chance in Congress given past opposition. GAO is in the process of conducting a review of this issue.

NPR, OMB, and DOD will give background and any update on the issue.

4. Constitutional Amendment to Ban Flag Burning

At a hearing before the Senate Judiciary Committee, Walter Dellinger presented the Administration position that, while the President has a long and vocal record in support of protecting the Flag from desecration and worked to craft legislation to outlaw such desecration, he does not support a Constitutional amendment to ban Flag burning.

OPL will report on White House discussions with the American Legion on this issue.

5. Department of Labor Advisory Committee on Veterans Employment and Training

The Department of Labor's Advisory Committee on Veterans Employment and Training is expected to present a report of its findings to the Secretary by July 1.

DOL will present a preliminary report on the Committee's findings, highlighting any areas where the IVPG may be helpful in addressing recommendations.

Longer Term Issues

1. Eligibility Reform

Eligibility reform continued to be of primary importance to the VSOs. The second phase of the Department of Veterans Affairs' National Performance Review (REGO II) -- which VSOs and Military Coalition groups were briefed on prior to the May 25th Vice Presidential announcement -- takes important steps toward addressing this concern. The initiatives included under this effort are designed to improve services to veterans, revamp VA's complex medical care eligibility rules, determine pilots to test the use of Medicare benefits at VA hospitals, and save money by streamlining, privatizing, or consolidating unnecessary or duplicative activities.

Mil groups are also very interested in Med Subv. Based The test pilot @ VA facilities will be used to help OMB/HR assess feasibility.
OMB will report on any reactions to and on the status of the REGO II proposals, in particular the pilot Medicare subv

Medicare Subvention in Military Hospitals??

2. Employment Issues

(DOL → Disadv Vets Outreach Prog Specialists (DVOVS) Local Vet Emplmnt Reps (LVERs) — specialists who help vets gain employment (not training prog))

Employment issues were high on the VSOs agendas. Several organizations raised the concern that insufficient attention is being paid to the employment impact on veterans and the military of recent military downsizing and base closures. The Vietnam Veterans of America in particular are concerned, fearing that an employment crisis is beginning among Vietnam Veterans. They presented statistics stating that veterans are being hurt in disproportionate numbers because of recent downsizing and dislocation in the private sector as well as military elsewhere in govt.

26% vets vs 15% others

proposed in Admin (and Hill?) - don't give vets priority
Specifically, the groups cited the following issues:

Draft: → seeks amend prov'g for vets priority intake elig det, referral for entry into E&T progs

a) Employment and Training Consolidation proposals

There are several proposals on the Hill that would consolidate and/or block grant employment and training programs, including the Veterans Employment Training System. VSOs are concerned that, in moves toward streamlining and state/local control, veterans continue to be recognized as a federal responsibility. VSOs are pleased with language that has been included in House E&T consolidation legislation requiring veterans representation on local and state boards.

Also a part of DOL's VETS

b) Voc Rehab

- effort to present review or memorandum for discharging → vets' employnt rep in 1-Stop Career ctrs syst

DOL to present any updates on these issues.

↳ VET

↳ discuss how coop can better be achid.

→ staff sp'ly for disad Vets

3. Homelessness

⇒ Maint of 7AP/DTAP program

VSOs continued to name homelessness among veterans as a top issue of concern. The concern is multiple: One, the size of the problem among veterans (20% of the homeless) and the need to expand efforts to end it. Two, the perceived reluctance of HUD to fund training to sep's military personnel

As vets progs folded in, must maintain structure

⇒ Maint of Nat'l Vets Training Inst

1-Stop Career Ctrs

Hi praise for Taylor

HR 1617

veteran-specific programs and generally to reach out to veterans. Three, the need for greater interagency coordination in addressing homelessness among veterans.

To address the need for greater interagency coordination, we are creating an IVPG staff-level homelessness subgroup. [ICH GROUP??] All agencies with programs affecting homeless veterans (especially HUD, VA, HHS, DOL, and the Corporation for National Service) should bring the name of your designee to the subgroup to the June 28 meeting.

In addition, a meeting has been scheduled between the Assistant Secretaries at HUD and DOL to discuss interagency cooperation.

HUD will present any further updates.

4. National Guard Reductions

The National Guard is concerned that reductions in National Guard Military technicians at the same time that DOD is placing greater emphasis on the National Guard/Reserve will threaten troop readiness.

DOD to discuss.

5. Disability Policy

VSOs continued to highlight the importance of disability policy to many members of the veterans community. The Administration's review and commitment to disability policy was seen as even of greater importance in the context of budget and philosophical attacks on the programs.

The Administration's National Disability Policy Review (NDPR) team includes Dennis Duffy from the Department of Veterans Affairs, and the team has included the Paralyzed Veterans and the Disabled Veterans of America on its outreach list. NDPR will continue to keep these groups informed of progress and solicit reactions to proposals.

A specific concern was raised about how Native Americans are affected in disability claims processing and denial of benefits. [WHO WOULD ADDRESS? ARE THESE VA BENEFITS OR SSA? NEED TO TALK TO RON DRACH.]

6. Backlog at Board of Veterans Appeals

The Department of Veterans Affairs has been working to address the backlog of claims at the Veterans Benefits Administration (VBA) and the Board of Veterans Appeals (BVA) through internal administrative initiatives, legislation, and the creation of panels of experts to review and improve procedures.

In addition, the President's FY 96 budget included almost \$30 million for information technology improvements to assist in claims processing.

VA will continue to update the IVPG on progress being made.

7. Persian Gulf Veterans

On May 26, the President signed an Executive Order creating and naming the members and chair of the Presidential Advisory Committee to review and make recommendations aimed at finding the causes of this illness and improving the care available to Persian Gulf veterans.

Other Administration initiatives support the Presidential Advisory Committee. For example, veterans who have disabling illnesses that have defied diagnosis are, for the first time, eligible for veterans' compensation benefits. In addition, DOD will, for the first time, provide research grants to university faculty and other non-Federal scientists to study the causes, treatment, and possible transmission of Gulf War illnesses. The Administration will spend \$8-13 million on new research -- epidemiological research, research on the interactions between anti-nerve gas pills and insecticides and other chemicals, and a wide range of other research.

NSC will provide any update on update on the announcement of members of the Advisory Committee.

8. Veterans Preference

There is general support for the Administration's proposals for civil service reform, including praise for the degree of access OPM Director King has given the groups. The concern was raised that in these proposals, OPM should still retain the ability to monitor agency compliance with federal personnel policies.

+ context of J's budget

OPM and NPR will update on the status of civil service reform proposals and address the concern about OPM oversight.

W - Retention issue as much as employment.

9. SBA 8A Program

The Small Business Administration's 8A Program provides assistance in obtaining government contracts for economically and socially disadvantaged individuals. The IVPG continues to work with the SBA in exploring greater access for both veterans and for the disabled to 8A preferences in contracting.

The President's National Disability Policy Review team has agreed to consider this issue in their review of federal programs. The IVPG will follow and report on these discussions.

CHECK WITH DIANA--UPDATE?

10. National Guard/Reserve Job Security

During Desert Storm, an unprecedented number of Ready Reserve of the Armed Forces were called to active duty, causing disruption in their lives in many ways, including economically. As a result, proposals have been raised to provide economic assistance or assurance for members of the Ready Reserve to alleviate the economic effects of activation

for service in support of urgent operational missions or in times of national crisis.

The Department of Defense is developing a proposed insurance program to be offered to reservists to protect them against financial disaster if mobilized for a long period of time. The IVPG will continue to monitor the status of this proposal.

DOD and OMB will present any update.

Normalization with Vietnam?

Issues to Monitor

The IVPG has continued to monitor several issues that were of concern in the past, but about which the Administration plans no change in policy. If there is any change in the status of any of these issues, agencies will bring them to the attention of the IVPG.

1. Taxation of Benefits

The Administration is not considering taxation of veterans benefits.

2. Veterans Employment Training Service (VETS) Program

There are no Administration plans to change the structure or management of the VETS program, either by consolidation with ETA or movement to the VA.

New Issues/Concerns

1. World War II End Commemoration. Commemoration of the end of World War II continues through November 11, 1995. The President will travel to Honolulu in early September for VJ Day activities.

2. Korean War Veterans Memorial. On July 27, the new Korean War Veterans memorial will be dedicated. President Clinton and South Korea President Kim will participate in the dedication, and it is estimated that close to 100,000 Korean War veterans will participate in commemoration ceremonies in Washington. An Interagency Coordinating Group under the National Security Council is working on the event.

**DISABLED AMERICAN VETERANS
POSITION PAPER**

ON

**VETERANS' PRIORITY OF SERVICES
IN CURRENT CONGRESSIONAL AND ADMINISTRATIVE
EMPLOYMENT AND TRAINING INITIATIVES**



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March 30, 1995

Out of recognition that the existing categorical employment and training programs do not adequately meet the needs of the people for which they were designed, the past two decades have seen numerous administrative and congressional proposals redefining employment and training initiatives. During the Clinton Administration and the current Congress a consensus appears to be building around certain concepts:

- 1) There is a need to consolidate employment and training's categorical programs. This would be done by repealing the legislative authority establishing many of the categorically funded programs and by granting authority to waive requirements for other employment and training programs which are perceived hurdles to consolidation efforts.
- 2) The need to create One-Stop Career Centers which would provide a common intake, eligibility determination and referral system for applicants for employment and training services.
- 3) Many of the Congressional initiatives which appear to be most favored on Capitol Hill provide for block grants of federal funds to state governments according to formula. Under these laws state and local entities would be created to administer these funds with minimal federal regulation and oversight.

An apparently unintended result will be the loss of veterans' priority of services in existing programs which would be repealed by these laws. The current proposals have no concomitant provision for such services. Thus, initiatives which may ultimately result in increased services to applicants, reduced administrative costs and increased local initiatives, may have the unintended result of repealing priority employment and training services for veterans.

Other veterans programs that would be impacted by loss of personnel and administrative structure include:

- 1) Veterans reemployment rights to jobs in the private sector. Chapter 43 of Title 38 USC provides for certain military personnel to be able to return to their jobs following separation from active duty and prohibits employers from discriminating against National Guard and Reserve members. As the active duty military is downsized, adequately trained and staffed Reserve and National Guard units is critical to national security. However, many National Guard and Reserve members are forced by their employers to give up their Reserve or Guard obligation or be disciplined for missed work due to their participation in military readiness training and mobilization in times of national emergency.

Oct 94
Uniformed
Services
Employment
+ Reemployment
Rts Act

- 2) The Transition Assistance and Disabled Transition Assistance Programs (TAP/DTAP) which provide job search training to separating military personnel. These programs have been shown to increase the quality of jobs obtained and reduce the period of unemployment following separation by separating military personnel with subsequent reduced unemployment insurance payments by the Department of Defense (DoD) to separating service members.
- 3) The National Veterans Training Institute (NVTI) which provides training to enhance the delivery of veteran services by training DoD and employment and training personnel in the following areas:
 - a) Case management of veterans with severe barriers to employment.
 - b) Dissemination of information outlining veteran employment and training programs and support services.
 - c) Identification and dissemination of veteran service program models which improve veteran services in employment and training delivery systems.
 - d) Training for new programs such as the recently developed TAP/DTAP programs, the recently revised veterans reemployment rights legislation, and case management of veteran applicants with severe barriers to employment.

A BRIEF VETERANS EMPLOYMENT AND TRAINING HISTORY

Historically, every nation that has intended to establish safe borders for its citizens has either maintained a military or purchased the services of mercenaries -- often at its own peril -- for the common defense. Even at this time, when there is much debate about the proper role of the federal government, no rational justification has been provided for establishing a national defense by allocating these responsibilities to the fifty states and territories. If there is an area of common agreement, it is that the safety of the U.S. citizen and the states and territories is dependent upon the maintenance of a strong military by the federal government.

Historically, citizens who served in the national defense have been offered privileges and benefits because of the cost to the individual which resulted from their service in the military. In general, the benefits were intended to satisfy issues arising from low military wages, the effects of conscription, the loss of civilian wages or produce from farming, loss of businesses, separation from family, compliance

with a military structure designed to enforce organization and discipline with potential concomitant loss of individual rights enjoyed by virtually every civilian citizen, loss of time in the civilian labor force and, ultimately, the horror, damage and pain endured by those who suffered combat. The justification for veterans' priority of service in existing employment and training programs and special employment rights grew out of the recognition that there was a cost to individual citizens who serve in defense of their country. Also, it was in the national interest to ameliorate the damage they suffered if the military was to be able to sustain itself through the conscription and finally the recruitment of quality men and women to serve in the military. It was reasonably presumed then, and must be a considered factor now, that ultimately those who serve will carry a message to their families and friends regarding the impact of military service on their lives. It benefits future recruitment and the general well-being of a nation for the consensus to be that these men and women were treated fairly by the government and the nation they served.

As a class, veterans status results from a unique relationship with the federal government. This unique status arises out of national security responsibilities of the federal government. For example, conscription was imposed during periods of national conflict. Draft evaders could receive imprisonment and large fines if they refused to serve. Since 1973, the all-volunteer force has replaced conscription but has been dependent on a rising public reputation which followed considerable derision in the latter part of and immediately following the Vietnam War.

The very nature of maintaining a military requires the flexibility to increase the number of personnel in preparation for or during conflict. The result is that separating military personnel will dramatically increase the number of veterans in the civilian population following periods of conflict or when the military is being reduced as a result of shifts in geopolitical threats. During periods of major build ups, the civilian sector may suffer due to the loss of its civilian workforce. However, during periods of military downsizing, the civilian sector generally has difficulty absorbing the rapidly demobilized or downsized military forces.

The recognition of these burdens on servicemembers has resulted in laws adopted by first the Colonies which provided for the maintenance of veterans disabled during war and the widows and orphans of military personnel. Veterans' preference in federal civil service employment laws resulted from high unemployment rates of military personnel following the Civil War. The GI Bill and other education and training initiatives passed just prior to the end of World War II, which were designed to assist separating military personnel who were expected to overwhelm the civilian labor market. It was feared that there would be so many unemployed veterans that civil

unrest could result due to their high unemployment rates and the concomitant loss of so much of what they had fought for. The Gulf of Tonkin Resolution was passed by the U.S. Congress on August 5, 1964. Eight years later the Congress enacted Public Law 92-540, The Vietnam Era Veterans' Readjustment Assistance Act. In part, this law recognized the long-standing employment problems of Vietnam veterans who served during an unpopular war and were discharged into a recessionary economy. That legacy still colors the judgement of many as the nation examines the role of national security in these changing times.

For the military to effectively respond to national emergencies, the men and women who serve operate under uniform standards, rules and programs which assure congruence between military activities. There is a subsequent ability to interact effectively in communications, command structure and activities. Without such uniformity, combat effectiveness would be severely reduced. For men and women who served in national defense, there is an expectation that programs designed to serve them would also generally meet such national standards of uniformity. Thus, as they move from place to place, they expect a consistency in the level of employment and training services they qualify for. Why would a veteran from Kansas be treated more or less favorably than a veteran from New York City in a federally funded program?

As documented in a Government Printing Office publication, The Anvil and The Plow, the law creating the federal Department of Labor was passed on March 4, 1913. Initially the Department collected and disseminated labor force information, prevented the exploitation of cheap alien labor to the detriment of American wage earners, enforced child labor welfare laws, administered naturalization laws for aliens and created a conciliation service to act as a mediator in labor disputes.

However, only four years later, when the United States entered World War I, the federal Department of Labor became the nation's War Labor Administration. This organization had as one of its primary purposes the creation of a system of labor exchanges to ensure an adequate and stable labor force for war industries. The labor exchange system was an important tool for resolving the conflict which arose out of competing interests: a growing military force which was dependent upon civilian accession and the civilian industry whose labor force needs exploded to satisfy the military's need for manufactured goods and armament.

Following the war, several hundred Veteran Employment Bureaus were established by the Federal Employment Service to help returning veterans find employment in the civilian labor force. Ultimately that experience led to the passage of the Wagner-Peyser Act on June 6, 1933. While veterans were not the sole recipient of employment services, this law was the

progenitor of the veterans' priority of services concept in employment and training programs.

The veteran employment offices dropped from about 1,000 to 60 during the 1920s. In 1928, the Congress established veteran employment offices in larger metropolitan areas. The Wagner-Peyser Act provided the authority for the U.S. Department of Labor to require priority placement services for veterans in employment service agency activities funded by taxes raised under the Federal Unemployment Tax Act (FUTA).

On December 7, 1941, the Japanese bombed Pearl Harbor. As the nation moved to full scale war production, the War Manpower Commission was created and the U.S. Employment Service was transferred to it to ameliorate the competing interests of civilian and military labor force needs. As a part of its function, it absorbed the federal/state labor exchange system. The War Manpower Commission was abolished in 1945, and the Employment Service was returned to the U.S. Department of Labor. The labor exchange system which had been federalized to meet the combined civilian and military labor needs was defederalized and returned to the federal-state relationship.

The Employment Service at the end of World War II drew up a six-point program calling for an effective placement service to aid returning servicemen and women and disabled veterans. It also provided for special services to veterans, including employment counseling and preferential placement services with priority for disabled veterans.

The Servicemen's Readjustment Act of 1944 (GI Bill of Rights) provided for the Veterans' Employment Service within the United States Employment Service and created the position of Local Veterans' Employment Representatives in each office.

The Vietnam Era Veterans Readjustment Assistance Act (Public Law 92-540) passed on October 24, 1972, more clearly spelled out priority veterans' employment services in counseling, job training and placement services. Succeeding laws created the position of Assistant Secretary for Veterans' Employment and Training in the U.S. Department of Labor and provided for Disabled Veterans' Outreach Program personnel. These laws improved veterans services in existing programs which often appeared to serve veterans as an afterthought in spite of the mandated priority of service.

VETERANS DEMOGRAPHICS

As of September 1989, male veterans made up less than 14 percent of the nation's labor force of approximately 126 million workers. Nonveteran males and females made up approximately 42 percent and 45 percent of the labor force, respectively. (September 1989, Bureau of Labor Statistics)

Of the 17.1 million male veterans who make up the civilian labor force, 6 percent are disabled, 7 percent are over age 65, 9 percent are black, and 3 percent are Hispanic. It is important to note that 72 percent of these male veterans were subject to the draft during wartime.

As of December 1989, there were over 1 million female veterans in the civilian, noninstitutional population of whom 595,000 were in the labor force. Almost 47 percent (509,000) were over 50 years of age. (BLS unpublished data, December 1989, Veterans Tables, Matrix: b100, p. 41)

Since 1973 when the draft was eliminated, the demographics of armed services personnel have changed significantly. For example, before 1973 the minority participation rate in the armed services was virtually the same as their proportion of the U.S. population. By 1990 the lack of opportunity in the civilian labor force and the promise of opportunity in an all volunteer military encouraged minorities of both sexes to enlist and reenlist in the military at disproportionately high rates. The result was a military whose minority participation rate was more than double their proportion of the U.S. population.

June 1990 data from the Department of Defense shows that minorities are disproportionately assigned to combat duties (29 percent.) Personnel assigned to these military occupations receive training which is least transferable to the civilian economy and have the greatest number of combat and training casualties.

An October 1989 Congressional Budget Office study, Social Representation in the U.S. Military, indicated that in accession year 1987, blacks made up 27.8 percent of the female recruits and 18.5 percent of the male recruits. This study also draws conclusions regarding the family incomes of accessions compared to the general population by correlating the addresses of the new recruits to family income data available by zip code area and found: "About 55 percent of the male active-duty recruits in 1987 came from areas with family-income levels placing them in the bottom half of the (income) distribution across all zip code areas."

The combination of draft exemptions, programs like Project 100,000, Department of Defense marketing strategies, threats of judicial action for draft evasion, public relations programs touting the value of military training, and limited opportunities in the private sector encouraged a disproportionate number of enlistments and reenlistments of the socioeconomically disadvantaged. For example, during the Vietnam era, the draft deferment system was a major factor in 1) increased student enrollment in college (student deferments) by those who could afford to attend an institution of higher learning; 2) an extremely low representation of minorities in the National Guard and Reserves (deferments from active duty);

and 3) a military force that was approximately race proportional (U.S. Bureau of the Census, Statistical Abstracts of the United States 1977, 98th ed., p. 368, table 587.) but disproportionate in combat casualties suffered by minorities. (Department of Defense, U.S. Casualties in Southeast Asia by grade and military service, Unpublished, December 31, 1978).

The military draft, which has had a tremendous impact on who serves and who does not, was first implemented during the Civil War and was reimplemented during conflicts until 1973, when the all volunteer military force concept was initiated. The draft was necessary because the government could not depend on enough volunteers, even when the nation was at greatest risk. During the Civil War, for example, the first draft was initiated because the Union could not obtain enough volunteers to continue the War. Accordingly, without a draft, the United States as we know it today, would not exist.

Efforts to reduce political fallout from the draft during the Vietnam era led to programs like Project 100,000 which modified draft standards to conscript young males who were otherwise not draft eligible because of low IQ levels and educational attainment. The impact was felt predominantly by the disadvantaged -- and disproportionately by minorities. The "100,000" refers to the number of conscripts who met the revised draft standards in training at any one time.

The study by the Human Resources Research Organization, Effects of Military Experience on the Post Service Lives of Low Aptitude Recruits: Project 100,000 and the ASVAB Misnorming, December 1989, 14 years after the Vietnam war was declared over, indicated the following for Project 100,000 conscriptees:

- * Fifty-six percent served in Vietnam (compared to 34.8 percent for all veterans).
- * "...A higher proportion of Project 100,000 veterans were unemployed as compared to nonveterans with similar characteristics." (emphasis added)
- * "Three income measures were examined (hourly pay, total household income, and yearly earnings), and in each case, the nonveterans were found to be making significantly more than their veteran counterparts." (emphasis added)
- * "Significant differences were found in regard to education and training, with those who never served in the military somewhat better educated and more likely to have participated in a training program of some kind."

Bureau of Labor Statistics data which compares the unemployment rate of veterans to nonveterans of the same age

groups show that veterans unemployment rates will exceed the nonveteran counterpart unemployment rates for about ten years following separation from the military. For example, in 1970, 1,043,000 Vietnam veterans were released from active duty at the average age of 23 years. When they reached the 30-35 age group, about 10 years later, their unemployment rate finally dropped to comparable unemployment rates of similarly aged nonveterans.

However, Bureau of Labor Statistics and Employment data ("The Employment Situation: February 1991") showed that the unemployment rate for Vietnam era veterans in the 35-39 age group exceeded their nonveteran counterparts by 4.7 percentage points (10.7 percent versus 6.0 percent) 15 years after the Vietnam conflict. During each recession following the Vietnam conflict the lower labor market penetration of the more recently separated veteran has reflected a disproportionately higher unemployment rate than nonveterans of the same age group.

The Bureau of Labor Statistics article in Monthly Labor Review, "Employment Status of Vietnam Era Veterans," published in April 1990, reported on a 1987 survey. That article indicated that 14 years after ground troops were removed from Vietnam in 1973, "...those who actually served in the Southeast Asian Theater, especially those with service-connected disabilities, continue to experience greater employment related difficulties than their peers." The report also revealed disproportionately high unemployment rates for female veterans.

An October 21, 1994 Bureau of Labor Statistics news release, "Employment Situation of Vietnam Era Veterans," indicated that only 20 percent of the disabled veterans rated 60 percent or more by the Department of Veterans Affairs were in the labor force. This compared to a 91 percent participation rate for nondisabled veterans.

The popular myth is that the training veterans receive in the military gives them an advantage in the civilian labor market. A June 1969 study, Labor Market Activity of Veterans: Some Aspects of Military Spillover, conducted by Paul A. Wienstein, Director of the University of Maryland, Department of Economics, concluded:

...15.9 percent of Army veterans use their military training while 28 percent of the Navy veterans did. Not only was there a relatively low rate of utilization of the (military) skills, but we found that the market did not work effectively in aiding those veterans who were interested in using their service experience. For veterans who did look and find jobs related to the military experience, we inquired about the benefits received and whether, in fact, these were attributable to the military experience. We found half of the Army veterans

received no benefit at all as a result of the military experience. (emphasis added)

A Department of Veterans Affairs study, Readjustment Profile for Recently Separated Vietnam Veterans, (June 1973) indicated:

Only about 49.3 percent (of the veterans polled) received some academic or technical training in the armed forces. Of these veterans, only 29.6 percent (about 15 percent of the total) indicated that their training was helpful in obtaining a job when they returned to civilian life. (emphasis added)

A November 1986 Department of Defense study of the all volunteer armed forces, The Economic Return to Military Service (Daymont, Thomas N. and Andrisani, Paul J.), points out that veterans' earnings dropped significantly below their civilian counterparts upon leaving the military. This study also refers to disproportionately higher rates of unemployment for recently discharged veterans and points to an unexplained anomaly that, "...on the average, young Army veterans earn between \$1,700 and \$3,500 less than veterans from the other armed services at the same point in their life cycle." Marine veterans earned even less, on the average, than did Army veterans. "[T]he basic pattern of these branches effects on civilian earnings may persist for several years into their careers."

A more recent publication, Military Occupational and Training Data (MOTD), Volume II (Department of Defense; Defense Manpower Data Center; 1988), indicates that about 30 percent of the enlisted and 25 percent of the officer military occupations could not be assigned corresponding civilian Dictionary of Occupational Titles (DOT). (The DOT code system assigns a numerical reference to virtually all civilian job titles.)

The MOTD indicated, "First, there was the obvious situation of infantry men, tank crew members, and other purely combat specialities for which no civilian counterpart would be expected." The MOTD fails to note that military personnel will be assigned and serve in disproportionate numbers in the military occupations for which there is no civilian counterpart. Also, the report does not point out that many men and women who are trained in transferable military occupations are frequently assigned to work in occupations which are not transferable.

Papers prepared for the National Bureau of Economic Research by Joshua D. Angrist compare the income levels of World War II and Vietnam era veterans to nonveterans. The studies are unique in that they compare veterans with their similarly situated nonveteran counterparts based on Social Security records. Most comparisons of incomes between veterans and

nonveterans refer to census data that does not control for physical and mental health, educational levels and aptitude and IQ requirements for entry into the military.

Working paper No. 2991, Why Do World War II Veterans Earn More Than Non-Veterans? dated May 1989 contradicted its own question by finding that World War II veterans earnings are 6-12 percent less than comparable nonveterans. The study, Lifetime Earnings in The Vietnam-era Draft Lottery: Evidence from Social Security Administration Records, found that the Vietnam-era veterans' earnings were approximately 15 percent less than the earnings of comparable nonveterans.

Current Employment and Training Initiatives

The Clinton Administration has initiated a number of programs for which veterans' priority of service is not required. For example, Unemployment Insurance (UI) profiling, which is described as an effort to identify UI applicants by their personal characteristics who are unlikely to find employment before exhausting UI. They would be placed in a pool from which a number would be referred for comprehensive and intensive employment services. While this appears to be a desirable initiative, the lack of veterans' priority referral for employment services appears to violate Title 38 USC Chapter 41. In addition, this Administration has proposed the creation of One-Stop Career Centers which would provide for common intake and eligibility determination for a number of existing employment and training programs. This initiative meets the desirable goal of increasing access to programs and services while at the same time potentially reducing administrative and personnel costs. However, these initiatives do not provide for priority intake or referral for services to veterans who have been identified as eligible applicants for these programs. It should be noted that administration proposed bills (H.R. 4040, Reemployment Act of 1994; S. 1964, Reemployment and Retraining Act of 1994), which died in the last Congress, would have provided for the waiver of Title 38 USC Chapter 41, thus, eliminating the need to provide veterans' priority of service in Wagner-Peyser funded activities.

Legislation currently pending before Congress provides for the repeal of employment and training programs which have historically provided special or priority services for veterans and in some cases may provide for waiver of 38 USC Chapter 41 veterans service requirements. These bills would consolidate employment and training programs, provide for One-Stop Career Centers and except for S. 180, block grants to states:

- o H.R. 511, the "Workforce Preparation Development Act," (Representative McKeon (CA))

- o H.R. 1120, the "Employment Enhancement Reform Act," (Representative Zeff (NH))
- o S. 143, "Job Training Consolidation Act of 1995," (Senator Kassenbaum (KS))
- o S. 180, the "Workforce Development Act," (Senator Kennedy (MA))

H.R. 511 goes further than any of the other initiatives by repealing veteran employment and training programs administered by the VA, including VA training programs authorized under Chapter 106 Title 10 USC and Chapter 30, 31, 32, 35, and 41 of Title 38 USC.

We seek amendments to proposed employment and training legislation which would provide for veterans' priority intake, eligibility determination, referral for and entry into employment and training programs and job referral. Priority referral to an employment and training program would occur if the veteran was found eligible for the program.

status?

We strongly object to including VA administered education and training programs in these consolidation initiatives.

DAV Proposed Veterans' Employment and Training Programs
Compatible With Current Initiatives

Framing veterans services in the context of current initiatives, we would like to see the following:

- 1) The continuation of Assistant Secretary, U.S. Department of Labor for Veterans' Employment and Training Services. ✓
- 2) Continuation of Regional Administrators and State Directors for Veterans' Employment and Training Service with appropriate staff.
- 3) The creation of a veterans' employment representative in the One-Stop Career Center system to report directly to the One-Stop Career Center director regarding the following:
 - A) Initiatives and service models that will help to ensure compliance with veterans' priority of service obligations under the law.
 - B) Assist in the development of reporting systems and standards that will indicate the service providers compliance with veterans' priority of service as required by law.

- C) Provide direct supervision to personnel assigned to implement special veteran services.
 - D) Provide reports to State Director for Veterans' Employment and Training, U.S. Department of Labor.
 - E) Advise the One-Stop Career Center manager regarding veterans services.
 - F) The One-Stop Career Center manager as the agency director, would be responsible for assuring veterans' priority services.
- 4) Provision for certain staff whose exclusive responsibility is to provide direct services to disabled veterans and support for the TAP/DTAP. After the disabled veteran's service needs are met, these personnel may service other veterans. Services provided by these personnel would include:
- A) Job placement.
 - B) Job development.
 - C) Referral for employment and training programs and services.
 - D) Other employment and training services.
 - E) Outstationing at VA Vocational Rehabilitation offices to provide employment and training services to veterans who are in or recent graduates of 38 USC Chapter 31 programs.
 - F) Providing case management to disabled veterans with barriers to employment.
 - G) Providing referrals for supportive services that will assist in stabilizing veterans to enhance their ability to obtain employment including:
 - i) Job counseling and testing;
 - ii) Job search seminars; and
 - iii) Referral for food, clothing, housing, mental health counseling, and drug and alcohol rehabilitation.
 - H) Providing job search seminars to separating military personnel in cooperation with the TAP/DTAP programs.

- 5) Provision of priority of service for all programs for which the veteran is found qualified.
- 6) Maintenance of Chapter 43 Title 38 USC and continuation of its implementation through the Veterans' Employment and Training Service.
- 7) Maintenance of the TAP/DTAP program and provide for the use of special disabled veteran service providers to continue their presentation of the job search seminars on military installations.
- 8) Maintenance of the NVTI.
- 9) Grandfathering of LVER and DVOP personnel into the positions created to ensure veterans services in One-Stop Career Centers.
- 10) Continuation of the provision of special veterans hiring considerations when filling the One-Stop Career Center veterans' representative and disabled veteran service provider positions, State Directors and Regional Administrators for Veterans' Employment and Training Service.



T H E M I L I T A R Y C O A L I T I O N

201 North Washington Street
Alexandria, Virginia 22314

END UNFAIR DISPARITIES IN RETIRED PAY COST-OF-LIVING ADJUSTMENT (COLA) DELAYS

The Omnibus Budget Reconciliation Act of 1993 imposed severe multi-year COLA delays on military retirees -- far exceeding the sacrifices asked of other COLA recipients. While the FY1995 DoD Authorization Act equalized the 1995 military and Federal civilian COLA dates, severe FY1996-98 disparities remain.

There are 50 million Federal COLA recipients. Of these, more than 46 million (92 percent of the total) incur no COLA sacrifices at all. Two million Federal civilian retirees will see only three more months of COLA delays in 1996 before returning to January COLAs in 1997. In stark contrast, 1.4 million nondisabled military retirees face delays totaling 27 more months (nine months each for 1996 through 1998) -- nine times the remaining Federal civilian sacrifice.

For the average retired officer, the cumulative five-year COLA forfeiture will be \$2,301. A Federal civilian retiree with the same retired pay will give up about one-quarter of that amount -- \$603. The average enlisted retiree will lose \$1,228; the equivalent Federal civilian retiree, only \$322.

Military retirees expect to assume their fair share of sacrifice, but this is a grossly disproportionate \$2 billion surtax imposed on military retirees in spite of -- and in fact because of -- their extended sacrifices in uniformed service. It imposes 88 percent of the financial sacrifice on military retirees, even though they comprise only 3 percent of the COLA-eligible population.

Since 1969, military and Federal civilian retirees have received the same COLAs on the same dates. With recruiting in decline, career stability undermined by the force drawdown, and ever more intense operational requirements on the remaining forces, Congress should not be relegating military retirees to "second-class" treatment.

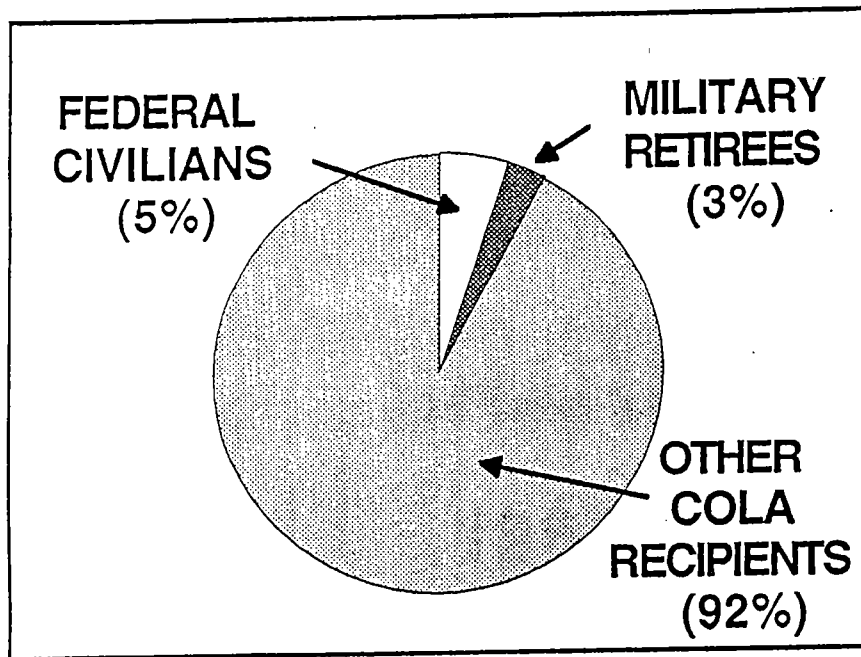
The President's Budget (PB) for FY1996 provides \$385 million in offsets to equalize the COLA dates for 1996. The PB does not address FY1997-98, but Administration sources indicate similar offsets are available for those years.

The Military Coalition urges the Congress to fix this serious inequity once and for all -- and end this highly divisive annual debate -- by equalizing the military and Federal civilian COLA dates in this year's Budget Resolution, not only for FY1996, but for FY1997-98 as well.

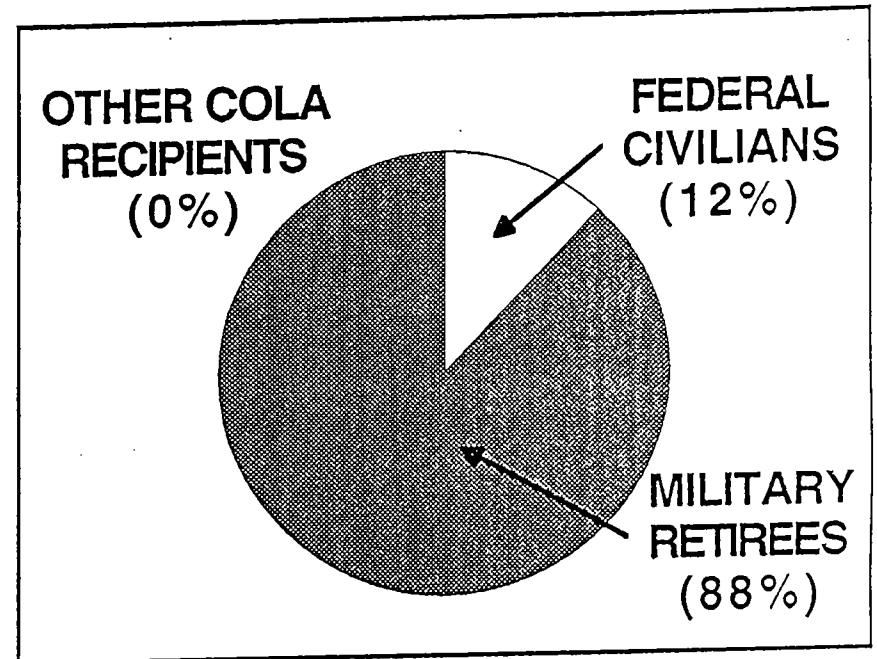
April 25, 1995

SHARED SACRIFICE??

1993 OBRA IMPACT



COLA POPULATION
(52 Million Total)



COLA SACRIFICE
(\$2.4 Billion Total)

NATIONAL ASSOCIATION FOR UNIFORMED SERVICES



5535 HEMPSTEAD WAY
SPRINGFIELD, VA 22151-4094
(703) 750-1342
Fax (703) 354-4380
"The Servicemember's Voice in Government"
Established 1968



SOCIETY OF MILITARY WIDOWS
(Affiliated 1984)

FACT SHEET

Military Medical Care

Military retirees are trapped between the policies of the Department of Defense (DoD) and the Health Care Financing Administration (HCFA). The two departments will not cooperate in changing the current law to achieve taxpayer savings and provide a promised health care benefit.

Throughout their career, military personnel and their families are told that while current compensation is low, part of their compensation package is lifetime medical care, earned by service in the military (enclosure 1). These patriots also paid for Medicare through mandatory payroll deductions as is the case of all other working citizens. However, upon becoming eligible for Medicare, military retirees, unlike other Federal employees of the Executive, Legislative and Judicial branches, are dropped from their military health care system. The only exception is if space and expertise are available in a military hospital, the hospital commander may choose to treat the retiree. Retirees and their families are the lowest priority patients in the Military Health Services System; therefore, they are the last to be accepted for treatment.

? true?

Further, with the large number of base and military hospital closures, the cutback in uniformed medical personnel and severe reductions in Federal civilian medical personnel, care in the military hospitals is increasingly not available. Military retirees are being notified in ever increasing numbers that they are "disengaged" from the Military Health Services System. They rightly feel abandoned by their employer, DoD. Because of budgetary constraints and military end-strength reductions, it is clear that DoD is committed to a further shifting of responsibility for the health care of older retirees to Medicare only. This is unconscionable. A military retiree is a military retiree regardless of age, physical condition or geographical location. DoD must not be allowed to abandon its lifelong employees at age 65.

The following three point proposal is a cost-effective solution that will make more efficient use of military medical treatment facilities (MTFs) while generating savings for the Medicare Trust Fund and honor the commitment made to military personnel:

- Authorize Medicare reimbursement (subvention) to MTFs. Allow military retirees to present their Medicare benefit at military medical treatment facilities and for the facility to bill HCFA. The reimbursement rate could be set below that now being paid to private sector medical providers. This would ensure savings to the Medicare Trust Fund, while covering the cost of treatment in the MTFs, some 25 - 40 percent below what the same treatment would cost in the private sector;

- Since many military retirees do not live near military facilities, enact legislation to provide TRICARE/CHAMPUS beyond age 65 as 2nd payer to Medicare which is now done for Federal civilian employees under the Federal Employee Health Benefit Plan (FEHBP). In addition,

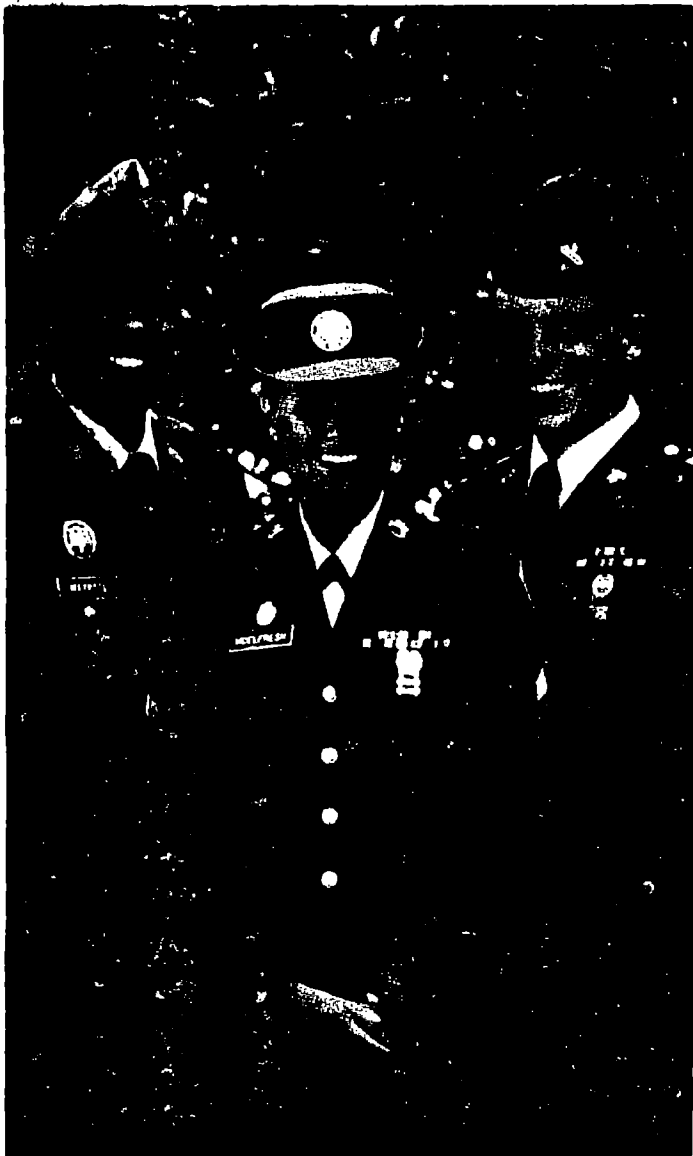
- Authorize FEHBP as an option for military beneficiaries. The incentive for military beneficiaries to enroll and pay the premium would be freedom of choice and a defined benefit. The Federal government would realize savings, FEHBP would relieve pressure on the over burdened MTFs. So long as enrollment in FEHBP is an option and not mandatory, beneficiaries could not complain.

These solutions do not completely replace loss of access to MTFs, but would recognize that military personnel were promised lifetime medical coverage in exchange for military service of 20 or more years. These solutions should go a long way toward ensuring that military medical beneficiaries are no longer the only Federal employees who lose their employer provided health coverage at age 65. Further, it would help restore confidence by those who have served that the current leadership intends to see that promises made and relied upon are honored.

.. ..

ARMY

BENEFITS



ARMY BENEFITS: HEALTH CARE, HOUSING, SHOPPING AND SCHOOLING

Superb Health Care. Health care is provided to you and your family members while you are in the Army, and for the rest of your life if you serve a minimum of 20 years of active Federal service to earn your retirement.

Housing, shopping, schooling and recreational facilities. The Army provides them all—plus excellent pay—to give you a high standard of living in an attractive and wholesome environment.



Maybe the most personally rewarding Army feature of all is the special pride you'll feel performing a valuable service for your country.



Ask your Army Recruiter for more details on all these benefits and how they can benefit you.

ARMY. BE ALL YOU CAN BE.

Note: Information in this publication is subject to change. See your local Army Recruiter for the latest information.



NATIONAL ASSOCIATION FOR UNIFORMED SERVICES

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"The Servicemember's Voice in Government"
Established 1968



SOCIETY OF MILITARY WIDOWS
(Affiliated 1984)

LIFETIME MEDICAL CARE PROMISE

The promise of lifetime medical care is contained in law and tradition that date back more than 100 years. All current military retirees thought they had earned lifetime military health care for themselves, their spouses, and survivors by their military service because it was emphasized as a recruitment and retention incentive in all of the services from the recruiting office to every level of command.

For indisputable evidence that the free lifetime medical promise is still being made, see *Army Recruiting brochure* [RPI 909, November 1991 - USGPO 1992 643-711], from which we quote:

"Superb Health Care. Health care is promised to you and your family members while you are in the Army, and for the rest of your life if you serve a minimum of 20 years of active Federal service to earn your retirement."

Further evidence of the promise is contained on page 36 of the recruiting brochure, *Marines, Life in the Marine Corps*, from which we quote:

"BENEFITS...These are only a few of the great extras you'll find when you join the Marine Corps. And the nice part is, should you decide to make a career of the Corps, the benefits don't stop when you retire. In addition to medical and commissary privileges, you'll receive excellent retirement pay..."

Air Force Pre-reenlistment Counseling Guide, Chapter 5 Medical Care, Section 5-2.f., dated 1 April 1986-

"One very important point, you never lose your eligibility for treatment in military hospitals and clinics"

Air Force Guide for Retirement, Chapter 1, 1 April 1962-

"Treatment Authorized. Eligible retired members will be furnished required medical and dental care."

The following is extracted from page 94 of the UNITED STATES COAST GUARD CAREER INFORMATION GUIDE, USGPO 1991. We quote--

"Retirement

Most career Coast Guardsmen retire after serving between twenty and thirty years of service. Current retirement programs allow you to collect about half of your base pay at twenty years and up to three-fourths base pay at thirty years.

Retirement benefits mean more than pay too. You continue to receive free medical and dental treatment for yourself plus medical care for dependents. You also remain welcome at military commissaries, clubs and exchanges. Free space-available travel on some military flights allows retirees to travel to exotic foreign lands..."

Now, after the fact, retirees are being told that such care is only space available; that it was never promised, and even if it was it is not, in fact, an "enforceable contract" based on a specific code of law.

Another reason retirees believe that they have access to military health care is that they have paid for medical care again through mandatory Medicare pay roll and Part B deductions.

As shown, lifetime medical care has been expressly promised in military recruitment and retention literature over the years since World War II. DoD must be required to accept full responsibility for providing lifetime medical care for its retirees, regardless of age or physical condition, including those who retired after long years of service or because of medical disability.



FOUNDED 1963

CHARTERED BY
CONGRESS

The Retired Enlisted Association

GOVERNMENT AFFAIRS OFFICE

909 N. Washington St., Suite 301

Alexandria, Virginia 22314

Telephone 703-684-1981 Fax 548-4876 1-800-554-TREA

White House Interagency Veterans Policy Group

1. Last year TREA expressed its displeasure that the President's Budget did not offer COLA equity between federal civilian retirees and military retirees. This year, the President's Budget does include COLA equity and for that we would like to thank you publicly.

2. Military Health Care

- Suburban*
- We are seeing the over-65 year old DoD beneficiary being disenfranchised from the Military Health Services System.
 - To date, HCFA has shown no interest in reimbursing DoD Medicare dollars when DoD treats a Medicare eligible military retiree.

NOTE: DoD is willing to treat Medicare eligibles at a negotiated 93% of the capitated cost.
 - In the long term, we believe the American taxpayer will spend more dollars as the over-65 military retiree turns to the private sector for health care.
 - The under-65 military retiree is the only class of citizen in the DoD community that is required to pay an enrollment fee (\$230/\$460), Tricare Prime.
 - After paying Tricare Prime's fee, Military retirees remain under the space-available access to care at a Military Treatment Facility (MTF) they currently "enjoy."
 - Co-payments at Tricare Prime HMOs are higher for the retired community than active duty despite having enrolled at at \$230-individual/\$460-family.



UNITED WE STAND



- Uniformed Services Treatment Facilities (USTFs)
(formerly known as Public Health Service)
 - Will be integrated into the Tricare Prime HMO network. This will disenfranchise the over 65 military retiree as they are not allowed to enroll into Tricare Prime. USTFs currently guarantee access to enrollees regardless of age.
 - USTFs currently do not charge enrollees an enrollment fee and their co-payments are considerably less than Tricare Prime HMO co-payments. This advantage would disappear upon integration into the Tricare Prime HMO network.

EROSION OF EARNED BENEFITS FOR MILITARY RETIREES

ROA

Of late there has been a somewhat alarming increase in the volume of letters and telephone calls that this association has received that deal with the perception on the part of our members that their earned retirement benefits are under serious attack and are likely targets for those seeking to balance the budget and reduce the deficit. Indeed, our members, who have generally disdained what they call "gimme organizations," whose sole focus is perceived to be the preservation (frequently in the face of reason) of a plethora of perquisites, benefits, and entitlements, are growing ever more concerned that the promises made to them by their government, promises that formed the very corner stone of the financial security they counted and planned on in their old age, may not be honored. Moreover, they are particularly concerned that those who appear most anxious to breach these long-standing commitments, have themselves, no military background upon which to judge the value of the service they would so facilely denigrate in the name of domestic economy.

These concerns indicate that the level of special faith and confidence that our members, all of whom are active or retired commissioned officers, have reposed in their government, is being significantly eroded. While no one is suggesting that this erosion may lead to any kind of serious disaffection, it is reasonable to assume that it could well engender some degree of skepticism, if not actual cynicism, about the willingness and reliability of the government to honor its commitments to those who have and will serve the nation honorably. Earned benefits should not be considered discretionary entitlements.

The areas of concern most frequently cited by our members (health care and retirement annuities) are noted below. Taken singly, they form a litany of the major elements that most prudent persons would consider essential to meaningful financial planning; together, they constitute the very underpinning of retirement security for those who given a significant portion of their lives to the service of our nation in its uniformed services. If we are to maintain the readiness of all of our forces, Active and Reserve, our service members must, from the outset, have confidence in the commitment of the government to keep faith with those who have served as well as those who will serve.

- **HEALTH CARE.** The current state of military health care is a major focus of concern for many active and retired members of this association, who see a pattern of disenfranchisement and broken promises in the developing health care system that is less and less able to meet their medical needs despite long-standing promise that having served honorably, they would have life-long medical care at no cost to themselves once they reached retirement age. DoD's much-touted Tricare system, even before it is fully implemented, is a source of controversy and discontent with its high enrollment fees and cost-share schedules. (The same is true of the recently implemented Uniformed Services Family Health Plan.) As more and more military installations are closed or targeted for closure, military treatment facilities are closing, pharmacy services are becoming less and less available, threats of nuisance fees are becoming increasingly frequent, and costly CHAMPUS, soon to be Tricare supplements, are becoming a necessity. Current plans call for military retirees and their dependents over 64 to lose

their CHAMPUS eligibility, be denied enrollment in Tricare, and be shuffled to the none-too-steady Medicare system.

- **PROTECTING RETIREMENT PAY.** Recent actions by the Congress (the Omnibus Budget Reconciliation Act of 1993, subsequent related committee actions, the options developed by Senator Gregg's Budget Committee entitlement panel, as well as options developed by the Congressional Budget Office (CBO), and older decisions such as the Social Security Offset to the Defense Survivor Benefit Plan) have had the effect of placing the earned retirement annuities of service members in jeopardy, leading to considerable distress among retired military personnel.

The ongoing issue of equity in the start date of annual cost of living adjustments (COLAs) for federal military and civilian retirees, and the apparent willingness of some members of Congress to sacrifice military retirees' financial interests and security to reduce the deficit has not gone unnoticed. Neither have the several COLA options considered by the Senate Budget Committee that would have reduced the buying power of many military retirees's annuities by as much as 40 percent over their lifetimes. (The really distressing aspect of these options is that they were to apply to both current and future retirees, unlike the retirement reforms implemented in 1986 that were strictly prospective and protected those already in uniform or retired.) It should also be remembered that in the 1970s the Congress directed the military to include a guarantee of lifetime COLAs in service members' annual compensation comparability statements.

The annual appearance of CBO's list of options for reducing the budget and the deficit has done little to allay the fears of Reservists as CBO questions the need for any retirement for Reservists at all, or recommends that the traditional linkage between active duty and Reserve longevity pay be severed as a cost cutting measure. While these recommendations have appeared before with little comment or credence, it is the measure of the lack of trust in the government's commitment to the members of the Armed Forces that this association received numerous inquiries on the subject after it was reported in the Army Times and Washington Post.

Retired Reservists who elect to protect surviving spouses' financial security by participating in the Survivor Benefit Plan (SBP), which provides a percentage of their military retirement annuities to their spouses after their deaths, have long seen offsets to their survivors' annuities as inequitable because they were based upon the Social Security payment the Service member would have received had he survived. Furthermore, under the more recent two-tiered SBP system, the SBP annuity is offset if either the service member or his surviving spouse qualified for the Social Security benefit. The courts have upheld these offsets as legitimate "cost-saving measures." Again, the message appears to suggest that in the quest for a balanced budget, military retirees and their surviving spouses are a soft target.

- **CONCLUSION AND RECOMMENDATION.** There is a strong and a growing suspicion among service members, Active, Reserve, and Retired, that such portions of their present and future financial resources and planning as are associated

with their service in the military are no longer secure (if they really ever were). This concern is not without basis as we attempt to balance the budget and reduce the deficit. The larger, and more significant implication of this perception is the effect it must have upon military readiness. Potential recruits have long identified financial security upon retirement as one of their major reasons for choosing a military career. The basis for this expectation is the government's saying it will be so. If that credibility is destroyed or eroded, recruiting, retention, and readiness will suffer. Worse, the faith of the electorate in its elected officials will also decline.

This is a political issue that offers great opportunities for the party or national figure willing to champion the cause of military retirees' rights and to keep faith with those who have served so well. As we approach 1996, someone will in all likelihood recognize this as a prime issue and embrace it. The question is who.

Therefore, the Reserve Officers Association recommends that the White House support the following:

- Provision for continued military health care for retirees and their dependents beyond age 64
- Ensure that Reservists continue to qualify for retired pay
- Provide for equal COLAs for both military and civilian federal retirees
- Reject any suggestion that erodes benefits earned and promised as a result of military service
- Hold the line on Survivor Benefit Plan annuity erosion.



FAX COVER SHEET

NATIONAL VETERANS SERVICE VETERANS OF FOREIGN WARS OF THE UNITED STATES

DATE: 5/22/95

Total number of pages including cover sheet: 5
(please call 202-543-2239, ext. 20, if all pages are not received)

PLEASE DELIVER TO:

NAME: BOB JONES

FAX NO: _____

FROM: Frederico Juarbe Jr., Director, NVS 

FAX NO: 202-547-3196

PHONE NO: 202-543-2239

COMMENTS:

Per your request, following is the VFW's issue paper for the May 24, White House Interagency Veterans Policy Group meeting.

FRED JUARBE
VFW DIRECTOR, NATIONAL VETERANS SERVICE
STATEMENT TO THE WHITE HOUSE
INTERAGENCY VETERANS POLICY GROUP
MAY 24, 1995

Obviously, the "hot button" across the country right now are the two Republican balanced budget proposals.

Last week, the Veterans of Foreign Wars was one of the signatories to the ad that appeared in The Washington Post which objected to all provisions of the two budget proposals as they affected veterans' entitlements. This forum is an opportunity for us to amplify our objections. We are especially concerned about those provisions that impact directly on the Veterans Health Administration and its ability to provide adequate medical care for our veterans.

America's veterans are not asking for special treatment. We certainly believe that all citizens should receive fair treatment. We reject any contention that veterans are a greedy lot. The recent World War II celebrations provide an effective counter-point to any such argument. We are not talking about some unknown, faceless persons in our populace. Our veterans are your fathers and mothers, brothers and sisters, spouses, even your favorite uncle. The Republican entitlement reduction proposals ignore one important fact: equitable cost savings can be achieved by reforming certain aspects of the VA health care system instead of targeting specific programs.

There must be eligibility reform for accessing VA health care for the following reasons:

- The system is now currently held hostage to complex and antiquated eligibility criteria;
- Some veterans who are not authorized outpatient treatment must be hospitalized by VA in order to receive needed care;
- The administration and congress must address the issue of eligibility reform if the VA is to be an efficient provider of health care;
- If there is to be any kind of health care reform scenario, VA must develop accessible primary and preventive care sites;
- VA must improve its infrastructure in order to compete; and, most importantly,
- Action must be taken to rectify the years of decremental budgeting.

There must be a rational and predictable approach to funding VA's health care delivery system. Discretionary funding for VA health care has failed to keep pace with medical inflation and the changing needs of our aging veteran population.

Essentially, the VA has been forced to ration care. This means denying services to some eligible veterans, curtailing needed medical treatment, and forgoing the modernization of facilities due to this chronic underfunding. It is our position that federal funding must be guaranteed for the providing of a comprehensive benefit package to all eligible veterans who choose the VA's health care system.

Unlike other health care providers, VA cannot retain funds recovered from third-party payers. Almost all payments VA receives from private health insurers must be remitted to the Department of the Treasury. Authority must be given to the VA

to collect and retain this funding from external sources. This is particularly pertinent to MEDICARE funding.

Only in this way can the VA "market" its services. Only with these monies can the VA assume the care of an expanded universe of aging veterans to whom the VA health care system would become an option under appropriate eligibility reform legislation. Additionally, it is essential that appropriations must not be offset by any of these amounts retained by the VA.

Veterans accessing the VA health care system should be entitled to a comprehensive package of treatment. Those services should be provided in the most appropriate settings. The VA should serve as "case manager" for its veteran patients. Each veteran accepted for health care by the VA should have access to the full continuum of that care.

Expansion of the VA's ambulatory care is crucial. Making health care geographically accessible will be key to VA's success in retaining and recruiting new patients. A recent study indicated that over 40% of the inpatient treatment is "non-acute". This is care that could be more efficiently and cost-effectively provided in ambulatory care settings. This terrible waste of resources simply compounds over time.

The VA has had great success in treating an often older, indigent, or chronically ill clientele. The rapid aging of our veteran population merits major expansion of the VA's long-term care alternatives. Yet the VA has been unable to convert inpatient beds to nursing home care beds at an appropriate rate.

Without eligibility reform; without an expanded universe of veterans to care for; without "leveling the playing field" to make up for past budgetary shortfalls; without the capability to retain third-party monies; the VA may very well disintegrate. A voucher system is then the only recourse. Doing so would actually cost more to our taxpayers because the VA provides its services at about 60 to 70 percent of the commercial health care industry, particularly in such unique care as spinal cord injuries and post traumatic stress disorder counseling.

This actually means instead of talking reductions, we need to stress reform. As the advertisement stated last week, the reform proposals made by the Veterans Service Organizations will save taxpayers \$2 billion a year and still provide veterans with a viable health care program. The VA health care system is not yet a dinosaur. However, the continued viability of that program is certainly at stake. It is at its most crucial stage in its history.

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Reserve Officers Association of the United States
The Professional Association Representing All Officers

FAX COVER SHEET

DATE: 23 May 1995

SUBJECT: W.H. Interagency Veterans Policy Group

TO: Robert L. Jones

FAX NUMBER: (202) 456-6218

FROM: LTC Stephen P. Anderson, USAR (Ret.) PHONE: (202) 646-7715

FAX NUMBER: (202) 646-7751 OR (202) 479-0416

NUMBER OF PAGES INCLUDING COVER: 4

Issue paper for meeting of Vets Policy Group on 25 May. Please pass to Bob Jones

Shank
R

Army ★ Navy ★ Air Force ★ Marine Corps ★ Coast Guard ★ Public Health Service ★ NOAA

One Constitution Avenue, N.E., Washington, D.C. 20002-5655 ★ Telephone: (202) 479-2200

EROSION OF EARNED BENEFITS FOR MILITARY RETIREES

Of late there has been a somewhat alarming increase in the volume of letters and telephone calls that this association has received that deal with the perception on the part of our members that their earned retirement benefits are under serious attack and are likely targets for those seeking to balance the budget and reduce the deficit. Indeed, our members, who have generally disdained what they call "gimme organizations," whose sole focus is perceived to be the preservation (frequently in the face of reason) of a plethora of perquisites, benefits, and entitlements, are growing ever more concerned that the promises made to them by their government, promises that formed the very corner stone of the financial security they counted and planned on in their old age, may not be honored. Moreover, they are particularly concerned that those who appear most anxious to breach these long-standing commitments, have themselves, no military background upon which to judge the value of the service they would so facilely denigrate in the name of domestic economy.

These concerns indicate that the level of special faith and confidence that our members, all of whom are active or retired commissioned officers, have reposed in their government, is being significantly eroded. While no one is suggesting that this erosion may lead to any kind of serious disaffection, it is reasonable to assume that it could well engender some degree of skepticism, if not actual cynicism, about the willingness and reliability of the government to honor its commitments to those who have and will serve the nation honorably. Earned benefits should not be considered discretionary entitlements.

The areas of concern most frequently cited by our members (health care and retirement annuities) are noted below. Taken singly, they form a litany of the major elements that most prudent persons would consider essential to meaningful financial planning; together, they constitute the very underpinning of retirement security for those who given a significant portion of their lives to the service of our nation in its uniformed services. If we are to maintain the readiness of all of our forces, Active and Reserve, our service members must, from the outset, have confidence in the commitment of the government to keep faith with those who have served as well as those who will serve.

- **HEALTH CARE.** The current state of military health care is a major focus of concern for many active and retired members of this association, who see a pattern of disenfranchisement and broken promises in the developing health care system that is less and less able to meet their medical needs despite long-standing promise that having served honorably, they would have life-long medical care at no cost to themselves once they reached retirement age. DoD's much-touted Tricare system, even before it is fully implemented, is a source of controversy and discontent with its high enrollment fees and cost-share schedules. (The same is true of the recently implemented Uniformed Services Family Health Plan.) As more and more military installations are closed or targeted for closure, military treatment facilities are closing, pharmacy services are becoming less and less available, threats of nuisance fees are becoming increasingly frequent, and costly CHAMPUS, soon to be Tricare supplements, are becoming a necessity. Current plans call for military retirees and their dependents over 64 to lose

their CHAMPUS eligibility, be denied enrollment in Tricare, and be shuffled to the none-too-steady Medicare system.

- **PROTECTING RETIREMENT PAY.** Recent actions by the Congress (the Omnibus Budget Reconciliation Act of 1993, subsequent related committee actions, the options developed by Senator Gregg's Budget Committee entitlement panel, as well as options developed by the Congressional Budget Office (CBO), and older decisions such as the Social Security Offset to the Defense Survivor Benefit Plan) have had the effect of placing the earned retirement annuities of service members in jeopardy, leading to considerable distress among retired military personnel.

The ongoing issue of equity in the start date of annual cost of living adjustments (COLAs) for federal military and civilian retirees, and the apparent willingness of some members of Congress to sacrifice military retirees' financial interests and security to reduce the deficit has not gone unnoticed. Neither have the several COLA options considered by the Senate Budget Committee that would have reduced the buying power of many military retirees' annuities by as much as 40 percent over their lifetimes. (The really distressing aspect of these options is that they were to apply to both current and future retirees, unlike the retirement reforms implemented in 1986 that were strictly prospective and protected those already in uniform or retired.) It should also be remembered that in the 1970s the Congress directed the military to include a guarantee of lifetime COLAs in service members' annual compensation comparability statements.

The annual appearance of CBO's list of options for reducing the budget and the deficit has done little to allay the fears of Reservists as CBO questions the need for any retirement for Reservists at all, or recommends that the traditional linkage between active duty and Reserve longevity pay be severed as a cost cutting measure. While these recommendations have appeared before with little comment or credence, it is the measure of the lack of trust in the government's commitment to the members of the Armed Forces that this association received numerous inquiries on the subject after it was reported in the Army Times and Washington Post.

Retired Reservists who elect to protect surviving spouses' financial security by participating in the Survivor Benefit Plan (SBP), which provides a percentage of their military retirement annuities to their spouses after their deaths, have long seen offsets to their survivors' annuities as inequitable because they were based upon the Social Security payment the Service member would have received had he survived. Furthermore, under the more recent two-tiered SBP system, the SBP annuity is offset if either the service member or his surviving spouse qualified for the Social Security benefit. The courts have upheld these offsets as legitimate "cost-saving measures." Again, the message appears to suggest that in the quest for a balanced budget, military retirees and their surviving spouses are a soft target.

- **CONCLUSION AND RECOMMENDATION.** There is a strong and a growing suspicion among service members, Active, Reserve, and Retired, that such portions of their present and future financial resources and planning as are associated

with their service in the military are no longer secure (if they really ever were). This concern is not without basis as we attempt to balance the budget and reduce the deficit. The larger, and more significant implication of this perception is the effect it must have upon military readiness. Potential recruits have long identified financial security upon retirement as one of their major reasons for choosing a military career. The basis for this expectation is the government's saying it will be so. If that credibility is destroyed or eroded, recruiting, retention, and readiness will suffer. Worse, the faith of the electorate in its elected officials will also decline.

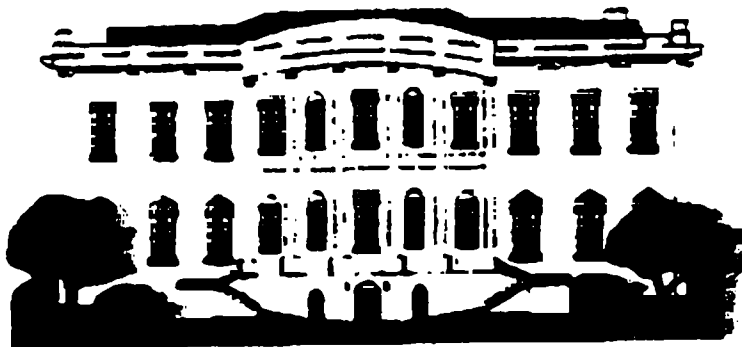
This is a political issue that offers great opportunities for the party or national figure willing to champion the cause of military retirees' rights and to keep faith with those who have served so well. As we approach 1996, someone will in all likelihood recognize this as a prime issue and embrace it. The question is who.

Therefore, the Reserve Officers Association recommends that the White House support the following:

- Provision for continued military health care for retirees and their dependents beyond age 64
- Ensure that Reservists continue to qualify for retired pay
- Provide for equal COLAs for both military and civilian federal retirees
- Reject any suggestion that erodes benefits earned and promised as a result of military service
- Hold the line on Survivor Benefit Plan annuity erosion.



OFFICE OF NATIONAL DRUG CONTROL POLICY
EXECUTIVE OFFICE OF THE PRESIDENT
Washington, D.C. 20500



FACSIMILE TRANSMITTAL SHEET

Number of pages including cover: 4

Date: 6-26-95

To: Molly BROSTRON

Fax Number: 6-7028

Office Number: _____

Comments: As discussed

From: John Gregrich

Fax Number: 202/395-6744 Office 202/395-6749

Failure of some welfare reform measures to maintain the requirement for indigent addicts to enter substance abuse treatment.

Unlike Administration and Congressional reforms enacted last year, dropping disability due to alcoholism or drug addiction from SSI eligibility will not reduce dependency and will not significantly reduce the Federal roles. The majority of these indigent addicts (estimated between 60 and 80 percent) will remain eligible due to other disabilities. But we will no longer be able to condition their receipt of benefits on compliance with drug treatment rules nor will we be able to require that their benefits go through a responsible payee. In other words, they are more likely to spend the benefits on drugs or alcohol.

Furthermore, the other 20 to 40 percent will simply become the responsibility of state and local assistance.

SUPPLEMENTAL SECURITY INCOME**QUESTION**

What will be the impact of eliminating drug addicts and alcohols from the Supplemental Security Income program?

ANSWER

Eliminating alcoholism and drug addiction as eligible disabilities will not reduce dependence on public support, will not reduce the SSI addict population significantly, and could result in a marked increase in the use of SSI funds for alcohol and drugs.

BACKGROUND

Before additional actions are taken, remedial actions taken by the Administration and the Congress, in 1993 and 1994, should be given the chance to work.

- The potential for abuse became apparent when this program began to grow rapidly in 1991. This Administration took steps, shortly after taking office in 1993, to correct management shortfalls and ensure accountability in this program. Even before these steps were fully implemented, the Congress acted in 1994 to limit the benefit period of the program and to increase compliance monitoring. Implementing regulations for the Congressional action were published in February 1995.

Eliminating alcoholism and drug addiction as eligible disabilities is not the answer. It will not reduce dependence on public support, will only reduce the SSI addict population by 20 percent, and could result in a marked increase in the use of SSI funds for alcohol and drugs.

- Those alcoholics and addicts who are dropped from the SSI rolls will burden state and local general assistance programs.
- The 80 percent who remain on the SSI rolls, due to other disabilities, will not be required to enter and comply with treatment.

In the final analysis, SSI is an important program and the American people have the right to expect that we manage it well.

- The Administration is prepared to work with the Congress to improve it and to move drug- and alcohol-addicted Americans toward self-sufficiency.

- However, recently enacted changes should be allowed to work, before additional and potentially damaging steps are taken.

ODR:4/5/95

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

21-Jun-1995 04:22pm

TO: Molly Brostrom

FROM: Nancy-Ann E. Min
 Office of Mgmt and Budget, HP

CC: Toni S. Husted

SUBJECT: RE: Medicare Subvention

you're right--it's nopt that simple, it isn't clear if it saves money, it also makes dod mad--for all these reasons, and because you haven't got the right people in the room to really discuss this issue (e.g., Bruce Vladeck), i'd recommend you not get into it now. remember that the VA's rego proposal is to allow them to test medicare subvention--we are working with them and hCFA to design a demonstration. the whole reason we need to test this first is there is some evidence it could result in increased billions of costs to Medicare--which would not be good.

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
LEGISLATIVE AFFAIRS

PENTAGON, ROOM 3E966, WASHINGTON, D.C. 20301-1300

To Verify Transmission, Contact the Sender at Number Listed Below

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H DoD Auth Report

240

SECTION 747—REPORT ON IMPROVED ACCESS TO MILITARY HEALTH CARE FOR COVERED BENEFICIARIES ENTITLED TO MEDICARE

This section would require the Secretary of Defense to report on possible alternatives to improving access to the military health care system for those beneficiaries who are Medicare eligible and ineligible for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

The committee remains concerned about the growing population of military retirees who are unable to access the military health care system largely as a result of the drawdown of the military and the closure of military medical treatment facilities. These retirees are feeling increasingly disenfranchised from a government they served and defended devotedly. Without Medicare reimbursement, the Department will be forced to provide less and less care to this population.

The committee remains committed to identifying cost-effective alternatives for providing medical care to all military medical beneficiaries.

ITEMS OF SPECIAL INTEREST

MEDICARE REIMBURSEMENT TO THE DEFENSE HEALTH PROGRAM FOR CARE PROVIDED TO MEDICARE-ELIGIBLE BENEFICIARIES

The committee believes that Medicare reimbursement to Department of Defense medical facilities for care provided to Medicare-eligible beneficiaries can produce savings to both the Department of Defense and the Department of Health and Human Services because military hospital care is generally less expensive than health care services purchased in the private sector.

The Department's implementation of the TRICARE managed health care program nationwide over the next several years will offer a propitious opportunity to achieve government-wide savings through Medicare reimbursement. Unfortunately, the Congressional Budget Office scoring of this initiative as a \$2.7 billion direct spending cost by the year 2000 limits the committee's ability to act on this important initiative. This direct spending impact is largely due to the fact that the Health Care Financing Agency does not budget for military Medicare-eligible beneficiaries. Further limiting the committee's ability to act on this issue is the fact that the President's budget does not propose Medicare reimbursement to the Department.

The committee remains convinced that Medicare reimbursement is in the best interest of the military health care system and that such reimbursement will result in overall savings to the Federal Government. The committee remains committed to working with other committees and the President to achieve this worthwhile and necessary objective.

FORMATION OF VETERAN'S WING WITHIN NAVAL HOSPITAL GUAM

The committee is concerned about the need to continue providing quality health care services to thousands of beneficiaries as the Navy closes and realigns its facilities on Guam. The establishment of a veterans' wing within the Naval Hospital, Guam, could provide

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

21-Jun-1995 07:06pm

TO: BROSTROM_M

FROM: Elaine C. Kamarck

SUBJECT: Re: Uniformed Services Med Sch

I am aware of this topic. We could discuss it but you should know that this recommendation was part of the original NPR, it was part of the Pentagon's Bottom Up Review and it has been part of the President's budget. We do not believe the data is flawed and last year in Congress this was settled by having GAO do a review of this. I really don't think there's much to discuss until the GAO review comes out. I would also not bring this to discussion without reopening it with the Pentagon and OMB.



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

Facsimile Cover Sheet

To: Molly B.
Company: _____
Phone: (202) 456-7028
Fax: _____

From: Robert L. Jones
Company: Office of the Secretary
Phone: (202) 273-4836
Fax: _____

Date: _____
Pages including this cover page: _____

Comments:

(Domestic Policy)
Issue raised by National Guard Association at the LAUWPG meeting.



SENT BY:

5-31-95 : 11:04 :

NGAUS-

202 273 4876:# 1/11

National Guard Association of the United States
Fax Memorandum



From: Chuck Schreiber
Director, Legislative Activities

To: Robert L. Jones

Fax No. 273-4876

Date: 31 May 1995

Subject: NGAUS Fact Sheets

Comments:

Bob: Bob Ensslin asked that the attached papers be sent to you as requested during the 25 May Interagency Veterans Policy Group meeting.

The NGAUS Fact Sheets on the Military Technician Program were prepared for our members. They address the issue of across-the-board cuts against the military technician force under the "reinvent government" program, which we continue to oppose.

The papers on the civil/military program were developed by DoD.

Please give me a call if I can be of further assistance.

Number of Pages

Including Cover: 11

One Massachusetts Avenue, N.W., Washington, D.C. 20001; (202) 408-5884
Fax No. (202) 682-9358

NGAUS

Legislative Fact Sheet

NATIONAL GUARD MILITARY TECHNICIAN PROGRAM

DISCUSSION

The Department of Defense is proposing to continue to apply the across-the-board reduction in federal civilian personnel, as part of the administration's National Performance Review, against the military technician program of the National Guard. Despite a prohibition on such cuts by Congress in FY 1995 and a statement by the Secretary of Defense to the Adjutants General, in early February, that it was not his intention to apply both force structure reductions and across-the-board cuts to the technician force, such cuts are again included in the FY 1996 Defense budget. Cuts are also programmed through FY 2001, although OSD is reportedly conducting a review of the size and scope of the cuts at.

The attached 24 August, 1994 NGAUS Legislative Fact Sheet and 24 June, 1994 ASD-RA Memorandum to the Under Secretary of Defense for Personnel and Readiness provide background on the history and rationale for exempting the military technician program from any administratively imposed civilian personnel reduction. Military technician positions are based on military requirements and are subject to reduction as part of the continuing force structure drawdown, just as other military positions. To impose an additional across-the-board cut would have a severe impact on National Guard readiness.

The National Guard military technician is in a unique status. Although pay and benefits are based on the federal civilian personnel program, Congress was very clear when establishing the program that it intended to provide a formal retirement and benefits package, without changing the military nature or the state command and control relationship of the program. The National Guard military technician force should not have been included in the baseline against which the across-the-board federal civilian cuts are computed. That decision appears to be under review within DoD at this time, but too late to effect the FY 1996 cuts.

If the total programmed 15 to 20 percent reductions continue through FY 2001, the Air Guard will lose approximately 3,600 technicians and the Army Guard approximately 5,500 technicians. Cuts of that size would have a devastating impact on National Guard readiness. The Air Guard has estimated that all flying units would be down to readiness rating C-3 by FY 1998 and C-4 by FY 1999-2000. For the Army Guard, such cuts would directly impact readiness programs, particularly maintenance of surface and air equipment.

-2-

RECOMMENDATION

The National Guard Association urges the Congress to:

- Make permanent the provision in the FY 1995 Defense Appropriations Act which prohibited applying any administratively imposed ceiling, freeze, or reduction on military technicians unless reductions are the result of a reduction in military force structure.
- Reverse the FY 1996 cut in National Guard military technician manning by restoring 1,636 end strength and \$12.5 million net operations and maintenance funding for the Army National Guard and 605 end strength and \$0.4 million net operations and maintenance funding for the Air National Guard.

23 February 1995

Attachments:

1. NGAUS Legislative Fact Sheet, 24 August 1994
2. ASD-RA Memorandum, 24 June 1994

NGAUS

Legislative Fact Sheet NATIONAL GUARD MILITARY TECHNICIAN PROGRAM

PROBLEM

- There are indications that the administration will apply the across-the-board reductions in federal civilian personnel to the military technician programs of the National Guard and Reserves.

BACKGROUND

- The National Guard military technician and Active Guard and Reserves (AGR) full-time support programs have evolved to what they are today through at least three distinct phases. The first was what was called the "caretaker" phase. A caretaker was a member of a Guard unit in a local armory. The caretaker tended to such routine administrative and logistical concerns as were required between training assemblies, which were then held one evening a week.

- By the 1960's, program has evolved to the administrative-supply technician (AST) phase. One AST was provided for the first 100 personnel in a unit and one additional for each additional 50 members. ASTs could be any enlisted rank; frequently the senior person was the first sergeant (E-8). Prior to the National Guard Technicians Act of 1968, all were federally reimbursed state employees. Most entered excepted federal civil service in 1968, although some remained in a state status because of retirement benefits. In a two-AST armory, the senior individual was GS-7, the junior a GS-5.

- By the 1970's, when the administration was reducing the number of federal civilian employers, Congress took action to prevent similar across-the-board reductions in the Guard's full-time force. As a result, the Active Guard/Reserve (AGR) program was created to provide a military full-time support force who were members of the unit and not subject to civilian reductions in force. It was subsequently decided that the successful military technician force should not be converted to AGR members, so Congress established a floor each year on the authorized level of technicians. Since that time, most of the full-time growth has been the AGR program, with the result that both AGR and military technicians often work side-by-side in Guard units.

CURRENT SITUATION

- By the 1980's, the National Guard Bureau has created manpower models for each type of Army and Air Guard unit containing all of the validated full-time manning spaces. Because of funding constraints, most Army Guard units are resourced at 70 percent or less of their validated requirements. High priority units in the contingency force pool are fully manned. A typical company-sized unit will have either four or five full-time personnel.

-2-

They usually include a readiness NCO (E-7), a supply sergeant (E-6), a unit clerk (E-5) and training NCO (E-5). Some units will also have an armorer (E-4). A battalion headquarters will have an administrative officer (O-3/4), a training officer (O-3), a property book/logistics officer(WO), a personnel NCO (E-7), an operations sergeant (E-8) and several clerks (E-4).

- Air National technician requirements are based on the type of aircraft, equipment and missions assigned. They are the unit members who fly and maintain aircraft and keep the units operational so they can perform day-to-day missions and prepare for their wartime tasking. More than one-half of the Air National National Guard full-time force are members who directly support aircraft maintenance requirements. Many are involved with munitions and armament, avionics, engine maintenance and cargo handling skills. Others are involved in such areas as security, personnel, finance and administrative requirements. Grades are tied to the type aircraft/unit model and are critical for combat readiness.

- In deployable units in both the Army and Air Guard, full-time personnel may be a mix of AGR and military technician. Reduction of technician resourcing as a result of a downsizing of federal "civilian" employees would leave vacancies in any military position currently staffed with a technician. Because the mix in any unit is based on a local hiring and promotion situation, it is difficult to predict precise impact of a reduction other than a certainty of an adverse impact on readiness. In many units, it will be a question of doing without one of several one-of-a-kind unique specialties: a readiness NCO, a supply sergeant, a training NCO, or an aircraft maintenance specialist. In some small units it may be a question of which single specialty to retain.

- Today, the majority of technicians in both Army and Air Guard are found in various maintenance shops. In the Air Guard it would be the flying unit maintenance organizations. In the Army Guard, technicians are used in organizational maintenance shops at battalion level, combined support maintenance shops at state level, mobilization and training equipment site on major federal installations, and unit training equipment sites at local training sites. All such maintenance technicians are military members of the units they support. The equipment they maintain is used for daily missions, weekend training exercises and annual field or deployed training. Reduced manning in this area will obviously impact on operational tempo and unit readiness.

CONCLUSION

- National Guard military technicians fill validated full-time support positions on the military manning documents. They are military members of the unit they support and are responsible for the day-to-day operations and readiness of the Guard unit. Reductions in the military technician force should be directly related to force structure reductions in Guard units. Applying across-the-board federal civilian reduction to the technician force has been opposed by Congress in the past and should be today. Reductions in other competitive civil service employees of the Guard and Reserve are comparable to those being imposed on other federal agencies and would have the same impact as a reduction in the military technician program.

24 August 1994

5-31-95 : 11:06 :
NGAUS-
ASSISTANT SECRETARY OF DEFENSE

202 273 4876 :# 6/11



PERSONNEL AFFAIRS

WASHINGTON, DC 20301-1800

JUN 24 1994

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE, PERSONNEL & READINESS

SUBJECT: DoD Civilian Resource Guidance

Your June 2 memorandum on this subject, which directs an accelerated civilian drawdown, has raised some concerns regarding the application of these increased reductions within the Departments of the Army and the Air Force. There are indications of increasing pressure to exceed reductions to areas previously exempt from administratively imposed civilian personnel reductions. Specifically, I am concerned about the approximately 70,000 military technicians who support the Reserve components of the Army and the Air Force.

Military technicians are a critical element of the full-time support provided to Reserve component units to facilitate peacetime training, to enhance operational readiness and to provide a smooth transition during mobilization. They are Federal civilian employees who are required to maintain military membership and compatibility requirements as a condition of Federal employment and also perform military-essential duties in their status as Federal employees. The rules and procedures under which military technicians serve is a distinctive employment arrangement that is based on satisfying a military need, thus the military aspect of the technician position is paramount.

The Congress has included a recurring provision in the National Defense Appropriations Act which imposes a floor on the total number of positions occupied by (civilian) military technicians below which reductions have not been permitted. In what appeared to be a direct response to a September 30, 1991, Deputy Secretary of Defense memorandum extending the civilian hiring freeze, the Congress enacted a new provision of law to ensure that military technicians were excluded from the hiring freeze. Section 8015(a) of the National Defense Appropriations Act for Fiscal Year 1992 states in part that "none of the funds appropriated by the Act may be used to include (civilian) military technicians in computing civilian personnel ceilings," and Section 8015(b) states that "None of the funds appropriated by this Act shall be used to include (civilian) military technicians in any administratively imposed freeze on civilian positions." These provisions were also included in the FY 1993 Appropriations Act as sections 9015(a) and 9015(b).

In the National Defense Appropriations Act for Fiscal Year 1994, the Committee of Conference agreed to delete these recurring provisions in order not to prejudice the President's Report of the National Performance Review. However, in taking this action, the conferees urged

the Reserve components to adhere to the intent of the provision. In addition the Conference Report specified that "The Assistant Secretary of Defense for Reserve Affairs shall monitor the reserve components to make sure that they do not convert technician positions to AGRs, and that technician personnel are not included in any administratively imposed freeze on civilian positions." The conferees also directed that the Department begin submitting a monthly strength report on technician personnel to the defense committees. This language makes it clear that the Congress intends to closely monitor technician strengths to ensure there are no substantial reductions to the program.

A June 10 Secretary of the Air Force memorandum for the Secretary and Deputy Secretary of Defense which introduces the FY 1996-01 Air Force POM, states that civilian reductions must be spread to every mission area chargeable against end strength including the Air Reserve components in order to "minimize the impact on readiness." The memorandum requests the Secretary's support "in breaking down the freezes in these areas." My concern is that reductions in military technicians, an area that has previously been frozen from civilian personnel reductions, will significantly impact the readiness of Reserve component units.

Military technician positions are based on military requirements and are subject to reduction as part of the drawdown of the Selected Reserve. In general, military technicians who lose their position in the Selected Reserve are also subject to losing their civilian technician position. Military technician end strength is being reduced by nearly 3,000 between FY 1991 and FY 1995, and is projected to decline by another 8,000 by the end of the POM based on military requirements. Requirements for military technicians are based on National Guard and Reserve force structure. To associate military technicians with mandated civilian personnel reductions in addition to Selected Reserve force reductions could result in military technician strength being reduced by a further 8,000. Since nearly all technicians serve and provide full-time support at unit level, the effect on readiness would be direct and very serious. This, at a time when the Department is committed to increasing its reliance on the National Guard and Reserve to compensate for a smaller active force.

I strongly urge you to continue the exemption on including military technicians as part of any administratively imposed civilian personnel reductions within the Department.


Deborah R. Lee

SENT BY:

5-31-95 : 11:07 :

NGAUS-

202 273 4876: # 8/11

EXTRACT FROM FY 1994 REPORT OF THE RESERVE FORCES POLICY BOARD Personnel

Table 3-6
FULL-TIME SUPPORT PERSONNEL STRENGTHS

	Army National Guard	Army Reserve	Naval Reserve	Marine Corps Reserve	Air National Guard	Air Force Reserve	DoD Total	Coast Guard Reserve	Total
AGR/TAR Personnel^a									
Required	40,376	18,725	23,423	2,524	9,539	787	95,374	N/A	95,374
Authorized	24,180	12,542	19,718	2,285	9,389	648	68,762	N/A	68,762
Assigned	23,708	12,542	19,139	2,273	9,312	648	67,620	N/A	67,620
Military Technicians^b									
Required	37,317	12,051	N/A	N/A	28,500	10,901	88,769	N/A	88,769
Authorized	27,259	7,159	N/A	N/A	24,287	10,541	69,226	N/A	69,226
Assigned	23,141	5,638	0	0	23,304	9,520	61,503	N/A	61,503
Active Component^c									
Required	0	1,258	2,270	4,352	1,014	785	9,679	482	10,161
Authorized	0	1,182	1,313	4,234	1,014	785	8,528	482	9,010
Assigned	174	851	1,477	4,234	1,012	651	8,398	482	8,881
Civil Service									
Required	629	1,500	2,320	154	1,801	8,218	12,623	104	12,727
Authorized	468	1,500	2,320	154	1,739	5,659	11,840	104	11,944
Assigned	486	1,451	2,302	154	1,726	3,387	11,508	98	11,604
Totals									
Required	78,322	33,534	28,013	7,030	40,854	18,692	208,445	586	207,031
Authorized	51,907	22,383	23,002	6,673	38,408	17,633	168,007	586	168,593
Shortfall	26,415	11,151	5,011	357	4,445	1,059	47,379	0	47,379
Percent Authorized of Required									
	66%	67%	82%	95%	89%	94%	77%	100%	77%
Assigned	47,507	20,382	22,918	6,661	35,354	18,208	149,028	580	149,608
FTS Authorizations as a Percent of Authorized End Strength									
	13%	8%	20%	18%	31%	22%	15%	6%	15%

Notes:

- Includes AGR in the Army, officers and enlisted on Statutory Tours in the Air Force Reserve, TAR in the Naval Reserve, and Reserve military FTS in the Marine Corps Reserve.
- Air National Guard AGR and MT positions can be filled by either status personnel. All ANG requirements are shown as Military Technicians. USAR includes SOF technicians.
- Includes Active component assigned or attached to Reserve component organizations who provided support exclusively to the Reserve components.

Sources: The DoD Comptroller, Office of the Assistant Secretary of Defense for Reserve Affairs, and the Reserve components.
Data as of September 30, 1994.

Talking Points on Civil/Military Programs

It's all about readiness training -- giving members of the National Guard and Reserves real world training experience that allows them to apply the same skills that will be required of them if they are mobilized for state or federal missions. We'll either get direct training benefit from these programs -- especially through combat support and combat service support type units -- or the programs will be supported with volunteers.

The civil/military program was directed by the Congress. DoD is doing what the Congress asked it to do -- setting up pilot programs to evaluate how effectively military resources -- people, facilities, know-how and equipment -- can be applied to critical domestic needs. Pilot programs are now in place in a number of states and DoD is monitoring their effectiveness. According to ASD/RA Deborah Lee, the early results are encouraging and they will continue to carry out the program as directed by the Congress.

Funding for the civil military programs has not increased in the President's FY96 budget. Proposed total FY96 funding for civil-military programs is \$69.2 million (compared to \$71 million for FY95) -- clearly not an amount that would solve the military technician problem.

CIVIL-MILITARY PROGRAMS

The FY93 Defense Authorization Act included two new initiatives: (1) Section 1091 - National Guard Civilian Youth Opportunities Pilot Program and (2) Section 410 - Civil-Military Cooperative Action Program. Dr. Perry, the then Deputy Secretary of Defense delegated to me the responsibility to implement and oversee these two pieces statute.

Subsequently, I have established an office for Civil-Military Programs which combines the National Guard Youth Opportunities Pilot Program and the Civil-Military Cooperative Action Program into one office.

Section 1091 - National Guard Civilian Opportunities Pilot Program (ChalleNGe)

PILOT DURATION: fiscal years FY93-FY95

PURPOSE: Provide basis for determining:

- (a) whether the life skills and employment potential of civilian youth who cease to attend secondary school can be significantly improved through military based training provided by the National Guard.
- (b) whether it is feasible and cost effective for the National Guard to provide military based training to such youth.

REPORT TO CONGRESS: Section 1091 required DoD to report to the congressional defense committees on the design, conduct, and effectiveness of the pilot program. The report is due to Congress in June 1995. The National Guard Bureau has contracted for an independent assessment of the ChalleNGe program for this report. Initial findings are quite optimistic. The GED attainment rate is approximately 20% above any other GED program for this category of students (ie. drop-outs and expellees). Furthermore, at roughly \$14,000/student it is one of the most cost-effective programs out there and 1/2 the cost of any other federal residential program.

STATUS: The Challenge program is a federally funded and regulated, state run program. We stress partnership and cost sharing with the states and communities which host the program. For example, the state of Mississippi has matched federal funding at approximately 50%. Other states have provided cost sharing as well to include paying for teachers, providing transportation vehicles, mentors for the students etc. We are continuing to work with the states to find additional cost sharing opportunities.

Section 410 - Civil-Military Cooperation Action Program

PURPOSE: Establish a program which in accordance with other applicable law, to use the skills, capabilities, and resources of the armed forces to assist civilian efforts to meet the domestic needs of the U.S.

- OBJECTIVES:**
- (1) Enhance individual and unit training and morale in the armed forces.
 - (2) To encourage cooperation between civilian and military sectors of society in addressing domestic needs.
 - (3) To advance equal opportunity
 - (4) To enrich the civilian economy of the US through education, training, and transfer of technology.
 - (5) To improve the environment and economic and social conditions.
 - (6) To provide opportunities for disadvantaged citizens of US.

STATUS: DoD Directive implementing legislation is in final stages of coordination. To date we have 33 programs in more than 35 states. The focus for these type programs is combat support and combat service support units and individuals – especially medical and engineering. These programs provide valuable “hands on” readiness training for our military personnel while simultaneously “adding value to America”.

FUNDING OF CIVIL-MILITARY PROGRAMS:

FY93 -- Congress appropriated \$49M (O&M) for Challenge and Starbase

– Challenge in 10 states

– Starbase in 5 states (authority for starbase came under 2193 USC10, committee report language on Starbase said it was the intent of Congress that each of the programs be self-sustaining at the end of 3 years of federal funding -- 3 yrs expires for the first 5 states in June 1996)

FY94 – Congress appropriated \$70M (O&M)

– Challenge in 15 states/ Starbase in 14 states - \$60M

– Civil-Military Cooperative Action Programs - \$10M

FY95 – President's budget included \$71.4M (O&M)

– Challenge in 15 states/ Starbase in 14 states - \$61.4M

– Civil-Military Cooperative Action Programs - \$10M

--Congress added \$8M (Mil pers)

FY96 -- President's budget includes \$69.2M

--Challenge in 15 states/ Starbase in 14 states - \$61.4M (Zero growth in programs)

--Civil-Military Cooperative Action Programs - \$7.8M



NCOA

Non Commissioned Officers Association of the United States of America

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

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NCOA

Non Commissioned Officers Association of the United States of America

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

May 9, 1995

The Honorable David Pryor, U.S.S.
 Chair, Policy Committee
 1995 White House Conference on Aging
 501 School Street, S.W., 8th Floor
 Washington DC 20025

Dear Mr. Pryor:

I was a delegate at the 1995 White House Conference on Aging and an active program participant.

I deeply regret that the delegate ballot voting on Resolutions introduced during the event was not announced while the conference was in session.

Countless people worked to introduce Resolutions 132, 133 and 134 that were voted on by the delegate body on Friday, May 5th, 1995. The results of that ballot was not made available until Monday, May 8th, 1995. My information reveals the vote on these resolutions was as follows:

#132 - 916 yes: 145 no: 829 abstained from voting
 #133 - 792 yes: 154 no: 944 abstained from voting
 #134 - 797 yes: 148 no: 945 abstained from voting

} -needed 954 to pass

The ballots presented the delegate with the choice to cast either a "YES or NO" vote on the delegate introduced resolutions contained on the second ballot. It appears that the total population of delegates was the basis from which a majority vote was necessary to secure adoption of the resolution. Based on this logic, all three of the above delegate submitted resolutions failed. It appears that ten other (10) delegate introduced resolutions were adopted at the conference.

I fail to see how a delegate who abstains from voting should remain a part of the total delegate body upon which a majority is based for passage of a resolution or motion. Clearly, a majority of those voting adopted the three resolutions in question.

May 9, 1995
Page 2

I would have risen to a Point of Order had this process been articulated at the conference. I sincerely believe that an injustice has resulted from rule making that was manufactured for this democratic voting process. Specifically, procedures that were unknown to delegates before the voting process.

It should be further noted that at the formal voting session an insufficient number of copies of the Final Resolutions Booklet and lack of ballots for each delegate created confusion in the assembly hall.

This delegate formally requests that the entire White House Conference on Aging Advisory Committee:

Review the information provided to delegates on adoption of delegate introduced resolutions.

Review the process utilized at the conference.

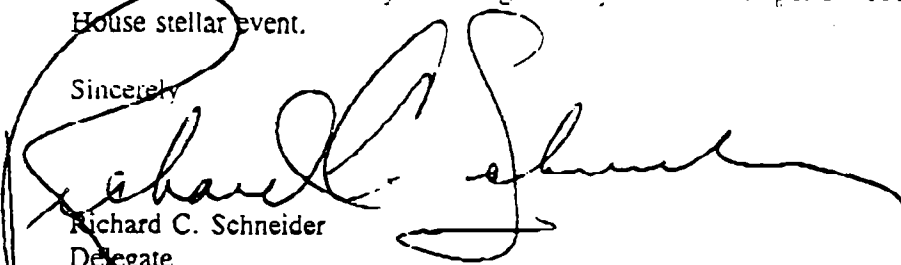
Exclude those who "abstained (or did not vote)" from the total number of delegates required for determination of the majority necessary to adopt a resolution.

Approve on behalf of the White House Conference on Aging all resolutions that would have been approved by a simple majority of those voting.

*- others understood
- didn't want the floor*

Let's not end this 1995 White House Conference on Aging embroiled in controversy. Let us together resolve these issues. If necessary, let's poll the delegates on this issue to ensure the action taken is endorsed by the delegate body. Let us not put a cloud on an otherwise White House stellar event.

Sincerely



Richard C. Schneider
Delegate
White House Conference on Aging

cc: Policy Committee Members



T H E M I L I T A R Y C O A L I T I O N

201 North Washington Street
Alexandria, Virginia 22314

END UNFAIR DISPARITIES IN RETIRED PAY COST-OF-LIVING ADJUSTMENT (COLA) DELAYS

The Omnibus Budget Reconciliation Act of 1993 imposed severe multi-year COLA delays on military retirees -- far exceeding the sacrifices asked of other COLA recipients. While the FY1995 DoD Authorization Act equalized the 1995 military and Federal civilian COLA dates, severe FY1996-98 disparities remain.

There are 50 million Federal COLA recipients. Of these, more than 46 million (92 percent of the total) incur no COLA sacrifices at all. Two million Federal civilian retirees will see only three more months of COLA delays in 1996 before returning to January COLAs in 1997. In stark contrast, 1.4 million nondisabled military retirees face delays totaling 27 more months (nine months each for 1996 through 1998) -- nine times the remaining Federal civilian sacrifice.

For the average retired officer, the cumulative five-year COLA forfeiture will be \$2,301. A Federal civilian retiree with the same retired pay will give up about one-quarter of that amount -- \$603. The average enlisted retiree will lose \$1,228; the equivalent Federal civilian retiree, only \$322.

Military retirees expect to assume their fair share of sacrifice, but this is a grossly disproportionate \$2 billion surtax imposed on military retirees in spite of -- and in fact because of -- their extended sacrifices in uniformed service. It imposes 88 percent of the financial sacrifice on military retirees, even though they comprise only 3 percent of the COLA-eligible population.

Since 1969, military and Federal civilian retirees have received the same COLAs on the same dates. With recruiting in decline, career stability undermined by the force drawdown, and ever more intense operational requirements on the remaining forces, Congress should not be relegating military retirees to "second-class" treatment.

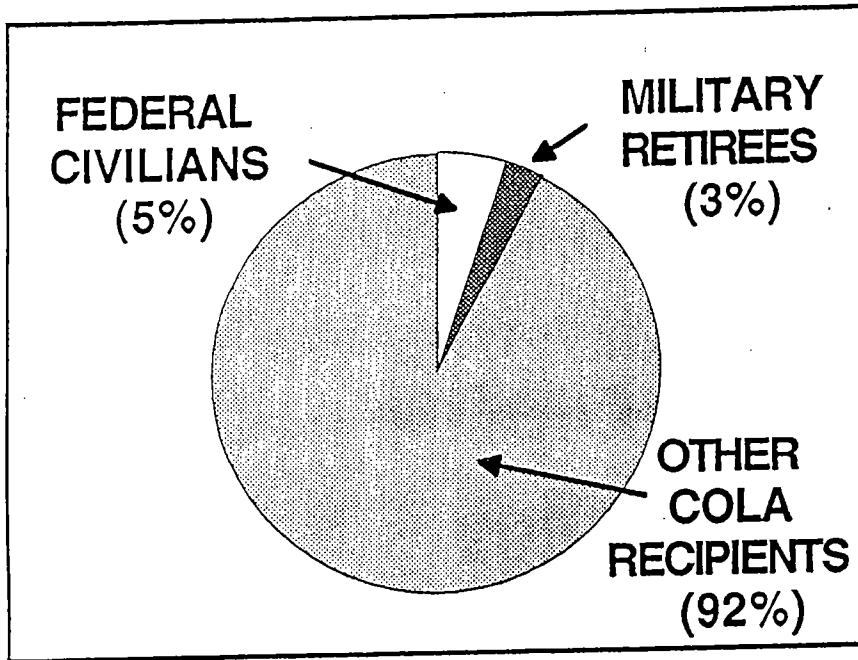
The President's Budget (PB) for FY1996 provides \$385 million in offsets to equalize the COLA dates for 1996. The PB does not address FY1997-98, but Administration sources indicate similar offsets are available for those years.

The Military Coalition urges the Congress to fix this serious inequity once and for all -- and end this highly divisive annual debate -- by equalizing the military and Federal civilian COLA dates in this year's Budget Resolution, not only for FY1996, but for FY1997-98 as well.

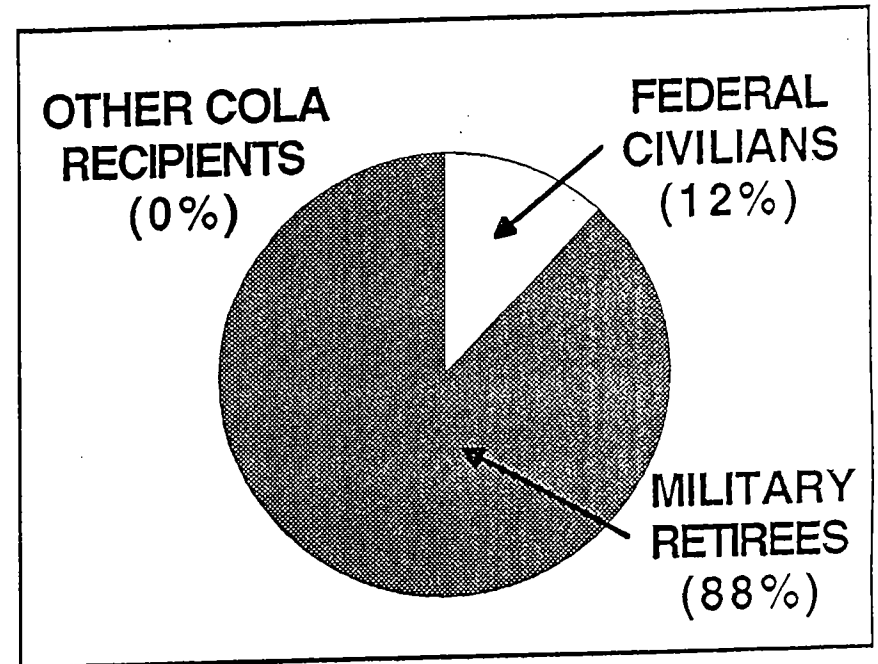
April 25, 1995

SHARED SACRIFICE??

1993 OBRA IMPACT



COLA POPULATION
(52 Million Total)



COLA SACRIFICE
(\$2.4 Billion Total)