

luctance of employees to move to new locations where jobs are available. While much of this reluctance stems from other than economic factors, a major contributing factor is the financial losses which an employee currently faces when required to move his household to another location.

7. Coordination and cooperation

Regulations require that employees being affected by reductions must be given priority consideration for vacancies which develop in any component of the Department of Defense. To accomplish this objective priorities have been established and a nationwide referral system using computers to match jobs and people has been placed in operation.

Arrangements have been made with the Civil Service Commission to assist in placing employees in other Federal agencies through priority referral and priority certification procedures. Arrangements have been made with the Department of Labor to make the facilities of the Manpower Development and Training Act available for the retraining of employees for jobs in private industry. State Employment Services have provided counseling and placement services. The cooperation of business enterprises has been solicited and many have cooperated by using closing bases as recruitment sources.

8. Laws and regulations

Secretary of Defense memo of July 24, 1963, DOD Instructions 1414.5, 1410.1, and 1416.7 and DOD Directive 5410.12. The program is based upon the general authority of the Secretary of Defense and the Secretaries of the military departments to manage the personnel of the departments. The following are statutes which affect related matters: Transportation, Administrative Expenses Act of 1946, as amended; saved pay, Classification Act of 1949, as amended; training, the Government Employees Training Act, Public Law 85-507, and the Manpower Development and Training Act of 1962, Public Law 88-214, as amended; severance pay, Federal Employees Salary Act of 1965, Public Law 89-201.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

While it is not possible to provide quantitative estimates of the economic effects of the program, the effects on personal incomes of the persons assisted obviously is substantial. In this regard, most employees are placed at their current level of earnings. Some employees must take lower grades in order to be placed but the largest portion of these employees are eligible to have their pay saved for a 2-year period. Factors such as repromotion or general increases in wages tend to offset the initial reduction by the end of the 2-year period. The total program has a very substantial effect on stabilizing personal incomes of employees.

10. Economic classification of program expenditures

As indicated in response to question 4 above, since the program is meshed into total personnel operations of the Department of Defense, it is not feasible to estimate the expenditures related to this particular placement, reassignment and retraining effort. All expenditures are