

Information regarding item C: Status of programs relating to retraining and downsizing:

- o SMOCTA (Service Members Occupational Conversion and Training Act of 1992).
- o Veterans discharged after August 1, 1990 are eligible if:
 - their military job skills can not be easily applied to civilian employment.
 - they are seriously disabled, or
 - they are unemployed for an extended period.
- o SMOCTA is jointly administered by VA and the Department of Labor.
 - The Department of Labor
 - finds appropriate employers.
 - matches the employers with eligible veterans, and
 - provides a case manager for each veteran in training.
 - VA
 - approves employers.
 - determines veteran eligibility, and
 - processes payments.
- o SMOCTA began July 1, 1993. VA actions through November 15, 1994:

-Veteran Applications processed	58,235
-Veterans Eligibility for Job Training	49,529
-Eligible Veterans Placed in Job Training	8,388
-Number of Employers Approved For Participation	7,339
-Funds Remaining	\$4.7 Million
- o RECENT LEGISLATION
 - Public Law 103-335 (September 30, 1994) extended SMOCTA through September 30, 1995 but did not provide any additional funds.
 - Public Law 103-446 (November 2, 1994) provided technical amendments for the administration of SMOCTA.

2C. "DOD and VA will provide a joint report on the status of the various programs relating to retaining and downsizing."

While we have no involvement with any such programs, we do maintain current data on annual losses from active duty. This data is considered when formulating the budget model projections for anticipated receipt of compensation claims. We have data on net losses for FY 1995 through FY 1999.

Information regarding item D: Status of provisions of services to the Coast Guard:

o MGIB (Montgomery GI Bill) benefits.

Public Law 103-446 (November 2, 1994) extended eligibility for MGIB (Montgomery GI Bill) benefits to former Members of the Coast Guard who:

-Were on active duty before September 30, 1994 and are involuntarily separated from active duty during the five year period beginning on October 1, 1994, or

-Were on active duty before September 30, 1994 and are voluntarily separated from active duty under VSI (Voluntary Separation Incentive) or SSB (Special Separation Benefit) on or after October 1, 1994.

o SMOCTA (Service Members Occupational Conversion and Training Act of 1992).

-Public Law 103-337 (October 5, 1994) provided that the Secretary of Transportation make funds available to VA for making SMOCTA payments to employers who employ and train former Coast Guard members.

-Coast Guard officials contacted VA officials in November, 1994 indicating that the Secretary of Transportation will transfer funds to VA. (\$178,500 anticipated).

-VA will track the expenditure of these funds separately from DOD funds.

2/2/95

NSC

Bob Bell re: SMOCTA:

Need to consider how to get most out of SMOCTA
DOD, DOL, VA asst sec
found out

Admiral Owens (a Joint Chiefs
DOD
Herchel Hober

Summit Conference proposal - since SMOCTA is
about to go broke, need cash infusion for '95 +
'96. DOD - \$10-20M in unobligated funds for '95
if VA would 10-20M for '96

Senators
Montgomery's
wishes

Senators Montgomery + Rockefeller
G of Bill of Rights - people who participate
there should be able to extend for SMOCTA
option

When service person separates from
service, many don't

SMOCTA gives you paycheck

Steve Hiltor + Panetta mtg -
John Angel didn't think we could get VA to
do '96

Bob Bell is sending memo into Panetta

DOD - \$75M originally for SMOCTA for 2 yrs.
Attitude is very clear - doesn't want to fund
program any more

DOL - Labor Proctor Taylor thought to have DOL put
SMOCTA into DOL budget first year.
GMB knocked it out due to lack of results
(however, it only started last yr.)

Budget
Analysis
DOD, VA,
DOL

Budget analyst @ VA
No one @ OMB is going to argue for it.

About to die but it's considered single most
important ~~training~~ initiative.
SMOCTA down to \$2M per his

50,000 have signed up for it + are on waiting
list. Many CO have also signed up.

Steve Hilton supports this.

Older VAs have ^{near as} priority
Younger vets benefit from SMOCTA.

- Currently SMOCTA is totally funded by DOD.
- No state

Memo due to Leon this week. Getting draft
to me tomorrow.