

## 2006 Current Fiscal Year Report: Defense Advisory Committee on Military Compensation

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### 1. Department or Agency

Department of Defense

### 2. Fiscal Year

2006

### 3. Committee or Subcommittee

Defense Advisory Committee on Military  
Compensation

### 3b. GSA

### Committee No.

21522

### 4. Is this New During Fiscal Year?

No

### 5. Current Charter

03/14/2005 03/14/2007

### 6. Expected Renewal Date

### 7. Expected Term Date

07/11/2006

### 8a. Was Terminated During Fiscal Year?

Yes

### 8b. Specific Termination Authority

Agency Authority

### 8c. Actual Term Date

07/11/2006

### 9. Agency Recommendation for Next Fiscal Year

Terminate

### 10a. Legislation Req to Terminate?

No

### 10b. Legislation Pending?

### 11. Establishment Authority

Agency Authority

### 12. Specific Establishment Authority

Secretary of Defense  
Determination

### 13. Effective Date

03/14/2005

### 14. Committee Type

Continuing

### 14c. Presidential?

No

### 15. Description of Committee

Other Committee

### 16a. Total Number of Reports

1

### 16b. Report Date

Report Title

The Military Compensation System:

04/28/2006 Completing the Transition to an  
All-Volunteer Force

### Number of Committee Reports Listed: 1

### 17a. Open

1

17b. Closed0

17c. Partially Closed0

Other Activities0

17d. Total1

### Meetings and Dates

Purpose	Start	End
Discuss the preliminary findings and recommendations of the Committee prior to the final report due in April.	02/28/2006	02/28/2006

**Number of Committee Meetings Listed: 1**

	Current FY	Next FY
<b>18a(1). Personnel Pmts to Non-Federal Members</b>	\$0.00	\$0.00
<b>18a(2). Personnel Pmts to Federal Members</b>	\$0.00	\$0.00
<b>18a(3). Personnel Pmts to Federal Staff</b>	\$400,000.00	\$0.00
<b>18a(4). Personnel Pmts to Non-Member Consultants</b>	\$0.00	\$0.00
<b>18b(1). Travel and Per Diem to Non-Federal Members</b>	\$10,000.00	\$0.00
<b>18b(2). Travel and Per Diem to Federal Members</b>	\$0.00	\$0.00
<b>18b(3). Travel and Per Diem to Federal Staff</b>	\$0.00	\$0.00
<b>18b(4). Travel and Per Diem to Non-member Consultants</b>	\$0.00	\$0.00
<b>18c. Other(rents,user charges, graphics, printing, mail, etc.)</b>	\$885,000.00	\$0.00
<b>18d. Total</b>	\$1,295,000.00	\$0.00
<b>19. Federal Staff Support Years (FTE)</b>	4.50	0.00

**20a. How does the Committee accomplish its purpose?**

The Committee shall provide the Secretary of Defense, through the Under Secretary of Defense (Personnel and Readiness), with assistance and advice on matters pertaining to military compensation. More specifically, the Committee shall identify approaches to balance military pay and benefits in sustaining recruitment and

retention of high-quality people, as well as a cost-effective and ready military force. The mission of the Committee is to assist and advise the Secretary of Defense on matters relating to military compensation.

**20b. How does the Committee balance its membership?**

The panel consists of distinguished professional from academia, former government employees, and former and current industry leaders with expertise in compensation.

**20c. How frequent and relevant are the Committee Meetings?**

Estimated Number of Meetings per Year - 4

Estimated Total Meetings - 8

**20d. Why can't the advice or information this committee provides be obtained elsewhere?**

The current military tempo, the war on terrorism, operations in Iraq, Afghanistan, Kosovo, as well as the unprecedented use of all forces requires us to examine whether the proper balance between military pay and benefits for all members is appropriate. In addition, we need to examine whether recent legislative changes to the military compensation system have produced an imbalance in terms of current and deferred compensation, in-kind in comparison to cash compensation and special versus basic pays. The Defense Advisory Committee on Military Compensation will address these issues. This effort is needed to meet the challenges and demands of the 21st century. It is important at the start of the 21st century that we examine a military compensation structure that was constructed in 1948, which was at the end of World War II and at the start of the Cold War. The proposed panel,

consisting of university professors, former and current industry leaders, all with expertise in compensation, is unique in its mission and composition and ability to address these issues. No other source is available to tackle such a mission.

**20e. Why is it necessary to close and/or partially closed committee meetings?**

**21. Remarks**

The committee issued no report this fiscal year and it is estimated that it will submit its report by April 30, 2006. The committee has submitted its report to the decision maker and terminated its work on July 11, 2006.

**Designated Federal Officer**

Janet Fenton Designated Federal Officer

Committee Members	Start	End	Occupation	Member Designation
Anderson, Martin	02/15/2005	05/01/2006	Economist	Special Government
				Employee (SGE)
				Member
Cook, Frederic	02/15/2005	05/01/2006	Consultant	Special Government
				Employee (SGE)
				Member
Jannotta, Joseph	02/15/2005	05/01/2006	Consultant	Special Government
				Employee (SGE)
				Member
Lyles, Lester	02/15/2005	05/01/2006	Consultant	Special Government
				Employee (SGE)
				Member
Oi, Walter	02/15/2005	05/01/2006	Economist	Special Government
				Employee (SGE)
				Member

Pilling, Donald	02/15/2005	05/01/2006	Consultant Military Issues	Special Government Employee (SGE) Member Special Government Employee (SGE) Member
White, John	02/15/2005	05/01/2006	Educator	Special Government Employee (SGE) Member
Anderson, Martin [Health Benefits]	07/20/2005	05/01/2006	Economist	Special Government Employee (SGE) Member
Anderson, Martin [Health Benefits]	07/20/2005	05/01/2006	Economist	Special Government Employee (SGE) Member
Pilling, Donald [Health Benefits]	07/20/2005	05/01/2006	Consultant Military Issues	Special Government Employee (SGE) Member
Pilling, Donald [Health Benefits]	07/20/2005	05/01/2006	Consultant Military Issues	Special Government Employee (SGE) Member
Jannotta, Joseph [Human Quality of Life Issues]	07/20/2005	05/01/2006	Consultant	Special Government Employee (SGE) Member
Jannotta, Joseph [Human Quality of Life Issues]	07/20/2005	05/01/2006	Consultant	Special Government Employee (SGE) Member
Lyles, Lester [Human Quality of Life Issues]	07/20/2005	05/01/2006	Consultant	Special Government Employee (SGE) Member
Lyles, Lester [Human Quality of Life Issues]	07/20/2005	05/01/2006	Consultant	Special Government Employee (SGE) Member
Cook, Frederic [Reserve Compensation]	07/20/2005	05/01/2006	Consultant	Special Government Employee (SGE) Member

Cook, Frederic [Reserve Compensation]	07/20/2005	05/01/2006	Consultant	Special Government Employee (SGE) Member
Oi, Walter [Reserve Compensation]	07/20/2005	05/01/2006	Economist	Special Government Employee (SGE) Member
Oi, Walter [Reserve Compensation]	07/20/2005	05/01/2006	Economist	Special Government Employee (SGE) Member
Lyles, Lester [Retirement Compensation]	07/20/2005	05/01/2006	Consultant	Special Government Employee (SGE) Member
Lyles, Lester [Retirement Compensation]	07/20/2005	05/01/2006	Consultant	Special Government Employee (SGE) Member
White, John [Retirement Compensation]	07/20/2005	05/01/2006	Educator	Special Government Employee (SGE) Member
White, John [Retirement Compensation]	07/20/2005	05/01/2006	Educator	Special Government Employee (SGE) Member
Jannotta, Joseph [Special and Incentive Pays]	07/20/2005	05/01/2006	Consultant	Special Government Employee (SGE) Member
Jannotta, Joseph [Special and Incentive Pays]	07/20/2005	05/01/2006	Consultant	Special Government Employee (SGE) Member
Oi, Walter [Special and Incentive Pays]	07/20/2005	05/01/2006	Economist	Special Government Employee (SGE) Member
Oi, Walter [Special and Incentive Pays]	07/20/2005	05/01/2006	Economist	Special Government Employee (SGE) Member

**Number of Committee Members Listed: 27**

**Narrative Description**

The Committee shall provide the Secretary of Defense, through the Under Secretary of Defense (Personnel and Readiness), with assistance and advice on matters pertaining to military compensation. More specifically, . The mission of the Committee is to assist and advise the Secretary of Defense on matters relating to military compensation.

**What are the most significant program outcomes associated with this committee?**

Checked if  
Applies

- |   |                                     |
|---|-------------------------------------|
| Improvements to health or safety                  | <input type="checkbox"/>            |
| Trust in government                               | <input checked="" type="checkbox"/> |
| Major policy changes                              | <input type="checkbox"/>            |
| Advance in scientific research                    | <input type="checkbox"/>            |
| Effective grant making                            | <input type="checkbox"/>            |
| Improved service delivery                         | <input type="checkbox"/>            |
| Increased customer satisfaction                   | <input checked="" type="checkbox"/> |
| Implementation of laws or regulatory requirements | <input type="checkbox"/>            |
| Other   | <input type="checkbox"/>            |

**Outcome Comments**

the Committee shall identify approaches to balance military pay and benefits in sustaining recruitment and retention of high-quality people, as well as a cost-effective and ready military force

**What are the cost savings associated with this committee?**

Checked if Applies

- |                         |                                     |
|-------------------------|-------------------------------------|
| None                    | <input type="checkbox"/>            |
| Unable to Determine     | <input checked="" type="checkbox"/> |
| Under \$100,000         | <input type="checkbox"/>            |
| \$100,000 - \$500,000   | <input type="checkbox"/>            |
| \$500,001 - \$1,000,000 | <input type="checkbox"/>            |

\$1,000,001 - \$5,000,000

☐

\$5,000,001 - \$10,000,000

☐

Over \$10,000,000

☐

Cost Savings Other

☐

### **Cost Savings Comments**

NA

**What is the approximate Number of recommendations produced by this committee for the life of the committee?**

7

### **Number of Recommendations Comments**

KEy changes to retirement and compensation system

**What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?**

0%

### **% of Recommendations Fully Implemented Comments**

NA

**What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?**

0%

### **% of Recommendations Partially Implemented Comments**

NA

**Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?**

Yes ☐ No ☐ Not Applicable ☒

### **Agency Feedback Comments**

NA

**What other actions has the agency taken as a result of the committee's advice or recommendation?**

Checked if Applies



Reorganized Priorities	<input type="checkbox"/>
Reallocated resources	<input type="checkbox"/>
Issued new regulation	<input type="checkbox"/>
Proposed legislation	<input checked="" type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>

### **Action Comments**

sent recommendations to 10th QRMC for study and review

### **Is the Committee engaged in the review of applications for grants?**

No

### **Grant Review Comments**

NA

### **How is access provided to the information for the Committee's documentation?**

Checked if Applies

Contact DFO	<input type="checkbox"/>
Online Agency Web Site	<input checked="" type="checkbox"/>
Online Committee Web Site	<input checked="" type="checkbox"/>
Online GSA FACA Web Site	<input checked="" type="checkbox"/>
Publications	<input type="checkbox"/>
Other	<input type="checkbox"/>

### **Access Comments**

N/A