REPORT OF THE FEDERAL SALARY COUNCIL WORKING GROUP
AUGUST 5, 2022

EXECUTIVE SUMMARY

The Federal Salary Council Working Group met in 2022 on May 20 and June 23 to discuss issues regarding locality pay for 2023. This Council Working Group report is based on discussions in those two meetings and presents recommendations for the full Council to consider. Those recommendations are summarized below and discussed in more detail in subsequent sections of this report.

These Working Group recommendations would result in roughly 32,950 General Schedule (GS) employees being redesignated from the Rest of US to a separate locality pay area.

Note: These recommendations are not final Council recommendations. The full Council will decide what recommendations to make to the President's Pay Agent after considering the information in this report and any new information provided in the public meeting to be held on August 5, 2022.

1. **Should the Council recommend the locality pay rates for 2023 for current locality pay areas, using the NCS/OEWS model results shown in Attachment 2?[1]**

   The Working Group recommends doing so.

2. **Should any of the Rest of US research areas listed in Attachment 3 be established as new locality pay areas?**

   The Working Group recommends establishing Fresno, CA, and Spokane, WA, as new locality pay areas. This recommendation would impact roughly 11,400 GS employees in those two Rest of US research areas.

3. **Should the locations listed in Attachment 4 be established as new Rest of US research areas, and—**

   a) **Should any of them be established as new locality pay areas?**

   b) **Should NCS/OEWS salary estimates be requested from the Bureau of Labor Statistics (BLS) for additional areas with fewer than 2,500 GS employees?**

   The Working Group recommends—

   - *Establishing the locations listed in Attachment 4 as Rest of US research areas;*

   - *Establishing Reno, NV, and Rochester, NY, as new locality pay areas, based on pay disparities calculated using NCS/OEWS salary estimates; and*

   - *Continuing to work with the BLS to determine whether NCS/OEWS salary estimates can be provided for additional locations with fewer than 2,500 GS employees.*

   This recommendation would impact roughly 4,800 GS employees in the Reno, NV, and Rochester, NY, areas.

---

[1] A detailed description of that model is provided in Attachment 1.

4. **Should the metropolitan statistical areas (MSAs) and combined statistical areas (CSAs) delineated in Office of Management and Budget (OMB) Bulletin No. 20-01 be used in the locality pay program as MSAs and CSAs have been used in the past?**

   The Working Group recommends doing so. This recommendation would result in approximately 1,300 GS employees being redesignated from the Rest of US to a separate locality pay area.

5. **Should changes be made in the criteria used to establish areas of application?**

   The Working Group recommends eliminating the GS employment criterion used to establish locations adjacent to basic locality pay areas as areas of application.[2] In addition, the Working Group recommends the following employment interchange criteria be used for such locations:

   - *For a core-based statistical area (CBSA) (includes single-county CBSAs other than single-county micropolitan areas) adjacent to a basic locality pay area: an employment interchange rate of at least 7.5 percent with the basic locality pay area.*
   - *For a county that is not part of a CBSA or comprises a single-county micropolitan area and is adjacent to a basic locality pay area: an employment interchange rate of at least 20 percent with the basic locality pay area.*
   - *For a county that is adjacent to multiple locality pay areas and does not meet the 20 percent employment interchange threshold with respect to any single locality pay area: a sum of employment interchange rates of at least 20 percent with the adjacent basic locality pay areas. Such a county would be added to the locality pay area with which it has the greatest degree of employment interchange.*

   This recommendation would result in approximately 15,400 GS employees being redesignated from the Rest of US to a separate locality pay area.

6. **Should any Rest of US locations completely or almost completely bordered by higher-paying locality pay areas be included in a separate locality pay area? (Note that in past Council reports that have discussed this issue, such locations have been referred to as completely and partially "surrounded" locations.)**

   The Working Group recommends the following on this issue:

   - *Office of Personnel Management (OPM) staff has determined that Emporia City, VA—a U.S. county equivalent contained within Greensville County, VA—would be completely surrounded by Richmond, VA, locality pay if Greensville County is added to the Richmond locality pay area as we recommend. The Pay Agent has agreed that a single-county Rest of US location completely surrounded by higher locality pay should be established as an area of application. Thus, if Greensville County is included in the Richmond locality pay area as we recommend, then Emporia City should be included as well.*
   - *For the following locations bordered only by water and higher-paying locality pay areas, we recommend they be included in higher-paying locality pay areas because in our view they are similar to locations completely bordered by land that is included in higher-*

---

[2] The terms *basic locality pay area* and *area of application* are defined in Attachment 6.

paying locality pay areas:

- o *Dukes and Nantucket Counties, MA, which would be included in the Boston locality pay area as areas of application;*
- o *Huron County, MI, which would be included in the Detroit locality pay area as an area of application; and*
- o *Pacific and San Juan Counties, WA, which would be included in the Seattle locality pay area as areas of application.*

This recommendation would result in approximately 50 GS employees being redesignated from the Rest of US to a separate locality pay area.

The Working Group believes that additional locations that are partially surrounded by locations with higher locality rates should be evaluated carefully considering such factors as those listed in the Council's December 2015 report.[3] The Working Group can study this issue further but should take the time it needs to perform a comprehensive analysis and ensure the same factors are considered for all such locations throughout the country. Members of the public may provide information on such factors to the Council.

7. **Once criteria for establishing locality pay areas are approved by the President's Pay Agent, should exceptions to those criteria be made on a case-by-case basis?**

The Working Group recommends continuing to apply the same criteria for all locations throughout the country. (If additional partially surrounded locations are evaluated as potential areas of application, such evaluation should cover all similarly situated locations and include application of a common set of factors.)

Agencies have considerable discretionary authority to provide additional compensation and leave benefits to support their employee recruitment, relocation, and retention efforts. Agencies with significant recruitment and retention issues should consider using the human resource flexibilities discussed in OPM's fact sheet on such flexibilities.

The Working Group anticipates that the full Council will continue to benefit from stakeholder input regarding criteria used to define and establish locality pay areas. Such input can be helpful to the Council as it considers what criteria are best to apply consistently for all locations throughout the country.

---

[3] In that report, the Council recommended that the Pay Agent consider such factors as "the size of the area, distance to the pay area, transportation facilities among the areas, quit rates, retention rates, and similar factors."

BACKGROUND AND RATIONALE FOR WORKING GROUP RECOMMENDATIONS

Issue 1: Should the Council recommend the locality pay rates for 2023 for current locality pay areas, using the NCS/OEWS model results shown in Attachment 2?

The Working Group reviewed comparisons of GS and non-Federal pay based on data from two BLS surveys, the National Compensation Survey (NCS) and the Occupational Employment and Wage Statistics (OEWS) program. BLS uses NCS data to assess the impact of level of work on occupational earnings, and applies factors derived from the NCS sample to occupational average salaries from OEWS to estimate occupational earnings by level of work in each locality pay area. We call this measurement process the *NCS/OEWS Model*, and a detailed description of that model is provided in **Attachment 1**.

The pay disparities (i.e., percentage differences between base GS rates and non-Federal pay for the same levels of work) were calculated using the same general weighting and aggregation methods used since 1994 and described in annual reports of the President's Pay Agent. The BLS survey data cover establishments of all employment sizes.

Based on OPM staff's calculations, in taking a weighted average of the locality pay gaps as of March 2021 using the NCS/OEWS model, the overall disparity between (1) base GS average salaries excluding any add-ons such as GS special rates and existing locality payments and (2) non-Federal average salaries surveyed by BLS in locality pay areas was 52.22 percent. The amount needed to reduce the pay disparity to 5 percent (the target gap) averages 44.97 percent. Considering existing locality pay rates averaging 24.29 percent, the overall remaining pay disparity is 22.47 percent. The proposed comparability payments for 2023 for each locality pay area are shown in **Attachment 2**.

These locality rates would be in addition to the increase in GS base rates under 5 U.S.C. 5303(a). This provision calls for increases in basic pay equal to the percentage increase in the Employment Cost Index (ECI), wages and salaries, private industry workers, between September 2020 and September 2021, less half a percentage point. The ECI increased 4.6 percent in September 2021, so the base GS increase in 2023 would be 4.1 percent.

Note: The pay disparity for the Corpus Christi, TX, locality pay area is now below the pay disparity for the Rest of US. When a pay disparity for a separate locality pay area falls below that for the Rest of US, the Rest of US target pay gap is recommended for that locality pay area and the Council continues to monitor the pay disparity for the locality pay area.

- *Council Decision Point 1: Should the Council recommend the locality pay rates for 2023 for current locality pay areas, using the NCS/OEWS model results shown in Attachment 2?*
  - *Working Group recommends: Yes.*
  - *Council recommendation?*

Issue 2: Should any of the Rest of US research areas listed in Attachment 3 be established as new locality pay areas?

The Working Group is now monitoring pay disparities in 38 research areas. The Working group studied pay disparities for these areas, compared to the Rest of US pay disparity over the 3-year

period 2019-2021, and the results are shown in Attachment 3. Over that period, the pay disparities for the Fresno, CA, and Spokane, WA, research areas exceeded that for the Rest of US locality pay area by more than 10 percentage points on average. Since the pay disparities for those two areas have both exceeded the Rest of US pay disparity over the 3-year period studied, the Working Group concludes that the Council should recommend those two areas be established as separate locality pay areas for 2023.

This recommendation would impact roughly 11,400 GS employees in the Fresno, CA, and Spokane, WA, Rest of US research areas.

- *Council Decision Point 2: Should any of the Rest of US research areas listed in Attachment 3 be established as new locality pay areas?*

- *The Working Group recommends establishing Fresno, CA, and Spokane, WA, as new locality pay areas.*

- *Council recommendation?*

Issue 3: Regarding the locations in Attachment 4—

    a) **Should these locations be established as new Rest of US research areas?**

    b) **Should any of them be established as new locality pay areas?**

    c) **Should NCS/OEWS salary estimates be requested from BLS for additional areas with fewer than 2,500 GS employees?**

In its January 2021 report to the Pay Agent, the Council indicated it would continue to analyze and discuss the issue of whether the 2,500 GS employment threshold should change for evaluating Rest of US metropolitan areas for possible establishment as new locality pay areas based on pay disparities calculated using data from the NCS/OEWS Model.

The 10 locations listed in Attachment 4 were selected by the Council under the previous Administration to study as potential Rest of US research areas. Only 10 areas were selected because BLS had informed the Council that current BLS resources would permit providing estimates for only 10 locations at that time. The 10 locations selected were the top 10 with respect to GS employment at the time of selection.

After studying this issue and reviewing pay disparities calculated using non-Federal salary estimates BLS provided for the 10 locations listed in Attachment 4, the Working Group concludes those locations should be established as Rest of US research areas. The Working Group will continue to work with BLS to determine whether additional locations can be studied using the NCS/OEWS Model.

Based on the pay disparities shown in Attachment 4, the Working Group recommends establishing Reno, NV, and Rochester, NY, as new locality pay areas. This recommendation would impact roughly 4,800 GS employees in those two areas.

- *Council Decision Point 3a: Should the locations listed in Attachment 4 be established as new Rest of US research areas?*
  - *The Working Group recommends doing so.*
  - *Council recommendation?*

- *Council Decision Point 3b: Should any of the locations listed in Attachment 4 be established as new locality pay areas?*
  - *The Working Group recommends establishing Reno, NV, and Rochester, NY, as new locality pay areas.*
  - *Council recommendation?*

- *Council Decision Point 3c: Should NCS/OEWS salary estimates be requested from BLS for additional areas with fewer than 2,500 General Schedule (GS) employees?*
  - *The Working Group recommends doing so.*
  - *Council recommendation?*

Issue 4: Should the metropolitan statistical areas (MSAs) and combined statistical areas (CSAs) delineated in Office of Management and Budget (OMB) Bulletin No. 20-01 be used in the locality pay program as MSAs and CSAs have been used in the past?

Prior to issuance of the Council's January 2021 annual report to the Pay Agent, the Council and its Working Group extensively discussed the question of whether MSA/CSA updates should be applied in the locality pay program as in the past. In that report, the Council under the previous Administration submitted views on this issue that differed among Council members.

In response, in its December 2021 annual report the Pay Agent wrote, "The Council under the previous Administration could not reach consensus on this complex issue and provided significantly divergent views on it to the Pay Agent in the Council's January 2021 recommendations. Considering that, we think it best for the Council to take a fresh look at this issue in 2021."

In that same report, the Pay Agent wrote, "The Pay Agent pointed out in its December 2020 report that while the Columbus-Auburn-Opelika, GA-AL CSA had a pay disparity below that for the Rest of US, due to changes in the geographic boundaries of the Atlanta and Columbus CSAs, the Columbus CSA would now meet both the employment interchange criterion and the GS employment criterion to be included in the Atlanta locality pay area as an area of application. We note that the updated pay disparities the Council included in its recommendations for 2022 continue to show that the Columbus CSA has a pay disparity below that for the Rest of US."

After considering this issue carefully, the Working group recommends use of the updated MSAs and CSAs as they have been used in the locality pay program in the past. As shown in Attachment 3, the pay disparity for Columbus, GA, is still less than the Rest of US pay disparity. However, other locations that have been approved in the past for establishment as areas of application after meeting the criteria for such establishment may or may not have had pay disparities that would not meet the pay disparity criterion had NCS/OEWS data been available to

calculate such pay disparities. The Working Group therefore recommends that the Columbus-Auburn-Opelika, GA-AL CSA be added to the Atlanta locality pay area by following the latest CSA definitions and applying the criteria for areas of application.

Using updated the MSAs and CSAs in the locality pay program as in the past to define basic locality pay areas would result in approximately 1,300 GS employees being redesignated from the Rest of US to a separate locality pay area.[4] A list of locations that would be added under this recommendation is provided in **Attachment 5**.

We note that some observers over the years have suggested splitting an MSA or CSA between locality pay areas or studying pay in only a portion of an MSA or CSA in the Rest of US. The Pay Agent has not previously supported the idea of splitting a MSA or CSA comprising a basic locality pay area between two separate locality pay areas and has indicated doing so would be a significant change requiring careful study. For example, in 80 FR 65607 (a final rule defining pay areas) the Pay Agent wrote the following:

> "Departing from the practice of defining basic locality pay areas based on OMB-defined metropolitan areas or splitting those metropolitan areas into separate locality pay areas would be a significant change, and the implications would have to be carefully considered. Individuals interested in recommending alternatives to defining basic locality pay areas based on entire OMB-defined metropolitan areas may provide testimony to the Federal Salary Council."

Considering those Pay Agent views, the Working Group recommends that the Council continue to consider stakeholder input on this issue. However, the Working Group believes interested stakeholders should keep in mind that so far in its history, the locality pay program uses standard criteria applied consistently for all locations throughout the country.

Council Decision Point 4: Should the MSAs and CSAs delineated in OMB Bulletin No. 20-01 be used in the locality pay program as MSAs and CSAs have been used in the past?

- ○ ***Working Group recommends: Yes.***
- ○ ***Council recommendation?***

Issue 5: Should changes be made in the criteria used to establish areas of application?

The Working Group continues to believe that a common set of criteria for establishing locality pay areas should apply for all locations throughout the country. In addition, the Working Group agrees with the following statement from the December 2021 Pay Agent report:

> "As explained in the December 2020 Pay Agent report, current law does not provide the authority to establish locality pay percentages based on [Human Capital Indicators (HCI)] data. The law requires that locality pay percentages be based on pay comparisons using BLS surveys. However, the analysis required to prepare HCI data is not without value under current law because such analysis can help agencies identify and address significant recruitment and retention problems. Federal agencies have considerable discretionary authority to provide pay and leave flexibilities to address such problems. Information on these flexibilities is

---

[4] That GS employment estimate does not include GS employment for the Columbus-Auburn-Opelika, GA-AL CSA, which is discussed as an issue associated with using the updated MSAs and CSAs. The Columbus CSA newly meets the employment interchange criterion for an area of application as a result of using the updated MSAs and CSAs. However, GS employment for the Columbus CSA is accounted for below under the discussion regarding revised criteria for areas of application.

posted on the OPM website. The extent of recruitment and retention problems in a geographic area can vary significantly by occupation and work level. These flexibilities provide agencies with the opportunity to apply targeted solutions to significant recruitment and retention problems. Locality pay, by contrast, is designed to provide a single percentage of base GS rates for all occupations and work levels. OMB-defined metropolitan areas should not be the sole basis for defining locality pay areas, and a need remains to evaluate Rest of US locations adjacent to existing locality pay areas as potential areas of application."

However, the Working Group believes there is great value in hearing input from stakeholders regarding criteria used in the locality pay program and continuing to consider whether those criteria should change in light of changing circumstances affecting the Federal workforce, the labor markets covered by the pay disparities calculated for the locality pay program, or other relevant factors.

During the Obama Administration, the Federal Salary Council recommended multiple times that the criteria applied for areas of application be changed to eliminate the GS employment criterion, to treat single-county MSAs the same as multi-county MSAs, and to treat multi-county micropolitan areas the same as multi-county MSAs. During that same period, the Council also recommended that any single-county locations that would not meet those revised criteria be reviewed using additional criteria when adjacent to multiple locality pay areas. Under those additional criteria, employment interchange rates for adjacent pay areas are summed. A location would be added to the pay area with which it has the highest employment interchange when the sum of employment interchange rates is at least 7.5 percent or 20 percent, as applicable.

Those Council recommendations were based on careful analysis and thorough research. (See, for example, the Council's December 2015 report.) We are in full agreement with those recommendations.

Accordingly, our recommended criteria for evaluating core-based statistical areas (CBSAs) or counties that are adjacent to the basic locality pay area are as follows:

- For a CBSA (includes single-county CBSAs other than single-county micropolitan areas) adjacent to a basic locality pay area: an employment interchange rate of at least 7.5 percent with the basic locality pay area.

- For a county that is not part of a CBSA or comprises a single-county micropolitan area and is adjacent to a basic locality pay area: an employment interchange rate of at least 20 percent with the basic locality pay area.

- For a county that is adjacent to multiple locality pay areas and does not meet the 20 percent employment interchange threshold with respect to any single locality pay area: a sum of employment interchange rates of at least 20 percent with the adjacent basic locality pay areas. Such a county would be added to the locality pay area with which it has the greatest degree of employment interchange.

Under these recommendations, locality pay area coverage would change for about 15,400 GS employees who are now in the Rest of US locality pay area. Proposed new areas of application that would be established under those revised criteria are shown in **Attachments 7-10**, and regarding those attachments—

- **Attachment 7** shows multi-county MSAs, CSAs, and micropolitan areas qualifying as areas of application under the proposed CBSA criteria;
- **Attachment 8** shows single-county CBSAs qualifying as areas of application under the proposed CBSA criteria;
- **Attachment 9** shows counties qualifying as areas of application under the proposed criteria for adjacent counties that are not part of a CBSA or comprise a single-county micropolitan area; and
- **Attachment 10** shows counties qualifying as areas of application under the proposed criteria for single-county locations adjacent to multiple locality pay areas and not qualifying under other criteria as areas of application.

- *Council Decision Point 5: Should changes be made in the criteria used to establish areas of application?*
  - *The Working Group recommends doing so, as discussed above.*
  - *Council recommendation?*

Issue 6: Should any other Rest of US locations completely or almost completely bordered by higher-paying locality pay areas be included in a separate locality pay area? (Note that in past Council reports that have discussed this issue, such locations have been referred to as completely and partially "surrounded" locations.)

Regarding additional locations completely surrounded by higher locality pay, OPM staff has determined that Emporia City, VA—a U.S. county equivalent contained within Greensville County, VA—would be completely surrounded by Richmond, VA, locality pay if Greensville County is added to the Richmond locality pay area as we recommend. Since the Pay Agent has agreed that a single county Rest of US location completely surrounded by higher locality pay should be established as an area of application, it seems clear that if Greensville County is included in the Richmond locality pay area then Emporia City should be included as well.

Regarding other locations, the Council expressed this view in its December 2015 report:

> "We still believe it is unclear at what point being bordered by higher-paying areas constitutes a problem. Hence, the Council continues to believe that the Pay Agent should evaluate additional partially surrounded locations on a case-by-case basis, considering such factors as the size of the area, distance to the pay area, transportation facilities among the areas, quit rates, retention rates, and similar factors."

The Pay Agent responded as follows in its December 2016 annual report to the President:

> "The Pay Agent's preliminary view is that any partially surrounded locations warranting some action would most likely be single Rest of US counties—not multi-county metropolitan areas or large groups of counties—that are bordered by multiple higher-paying locality pay areas or are surrounded by water and isolated as Rest of US locations within a reasonable commuting distance of a higher paying locality pay area."

For the following locations bordered only by water and higher-paying locality pay areas, we recommend they be included in higher-paying locality pay areas because in our view they are similar to locations completely bordered by land that is included in higher-paying locality pay

areas:

- Dukes and Nantucket Counties, MA, which would be included in the Boston locality pay area as areas of application;
- Huron County, MI, which would be included in the Detroit locality pay area as an area of application; and
- Pacific and San Juan Counties, WA, which would be included in the Seattle locality pay area as areas of application.

This recommendation would result in approximately 50 GS employees being redesignated from the Rest of US to a separate locality pay area.

The Working Group is aware that future analysis of additional Rest of US locations that are partially surrounded by higher locality pay may be warranted. However, such locations should be evaluated carefully considering such factors as those listed in the Council's December 2015 report referred to above. The Working Group can study this issue further but should take the time it needs to perform a comprehensive analysis and ensure the same factors are considered for all such locations throughout the country. Members of the public may provide information on such factors to the Council.

Council Decision Point 6: Should the locations listed above be redesignated from the Rest of US to separate locality pay areas as discussed above?

- *The Working Group recommends doing so.*

- *Council recommendation?*

Issue 7: Once criteria for establishing locality pay areas are approved by the President's Pay Agent, should exceptions to those criteria be made on a case-by-case basis?

The Working Group recommends continuing to apply the same criteria for all locations throughout the country. (If additional partially surrounded locations are evaluated as potential areas of application, such evaluation should cover all similarly situated locations and include application of a common set of factors.)

The Working Group anticipates that the full Council will continue to benefit from stakeholder input regarding criteria used to define and establish locality pay areas. Such input can be helpful to the Council as it considers what criteria are best to apply consistently for all locations throughout the country.

The Council and OPM staff receive numerous requests each year to consider establishing or changing locality pay area definitions for locations that do not meet established criteria for doing so. For example, **Attachment 11** lists locations, most in the Rest of US locality pay area, from which groups or individuals have contacted the Council or OPM staff during the deliberative cycle these recommendations cover to express concerns about pay levels or the geographic boundaries of locality pay areas. Those Rest of US locations listed do not meet criteria approved by the Pay Agent for a change in their locality pay area designation.

Some of the locations listed in Attachment 9 would benefit from our proposed Council recommendations. The Working Group appreciates the input from the other locations and proposes the Council recommend that OPM continue to encourage agencies to use other pay flexibilities such as recruitment, retention, and relocation incentives, and special salary rates to help address significant recruitment and retention challenges.

Federal agencies have considerable discretionary authority to provide pay and leave flexibilities to address significant recruitment and retention problems. If needed, agencies could strategically use these flexibilities in the locations of concern. Agency headquarters staff may contact OPM for assistance with understanding and implementing pay and leave flexibilities when appropriate.

- ***Council Decision Point 7: Once criteria for establishing locality pay areas are approved by the President's Pay Agent, should exceptions to those criteria be made on a case-by-case basis?***
  - ***Working Group recommends: No.***
  - ***Council recommendation?***

List of Attachments

Attachment 1: Explanation of NCS/OEWS Model and Pay Disparity Calculations
Attachment 2: FEPCA Locality Rates for 2023 Using Current Salary Survey Methodology
Attachment 3: Pay Disparities in Current Rest of US Research Areas
Attachment 4: Pay Disparities in Possible Rest of US Research Areas
Attachment 5: Locations Added to Locality Pay Areas Resulting from CBSA Updates
Attachment 6: Geographic Structure of Locality Pay Areas
Attachment 7: Proposed Areas of Application: Multi-County CBSAs
Attachment 8: Proposed Areas of Application: Single-County CBSAs
Attachment 9: Proposed Areas of Application: Single Counties
Attachment 10: Proposed Areas of Application: Locations Adjacent to Multiple Pay Areas
Attachment 11: Locations that Contacted Council Staff about Locality Pay

Attachment 1
Explanation of NCS/OEWS Model and Pay Disparity Calculations

NCS/OEWS Model

The Bureau of Labor Statistics (BLS) uses National Compensation Survey (NCS) data to assess the impact of level of work on occupational earnings, and applies factors derived from the NCS sample to occupational average salaries from Occupational Employment and Wage Statistics (OEWS) data to estimate occupational earnings by level of work in each locality pay area. This measurement process is called the *NCS/OEWS model*.

To calculate estimates of pay disparities, the Pay Agent asks BLS to calculate annual wage estimates by area, occupation, and grade level. These estimates are then weighted by National Federal employment to arrive at wage estimates by broad occupation group and grade for each pay area. There are five broad occupational groups collectively referred to as "PATCO" categories: Professional (P), Administrative (A), Technical (T), Clerical (C), and Officer (O).

OEWS data provide wage estimates by occupation for each locality pay area, but do not have information by grade level. The NCS has information on grade level, but a much smaller sample with which to calculate occupation-area estimates. To combine the information from the two samples, a regression model is used. The model assumes that the difference between a wage observed in the NCS for a given area, occupation, and grade level, and the corresponding area-occupation wage from the OEWS, can be explained by a few key variables, the most important of which is the grade level itself. The model then predicts the extent to which wages will be higher, on average, for higher grade levels. It is important to note that the model assumes the relationship between wages and levels is the same throughout the Nation. While this assumption is not likely to hold exactly, the NCS sample size is not large enough to allow the effect of grade level on salary to vary by area.

Once estimated, the model is used to predict the hourly wage rate for area-occupation-grade cells of interest to the Pay Agent. This predicted hourly wage rate is then multiplied by 2,080 hours (52 weeks X 40 hours per week) to arrive at an estimate of the annual earnings for that particular cell. The estimates from the model are then averaged, using Federal employment levels as weights, to form an estimate of annual earnings for PATCO job family and grade for each area.

Calculating Pay Disparities Using the NCS/OEWS Model

Because 5 U.S.C. 5302(6) requires that each local pay disparity be expressed as a single percentage, the comparison of GS and non-Federal rates of pay in a locality requires that the two sets of rates be reduced to one pair of rates, a GS average and a non-Federal average. An important principle in averaging each set of rates is that the rates of individual survey jobs, job categories, and grades are weighted by Federal GS employment in equivalent classifications. Weighting by Federal employment ensures that the influence of each non-Federal survey job on the overall non-Federal average is proportionate to the frequency of that job in the Federal sector.

A three-stage weighted average is used in the pay disparity calculations. In the first stage, job rates from the NCS/OEWS model are averaged within PATCO category by grade level. The NCS/OEWS model covers virtually all GS jobs. The model produces occupational wage information for jobs found only in the OEWS sample for an area. For averaging within PATCO category, each job rate is

weighted by the Nationwide full-time, permanent, year-round employment[5] in GS positions that match the job. BLS combines the individual occupations within PATCO-grade cells and sends OPM average non-Federal salaries by PATCO-grade categories. The reason for National weighting in the first stage is explained below.

When the first stage averages are complete, each grade is represented by up to five PATCO category rates in lieu of its original job rates. Under the NCS/OEWS model, all PATCO-grade categories with Federal incumbents are represented, except where BLS had no data for the PATCO-grade cell in a location.

In the second stage, the PATCO category rates are averaged by grade level to one grade level rate for each grade represented. Thus, at grade GS-5, which has Federal jobs in all five PATCO categories, the five PATCO category rates are averaged to one GS-5 non-Federal pay rate. For averaging by grade, each PATCO category rate is weighted by the local full-time, permanent, year-round GS employment in the category at the grade.

In the third stage, the grade averages are weighted by the corresponding local, full-time, permanent, year-round GS grade level employment and averaged to a single overall non-Federal pay rate for the locality. This overall non-Federal average salary is the non-Federal rate to which the overall average GS rate is compared. Under the NCS/OEWS model, all 15 GS grades can be represented.

Since GS rates by grade are not based on a sample, but rather on a census of the relevant GS populations, the first two stages of the above process are omitted in deriving the GS average rate. For each grade level represented by a non-Federal average derived in stage two, we average the scheduled rates of all full-time, permanent, year-round GS employees at the grade in the area. The overall GS average rate is the weighted average of these GS grade level rates, using the same weights as those used to average the non-Federal grade level rates.

Finally, the pay disparity is the percentage by which the overall average non-Federal rate exceeds the overall average GS rate.

As indicated above, at the first stage of averaging the non-Federal data, the weights represent National GS employment, while local GS employment is used to weight the second and third stage averages. GS employment weights are meant to ensure that the effect of each non-Federal pay rate on the overall non-Federal average reflects the relative frequency of Federal employment in matching Federal job classifications.

The methodology employed by the Pay Agent to measure local pay disparities does not use local weights in the first (job level) stage of averaging because this would have an undesirable effect. A survey job whose Federal counterpart has no local GS incumbents will "drop out" in stage one and have no effect on the overall average. For this reason, National weights are used in the first stage of averaging data. National weights are used only where retention of each survey observation is most important---at the job level or stage one. Local weights are used at all other stages.

Calculation of the Washington-Baltimore pay disparity is shown on the next page as an example.

---

1.   Employment weights include employees in the United States and its territories and possessions.

Pay Disparity Example—March 2021 Pay Disparity for Washington-Baltimore Locality Pay Area

Grade	BLS Average Grade-PATCO Salary Estimates for Washington, DC (Derived Using Nationwide GS Employment Weights)					Local GS Employment Weights Used to Derive Washington, DC Average Non-Federal Salaries					Calculating Overall Average Non-Federal and Federal Salaries Using Grade Weights for DC			
	Admin	Clerical	Officer	Professional	Technical	Admin	Clerical	Officer	Professional	Technical	Grade Fed Emp	BLS Avg	GS Avg	Gap
1		$35,386			$32,779		2				6	$35,386.00	$22,824	55.04%
2		$39,051			$37,783		10			6	22	$38,575.50	$24,471	57.64%
3		$42,388	$48,909		$39,680		48	8		16	94	$42,510.78	$27,830	52.75%
4	$52,905	$46,752	$50,695	$47,181	$44,650		241	32		80	432	$46,633.07	$31,699	47.11%
5	$58,153	$55,757	$55,428	$55,567	$47,898	155	992	414	25	1,185	2,853	$52,479.31	$34,635	51.52%
6	$73,880	$68,481	$63,296	$72,338	$56,142	2	926	788		2,513	4,261	$60,185.21	$38,701	55.51%
7	$74,293	$73,077	$74,641	$74,596	$65,639	1,558	462	954	996	4,646	8,726	$69,634.86	$43,053	61.74%
8	$82,369	$79,619	$79,144	$103,253	$72,546	28	421	424	45	2,565	3,484	$74,679.83	$49,725	50.19%
9	$89,364	$81,075	$92,501	$85,946	$84,830	7,961	271	389	1,708	2,039	12,419	$88,061.54	$51,745	70.18%
10	$101,164	$91,152	$108,508	$91,643	$99,501	579	124	76	16	414	1,209	$99,903.32	$59,118	68.99%
11	$115,527	$103,465	$118,080	$107,802	$116,658	13,000	17	145	4,054	826	18,064	$113,852.14	$62,254	82.88%
12	$141,688	$125,000	$152,866	$137,304	$148,451	25,297	9	186	10,644	1,236	37,381	$140,714.67	$75,987	85.18%
13	$165,596		$185,647	$162,302	$184,647	49,012		468	17,988	510	67,984	$165,005.33	$91,959	79.43%
14	$173,758		$169,205	$173,350	$163,857	38,707		473	21,566	114	60,864	$173,559.49	$110,106	57.63%
15	$205,564		$171,504	$209,019	$169,581	18,594		156	17,130	18	35,906	$207,046.62	$132,178	56.64%
											253,705	$153,902.19	$91,476.17	68.24%

Attachment 2
FEPCA Locality Rates for 2023 Using Current Salary Survey Methodology

Locality Pay Area	March 2021 Base GS Payroll	March 2021 Pay Gap	March 2021 Target Pay Gap	Remaining Gap
March 2021 NCS/OEWS Pay Disparities and "Full FEPCA" Locality Pay Percentages Using Non-Federal Estimates Including Incentive Data
Alaska	$508,342,882	65.25%	57.38%	5.00%
Albany-Schenectady, NY-MA	$194,360,114	48.85%	41.76%	5.00%
Albuquerque-Santa Fe-Las Vegas, NM	$692,880,968	38.52%	31.92%	5.00%
Atlanta--Athens-Clarke County--Sandy Springs, GA-AL	$2,264,316,912	41.15%	34.43%	5.00%
Austin-Round Rock, TX	$529,544,248	43.54%	36.70%	5.00%
Birmingham-Hoover-Talladega, AL	$391,547,779	41.57%	34.83%	5.00%
Boston-Worcester-Providence, MA-RI-NH-ME	$1,888,900,805	66.91%	58.96%	5.00%
Buffalo-Cheektowaga, NY	$376,461,959	44.90%	38.00%	5.00%
Burlington-South Burlington, VT	$225,957,685	45.16%	38.25%	5.00%
Charlotte-Concord, NC-SC	$253,033,612	41.91%	35.15%	5.00%
Chicago-Naperville, IL-IN-WI	$1,519,460,884	54.75%	47.38%	5.00%
Cincinnati-Wilmington-Maysville, OH-KY-IN	$446,012,540	39.91%	33.25%	5.00%
Cleveland-Akron-Canton, OH	$769,274,111	41.07%	34.35%	5.00%
Colorado Springs, CO	$553,329,371	45.97%	39.02%	5.00%
Columbus-Marion-Zanesville, OH	$641,047,992	44.89%	37.99%	5.00%
Corpus Christi-Kingsville-Alice, TX[6]	$186,086,909	29.39%	25.14%	3.40%
Dallas-Fort Worth, TX-OK	$1,557,431,199	53.59%	46.28%	5.00%
Davenport-Moline, IA-IL	$273,100,969	43.37%	36.54%	5.00%
Dayton-Springfield-Sidney, OH	$611,691,701	46.81%	39.82%	5.00%
Denver-Aurora, CO	$1,474,618,466	64.57%	56.73%	5.00%
Des Moines-Ames-West Des Moines, IA	$196,173,832	41.53%	34.79%	5.00%
Detroit-Warren-Ann Arbor, MI	$958,435,171	50.38%	43.22%	5.00%
Harrisburg-Lebanon, PA	$412,601,560	45.50%	38.57%	5.00%
Hartford-West Hartford, CT-MA	$331,280,509	59.18%	51.60%	5.00%
Hawaii	$1,113,155,530	50.79%	43.61%	5.00%
Houston-The Woodlands, TX	$1,119,519,984	56.70%	49.24%	5.00%
Huntsville-Decatur-Albertville, AL	$829,987,358	42.69%	35.90%	5.00%
Indianapolis-Carmel-Muncie, IN	$710,866,451	32.90%	26.57%	5.00%
Kansas City-Overland Park-Kansas City, MO-KS	$1,379,876,398	39.55%	32.90%	5.00%
Laredo, TX	$228,065,821	50.72%	43.54%	5.00%
Las Vegas-Henderson, NV-AZ	$384,356,025	40.33%	33.65%	5.00%
Los Angeles-Long Beach, CA	$2,808,022,221	80.71%	72.10%	5.00%
Miami-Fort Lauderdale-Port St. Lucie, FL	$1,105,392,460	40.82%	34.11%	5.00%
Milwaukee-Racine-Waukesha, WI	$278,269,251	40.59%	33.90%	5.00%
Minneapolis-St. Paul, MN-WI	$633,189,787	60.20%	52.57%	5.00%
New York-Newark, NY-NJ-CT-PA	$3,384,999,204	76.41%	68.01%	5.00%
Omaha-Council Bluffs-Fremont, NE-IA	$356,951,401	41.47%	34.73%	5.00%
Palm Bay-Melbourne-Titusville, FL	$352,190,468	31.99%	25.70%	5.00%
Philadelphia-Reading-Camden, PA-NJ-DE-MD	$1,912,239,953	61.41%	53.72%	5.00%
Phoenix-Mesa-Scottsdale, AZ	$724,356,799	45.69%	38.75%	5.00%
Pittsburgh-New Castle-Weirton, PA-OH-WV	$488,495,719	40.76%	34.06%	5.00%
Portland-Vancouver-Salem, OR-WA	$814,795,456	50.85%	43.67%	5.00%
Raleigh-Durham-Chapel Hill, NC	$1,227,275,416	40.69%	33.99%	5.00%
Rest of US	$27,441,410,319	31.40%	25.14%	5.00%
Richmond, VA	$687,707,356	49.93%	42.79%	5.00%
Sacramento-Roseville, CA-NV	$540,275,884	65.35%	57.48%	5.00%
San Antonio-New Braunfels-Pearsall, TX	$1,517,815,731	42.40%	35.62%	5.00%
San Diego-Carlsbad, CA	$1,744,755,028	73.30%	65.05%	5.00%
San Jose-San Francisco-Oakland, CA	$1,791,922,891	94.37%	85.11%	5.00%
Seattle-Tacoma, WA	$1,930,011,000	75.24%	66.90%	5.00%
St. Louis-St. Charles-Farmington, MO-IL	$872,861,052	47.83%	40.79%	5.00%
Tucson-Nogales, AZ	$831,174,050	43.59%	36.75%	5.00%
Virginia Beach-Norfolk, VA-NC	$2,297,542,152	46.85%	39.86%	5.00%
Washington-Baltimore-Arlington, DC-MD-VA-WV-PA	$24,010,724,999	68.24%	60.23%	5.00%
Total/Averages	**$100,774,098,342**	**52.22%**	**44.97%**	**5.00%**

---

[6] The pay disparity for the Corpus Christi locality pay area is now below the pay disparity for the Rest of US When a pay disparity for a separate locality pay area falls below that for the Rest of US, the Rest of US target pay gap is recommended for that locality pay area.

Attachment 3
NCS/OEWS Model Pay Disparities 2019-2021 in Rest of US Research Areas

Area	Area Pay Gaps			Area Pay Gaps minus Rest of US Pay Gap			
NCS/OEWS Model Pay Gaps 2019-2021 in 38 Rest of US Research Areas							
Area Compared to Rest of US							
	2019	**2020**	**2021**	**2019**	**2020**	**2021**	**Average**
Augusta, GA	30.43%	30.44%	32.76%	-2.00%	0.46%	1.36%	-0.06%
Boise, ID	35.99%	36.27%	38.74%	3.56%	6.29%	7.34%	5.73%
Charleston, SC	39.67%	36.52%	37.00%	7.24%	6.54%	5.60%	6.46%
Charleston, WV	23.15%	21.33%	22.81%	-9.28%	-8.65%	-8.59%	-8.84%
Clarksville, TN	16.26%	11.50%	15.30%	-16.17%	-18.48%	-16.10%	-16.92%
Columbia, SC	28.52%	27.14%	28.09%	-3.91%	-2.84%	-3.31%	-3.35%
Columbus, GA	23.66%	19.74%	19.46%	-8.77%	-10.24%	-11.94%	-10.32%
Crestview, FL	39.39%	36.94%	37.90%	6.96%	6.96%	6.50%	6.81%
El Paso, TX	32.67%	29.23%	29.51%	0.24%	-0.75%	-1.89%	-0.80%
Fresno, CA	40.71%	40.83%	45.35%	8.28%	10.85%	13.95%	11.03%
Gainesville, FL	23.69%	19.34%	23.61%	-8.74%	-10.64%	-7.79%	-9.06%
Gulfport, MS	33.60%	30.84%	31.54%	1.17%	0.86%	0.14%	0.72%
Jackson, MS	21.74%	19.87%	21.16%	-10.69%	-10.11%	-10.24%	-10.35%
Jacksonville, FL	38.91%	33.86%	34.30%	6.48%	3.88%	2.90%	4.42%
Jacksonville, NC	28.75%	20.09%	23.68%	-3.68%	-9.89%	-7.72%	-7.10%
Killeen-Temple, TX	35.01%	28.00%	26.59%	2.58%	-1.98%	-4.81%	-1.40%
Lawton, OK	22.48%	25.88%	30.02%	-9.95%	-4.10%	-1.38%	-5.14%
Lexington, KY	23.68%	23.03%	23.24%	-8.75%	-6.95%	-8.16%	-7.95%
Little Rock, AR	21.89%	16.76%	16.63%	-10.54%	-13.22%	-14.77%	-12.84%
Louisville, KY	33.36%	34.53%	35.13%	0.93%	4.55%	3.73%	3.07%
Macon, GA	36.84%	32.66%	28.99%	4.41%	2.68%	-2.41%	1.56%
Madison, WI	36.97%	36.25%	38.45%	4.54%	6.27%	7.05%	5.95%
Manhattan, KS	22.64%	18.95%	19.32%	-9.79%	-11.03%	-12.08%	-10.97%
McAllen, TX	21.81%	17.58%	17.64%	-10.62%	-12.40%	-13.76%	-12.26%
Memphis, TN	35.36%	25.45%	25.77%	2.93%	-4.53%	-5.63%	-2.41%
Montgomery, AL	41.82%	34.88%	29.40%	9.39%	4.90%	-2.00%	4.10%
Nashville, TN	33.36%	30.42%	30.41%	0.93%	0.44%	-0.99%	0.13%
New Bern, NC	39.52%	38.74%	35.85%	7.09%	8.76%	4.45%	6.77%
New Orleans, LA	35.40%	35.39%	36.89%	2.97%	5.41%	5.49%	4.62%
Oklahoma City, OK	39.46%	38.08%	38.38%	7.03%	8.10%	6.98%	7.37%
Orlando, FL	34.59%	30.55%	30.76%	2.16%	0.57%	-0.64%	0.70%
Pensacola, FL	21.94%	18.36%	22.34%	-10.49%	-11.62%	-9.06%	-10.39%
Salt Lake City, UT	39.43%	35.56%	36.57%	7.00%	5.58%	5.17%	5.92%
Savannah, GA	30.43%	25.63%	29.02%	-2.00%	-4.35%	-2.38%	-2.91%
Spokane, WA	41.78%	41.55%	43.20%	9.35%	11.57%	11.80%	10.91%
Tampa, FL	40.52%	35.65%	37.40%	8.09%	5.67%	6.00%	6.59%
Tulsa, OK	38.61%	36.55%	35.44%	6.18%	6.57%	4.04%	5.60%
Yuma, AZ	27.19%	25.73%	28.67%	-5.24%	-4.25%	-2.73%	-4.07%
Rest of US	**32.43%**	**29.98%**	**31.40%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

Note regarding the 2020 pay disparities shown above: Since the Council developed its January 2021 report to the Pay Agent, the Bureau of Labor Statistics made a minor adjustment to the econometric model it used to deliver March 2020 non-Federal salary estimates to OPM staff, so the locality pay rates and the March 2020 pay disparities the Council initially reported have been adjusted accordingly above.

Attachment 4
NCS/OEWS Model Pay Disparities 2019-2021
Locations Tested as Possible New Rest of US Research Areas

Area	Area Pay Gaps			Area Pay Gaps Minus Rest of US Pay Gap			
OEWS/NCS Model Pay Gaps 2019-2021 in 10 Potential BLS Research Areas Area Compared to Rest of US							
	2019	**2020**	**2021**	**2019**	**2020**	**2021**	**Average**
Asheville, NC	31.72%	35.71%	37.01%	-0.71%	5.73%	5.61%	3.54%
Brownsville, TX	27.94%	21.17%	17.54%	-4.49%	-8.81%	-13.86%	-9.05%
Dothan, AL	29.38%	31.50%	36.50%	-3.05%	1.52%	5.10%	1.19%
Kalamazoo, MI	42.31%	38.01%	37.05%	9.88%	8.03%	5.65%	7.85%
Lincoln, NE	39.99%	33.36%	31.09%	7.56%	3.38%	-0.31%	3.54%
Parkersburg, WV	31.56%	32.76%	32.84%	-0.87%	2.78%	1.44%	1.12%
Reno, NV	51.14%	47.57%	45.47%	18.71%	17.59%	14.07%	16.79%
Rochester, NY	49.04%	48.73%	49.13%	16.61%	18.75%	17.73%	17.70%
Scranton, PA	39.32%	36.50%	35.71%	6.89%	6.52%	4.31%	5.91%
Shreveport, LA	26.75%	28.03%	25.53%	-5.68%	-1.95%	-5.87%	-4.50%
Rest of US	**32.43%**	**29.98%**	**31.40%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

Attachment 5
Locations Added to Locality Pay Areas Resulting from Use of CBSA Updates

Locality Pay Area	Location Added	Added GS Employment
Albuquerque, NM	Mora County, NM	17
Atlanta, GA	Floyd County, GA	71
	Habersham County, GA	21
	Stephens County, GA	17
Burlington, VT	Washington County, VT	102
Charlotte, NC	Anson County, NC	2
Cleveland, OH	Wayne County, OH	75
Corpus Christ, TX	Duval County, TX	110
Des Moines, IA	Mahaska County, IA	5
	Marion County, IA	46
Minneapolis, MN	Steele County, MN	2
Phoenix, AZ	Gila County, AZ	161
San Jose, CA	Merced County, CA	436
	Stanislaus County, CA	208
Virginia Beach, VA	Franklin City, VA	0
	Southampton County, VA	11
Washington, DC	Madison County, VA	10
Total GS Employees Impacted		**1,294**

Attachment 6
Geographic Structure of Locality Pay Areas

<u>Terms Used in Referring to Composition of Locality Pay Areas</u>

This report covers several issues related to the definition of locality pay areas. In discussion of these issues, the terms *basic locality pay area* and *area of application* are used. By way of review, locality pay areas consist of—

(1) A main core-based statistical area (CBSA) defined by the Office of Management and Budget as a metropolitan statistical area (MSA) or combined statistical area (CSA) and forming the *basic locality pay area*, and

(2) Where criteria recommended by the Council and approved by the Pay Agent are met, *areas of application*. Areas of application are locations that are adjacent to the basic locality pay area and meet approved criteria for inclusion in the locality pay area.

Current Criteria for Establishing Areas of Application

Current criteria for adding adjacent core-based statistical areas (CBSAs) or single counties to locality pay areas as areas of application are:

- For a multi-county CBSA adjacent to a basic locality pay area: 1,500 or more GS employees and an employment interchange rate with the basic locality pay area of at least 7.5 percent.[7]

  - The "employment interchange rate" is the sum of (1) the percentage of employed residents of the area under consideration who work in the basic locality pay area and (2) the percentage of the employment in the area under consideration that is accounted for by workers who reside in the basic locality pay area. The employment interchange rate is calculated by including all workers in assessed locations, not just Federal employees.

- For a single county that is not part of a multi-county, non-micropolitan CBSA and is adjacent to a basic locality pay area: 400 or more GS employees and an employment interchange rate with the basic locality pay area of at least 7.5 percent.

Criteria for evaluating Federal facilities that cross county lines into a separate locality pay area are:

- For Federal facilities that cross locality pay area boundaries: To be included in an adjacent locality pay area, the whole facility must have at least 500 GS employees, with the majority of those employees in the higher-paying locality pay area, or that portion of a Federal facility outside of a higher-paying locality pay area must have at least 750 GS employees, the duty stations of the majority of those employees must be within 10 miles of the separate locality pay area, and a significant number of those employees must commute to work from the higher-paying locality pay area.

---

[7] Excludes two types of CBSAs: (1) CSAs composed entirely of micropolitan statistical areas and (2) multi-county micropolitan statistical areas. The single-county criteria apply for counties included in such CBSAs.

Attachment 7
Multi-County CBSAs Proposed as Areas of Application

Pay Area	Multi-County Area	Employment Interchange Rate	Added GS Employment
Atlanta, GA	Columbus-Auburn-Opelika, GA-AL CSA	8.32%	3,912
Birmingham, AL	Tuscaloosa, AL MSA	14.11%	1,263
Boston, MA	Lebanon, NH-VT Micropolitan Area	10.65%	1,046
Charlotte, NC	Hickory-Lenoir-Morganton, NC MSA	15.04%	149
Chicago, IL	Rockford-Freeport-Rochelle, IL CSA	11.94%	239
Cleveland, OH	Mansfield-Ashland-Bucyrus, OH CSA	12.87%	241
Cleveland, OH	Youngstown-Warren, OH-PA CSA	11.29%	921
Dallas, TX	Ardmore, OK Micropolitan Area	11.70%	29
Davenport, IA	Dixon-Sterling, IL CSA	12.86%	31
Dayton, OH	Lima-Van Wert-Celina, OH CSA	10.10%	155
Detroit, MI	Lansing-East Lansing, MI MSA	10.66%	773
Huntsville, AL	Florence-Muscle Shoals, AL MSA	12.55%	103
Indianapolis, IN	Bloomington-Bedford, IN CSA	10.98%	142
Indianapolis, IN	Lafayette-West Lafayette-Frankfort, IN CSA	8.55%	209
Indianapolis, IN	Richmond-Connersville, IN CSA	10.95%	42
Minneapolis, MN	Mankato-New Ulm, MN CSA	12.17%	65
Minneapolis, MN	Rochester-Austin, MN CSA	8.75%	489
Philadelphia, PA	Salisbury-Cambridge, MD-DE CSA (excludes portion already in Washington-Baltimore locality pay area)	9.79%	358
Pittsburgh, PA	Johnstown-Somerset, PA CSA	11.04%	451
Pittsburgh, PA	Wheeling, WV-OH MSA	16.22%	211
Raleigh, NC	Fayetteville, NC MSA (all but Moore County, NC, is already in the Raleigh locality pay area and will remain there).	8.50%	30
Raleigh, NC	Rocky Mount-Wilson-Roanoke Rapids, NC CSA	10.37%	79
San Antonio, TX	Kerrville-Fredericksburg, TX CSA	12.57%	324
Washington, DC	Cumberland, MD-WV MSA	8.26%	327
Total GS Employees Impacted			**11,589**

Attachment 8
Single-County CBSAs Proposed as Areas of Application

Pay Area	Place Name	Employment Interchange Rate	Single-County MSA	Added GS Employment
Birmingham, AL	Etowah Co. AL	13.45%	Gadsden, AL MSA	111
Detroit, MI	Jackson Co. MI	23.85%	Jackson, MI MSA	57
Milwaukee, WI	Fond du Lac Co. WI	22.64%	Fond du Lac, WI MSA	33
Milwaukee, WI	Sheboygan Co. WI	14.07%	Sheboygan, WI MSA	12
Sacramento, CA	Butte Co. CA	7.68%	Chico, CA MSA	264
Total GS Employees Impacted				**477**

Attachment 9
Single Counties Proposed as Areas of Application

Pay Area	Place Name	Employment Interchange Rate	OMB Bulletin 20-01 Statistical Area Designation	Added GS Employment
Albany, NY	Greene Co. NY	50.98%	Not in an OMB-defined statistical area	4
Albany, NY	Hamilton Co. NY	37.42%		1
Atlanta, GA	Banks Co. GA	119.87%		1
Atlanta, GA	Cherokee Co. AL	20.09%		4
Atlanta, GA	Cleburne Co. AL	40.23%		19
Atlanta, GA	Elbert Co. GA	22.27%		49
Atlanta, GA	Franklin Co. GA	47.18%		3
Atlanta, GA	Gilmer Co. GA	33.19%		31
Atlanta, GA	Greene Co. GA	36.78%		4
Atlanta, GA	Lumpkin Co. GA	66.87%		40
Atlanta, GA	Putnam Co. GA	32.48%		30
Atlanta, GA	Rabun Co. GA	21.96%		23
Atlanta, GA	Randolph Co. AL	37.27%		5
Atlanta, GA	Taliaferro Co. GA	28.00%		0
Atlanta, GA	White Co. GA	62.01%		2
Austin, TX	Blanco Co. TX	25.99%		26
Austin, TX	Burnet Co. TX	24.43%		16
Austin, TX	Lee Co. TX	30.69%		2
Austin, TX	Milam Co. TX	21.91%		7
Birmingham, AL	Winston Co. AL	31.47%		25
Boston, MA	Carroll Co. NH	27.80%		43
Boston, MA	Cheshire Co. NH	20.70%	In a single county micropolitan area CBSA, i.e., the Keene, NH Micropolitan Statistical Area	37
Buffalo, NY	Wyoming Co. NY	42.40%	Not in an OMB-defined statistical area	8
Burlington, VT	Addison Co. VT	28.09%		32
Burlington, VT	Lamoille Co. VT	37.93%		2
Charlotte, NC	Chesterfield Co. SC	23.71%		15
Chicago, IL	Iroquois Co. IL	32.84%		4
Chicago, IL	Starke Co. IN	28.41%		9
Cincinnati, OH	Adams Co. OH	37.14%		1
Cincinnati, OH	Carroll Co. KY	25.86%		7
Cincinnati, OH	Fleming Co. KY	25.20%		7
Cincinnati, OH	Highland Co. OH	40.55%		14
Cincinnati, OH	Lewis Co. KY	27.35%		2
Cincinnati, OH	Owen Co. KY	36.72%		0
Cincinnati, OH	Ripley Co. IN	61.59%		6
Cincinnati, OH	Robertson Co. KY	32.84%		0
Cincinnati, OH	Switzerland Co. IN	54.19%		2
Cleveland, OH	Holmes Co. OH	38.81%		12
Columbus, OH	Coshocton Co. OH	23.16%	In a single county micropolitan area CBSA, i.e., the Coshocton, OH Micropolitan Statistical Area	12
Columbus, OH	Hardin Co. OH	20.48%	Not in an OMB-defined statistical area	7
Columbus, OH	Morgan Co. OH	34.91%		5
Columbus, OH	Noble Co. OH	41.04%		0
Columbus, OH	Pike Co. OH	36.61%		20
Columbus, OH	Vinton Co. OH	40.01%		3
Corpus Christi, TX	Live Oak Co. TX	31.29%		182
Corpus Christi, TX	Refugio Co. TX	26.47%		5
Dallas, TX	Hill Co. TX	31.87%		20

Pay Area	Place Name	Employment Interchange Rate	OMB Bulletin 20-01 Statistical Area Designation	Added GS Employment
Dallas, TX	Jack Co. TX	51.68%		3
Dallas, TX	Montague Co. TX	37.13%		5
Dallas, TX	Rains Co. TX	54.09%		0
Dallas, TX	Van Zandt Co. TX	43.73%		7
Davenport, IA	Cedar Co. IA	37.66%		51
Davenport, IA	Jackson Co. IA	27.57%		7
Davenport, IA	Louisa Co. IA	37.28%		29
Denver, CO	Lincoln Co. CO	29.38%		4
Des Moines, IA	Adair Co. IA	35.59%		3
Des Moines, IA	Clarke Co. IA	25.31%		5
Des Moines, IA	Greene Co. IA	26.10%		3
Des Moines, IA	Hamilton Co. IA	25.10%		12
Des Moines, IA	Lucas Co. IA	25.48%		13
Des Moines, IA	Monroe Co. IA	30.48%		8
Des Moines, IA	Poweshiek Co. IA	24.27%		7
Detroit, MI	Sanilac Co. MI	36.45%		5
Detroit, MI	Tuscola Co. MI	24.90%		19
Harrisburg, PA	Juniata Co. PA	31.26%		21
Houston, TX	Colorado Co. TX	36.36%		7
Houston, TX	Grimes Co. TX	38.98%		2
Houston, TX	Jackson Co. TX	21.64%		6
Houston, TX	Madison Co. TX	26.00%		1
Huntsville, AL	Lincoln Co. TN	26.81%		3
Indianapolis, IN	Blackford Co. IN	30.99%		1
Indianapolis, IN	Fountain Co. IN	21.45%		4
Indianapolis, IN	Randolph Co. IN	29.68%		3
Indianapolis, IN	Rush Co. IN	63.32%		1
Indianapolis, IN	Tipton Co. IN	40.67%	Not in an OMB-defined statistical area	1
Kansas City, MO	Anderson Co. KS	41.68%		1
Kansas City, MO	Carroll Co. MO	22.57%		5
Kansas City, MO	Daviess Co. MO	38.06%		4
Kansas City, MO	Gentry Co. MO	21.92%		4
Kansas City, MO	Henry Co. MO	24.69%		13
Kansas City, MO	Holt Co. MO	24.16%		8
Laredo, TX	La Salle Co. TX	20.56%		105
Minneapolis, MN	Kanabec Co. MN	56.15%		7
Minneapolis, MN	Meeker Co. MN	58.58%		12
Minneapolis, MN	Morrison Co. MN	37.31%		188
Minneapolis, MN	Pine Co. MN	32.87%		196
Minneapolis, MN	Polk Co. WI	42.57%		24
Minneapolis, MN	Waseca Co. MN	36.03%		167
New York, NY	Sullivan Co. NY	43.09%		25
New York, NY	Wayne Co. PA	26.08%		361
Omaha, NE	Burt Co. NE	40.95%		1
Omaha, NE	Fremont Co. IA	32.93%		4
Omaha, NE	Shelby Co. IA	27.82%		8
Pittsburgh, PA	Greene Co. PA	52.87%		21
Portland, OR	Wahkiakum Co. WA	49.41%		2
Raleigh, NC	Caswell Co. NC	22.68%		1
Raleigh, NC	Warren Co. NC	55.00%		2
Richmond, VA	Brunswick Co. VA	26.62%		4
Richmond, VA	Essex Co. VA	32.92%		3
Richmond, VA	Greensville Co. VA	23.36%		0
Richmond, VA	Nottoway Co. VA	42.53%		148
Sacramento, CA	Alpine Co. CA	41.04%		0
Sacramento, CA	Amador Co. CA	33.91%		24

Pay Area	Place Name	Employment Interchange Rate	OMB Bulletin 20-01 Statistical Area Designation	Added GS Employment
Sacramento, CA	Colusa Co. CA	30.46%	Not in an OMB-defined statistical area	20
Sacramento, CA	Sierra Co. CA	24.45%		25
San Antonio, TX	Karnes Co. TX	29.32%		55
San Antonio, TX	McMullen Co. TX	22.53%		1
San Jose, CA	Calaveras Co. CA	29.92%		46
Seattle, WA	Grays Harbor Co. WA	21.55%	In a single county micropolitan area CBSA, i.e., the Aberdeen, WA Micropolitan Statistical Area	34
St. Louis, MO	Crawford Co. MO	34.45%	Not in an OMB-defined statistical area	2
St. Louis, MO	Fayette Co. IL	27.72%		4
St. Louis, MO	Gasconade Co. MO	34.02%		1
St. Louis, MO	Greene Co. IL	38.11%		3
St. Louis, MO	Iron Co. MO	33.99%		3
St. Louis, MO	Madison Co. MO	36.47%		4
St. Louis, MO	Montgomery Co. IL	36.25%		27
St. Louis, MO	Montgomery Co. MO	33.24%		7
St. Louis, MO	Pike Co. MO	22.35%		9
St. Louis, MO	Randolph Co. IL	30.55%		10
St. Louis, MO	Ste. Genevieve Co. MO	51.91%		5
St. Louis, MO	Washington Co. IL	52.11%		6
St. Louis, MO	Washington Co. MO	68.47%		32
Virginia Beach, VA	Chowan Co. NC	49.53%		11
Virginia Beach, VA	Hertford Co. NC	21.97%		16
Virginia Beach, VA	Middlesex Co. VA	36.78%		1
Virginia Beach, VA	Surry Co. VA	76.16%		1
Washington, DC	Caroline Co. MD	58.41%		8
Washington, DC	Fulton Co. PA	54.21%		2
Washington, DC	Hardy Co. WV	26.63%		27
Washington, DC	Orange Co. VA	63.79%		15
Washington, DC	Shenandoah Co. VA	41.31%		51
Total GS Employees Impacted				**2,742**

Attachment 10
Locations Adjacent to Multiple Pay Areas Proposed as Areas of Application

Location	Single-County Statistical Area (If Applicable)	Adjacent Locality Pay Areas	Employment Interchange Rates	Recommended Locality Pay Area	Added GS Employment
Clay County, AL		Birmingham and Atlanta	Birmingham, 19.81%; Atlanta, 4.04%	Birmingham	19
Schuylkill County, PA	Pottsville, PA Micropolitan Statistical Area	Philadelphia, Harrisburg, and New York	Philadelphia, 12.85%; Harrisburg, 8.77%; New York, 1.00%	Philadelphia	317
Gonzales County, TX		San Antonio and Austin	San Antonio, 15.58%; Austin, 12.94%	San Antonio	23
Jim Hogg County, TX		Laredo and Corpus Christi	Laredo, 18.82%; Corpus Christi, 16.10%	Laredo	237
Westmoreland County, VA		Washington, DC and Richmond	Washington, DC 37.26%; Richmond, 3.94%	Washington, DC	11
Total GS Employees Impacted					**607**

Attachment 11
Locations that have Contacted Council Staff Since 10-21-20 Council Meeting

Contacts Regarding Pay Areas Separate from Rest of US	
Area	**Notes**
Albany locality pay area	Concerns were related to pay levels. In the cases of Carlisle Barracks, the San Diego locality pay area, and the Washington-Baltimore locality pay area, received proposals to depart from use of OMB-defined CSAs/MSAs as the basis of locality pay areas.
Austin locality pay area	
Boston locality pay area	
Colorado Springs locality pay area	
Carlisle Barracks within Harrisburg locality pay area	
Las Vegas locality pay area	
Miami locality pay area	
Philadelphia locality pay area	
Portland locality pay area	
Sacramento locality pay area	
San Antonio locality pay area	
San Diego locality pay area	
San Jose locality pay area	
Southern New Jersey Counties within Philadelphia locality pay area	
Washington-Baltimore locality pay area	

Contacts Regarding Locations in Rest of US	
Alamance County, NC (Greensboro, NC, CSA)	Adjacent to the Charlotte and Raleigh basic locality pay areas but does not meet the proposed employment interchange criterion.
Allegany County, MD (Cumberland, MD-WV MSA)	Proposed under a Working Group recommendation to be added to the Washington-Baltimore locality pay area.
Angelina County, TX (Lufkin, TX Micropolitan Area)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Asheville, NC	This potential Rest of US research area does not meet the pay disparity criterion.
Aspen, CO (Pitkin County, CO) (Edwards-Glenwood Springs, CO CSA)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Augusta, GA	This Rest of US research area does not meet the pay disparity criterion.
Augusta-Waterville, ME Micropolitan Area (Kennebec County, ME)	Adjacent to areas of application in Boston locality pay area only. Not evaluated using the NCS/OEWS Model.
Batavia, NY (Rochester, NY)	Rochester, NY is a potential Rest of US research area that would meet the pay disparity criterion.
Beaumont, TX (Beaumont-Port Arthur, TX MSA)	Adjacent to the Houston basic locality pay area but does not meet the proposed employment interchange criterion. Not evaluated using the NCS/OEWS Model.
Boise, ID	This Rest of US research area does not meet the pay disparity criterion.
Bonner County, ID	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Bozeman, MT	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.

Contacts Regarding Locations in Rest of US (continued)	
<mark>Carroll County, IL</mark>	<mark>Pay Agent has tentatively approved adding to Davenport locality pay area.</mark>
Central Florida (Bay Pines, Naples, and Orlando and Tampa Rest of US research areas)	None of the locations meet applicable criteria. Orlando and Tampa area are Rest of US research areas that do *not* meet the pay disparity criterion.
Charleston, SC	This Rest of US research area does not meet the pay disparity criterion.
Clallam and Jefferson Counties, WA	Clallam is not adjacent to the Seattle locality pay area. Jefferson is adjacent to the Seattle basic locality pay area but does not meet the proposed employment interchange criterion.
Columbia, MO (Columbia-Moberly-Mexico, MO CSA)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Coos County, NH (Berlin, NH Micropolitan Area)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Douglas and Lane Counties, OR	Part of a single proposal covering both locations. Neither county is evaluated using the NCS/OEWS Model. Douglas County is not adjacent to a basic locality pay area. Lane County is adjacent to the Portland basic locality pay area but does not meet the employment interchange criterion.
Duplin, New Hanover, and Pender Counties, NC	Part of a single proposal covering all three locations. Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
El Paso, TX	This Rest of US research area does not meet the pay disparity criterion.
Flagstaff, AZ	Adjacent to the Phoenix basic locality pay area but does not meet the proposed employment interchange criterion.
<mark>Fresno, CA (including Kings County and Lemoore Naval Air Station, CA)</mark>	<mark>This Rest of US research area now meets the pay disparity criterion.</mark>
Garfield County, CO (Edwards-Glenwood Springs, CO CSA)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Grand County, CO (Grand Lake and Winter Park)	Adjacent to the Denver basic locality pay area but does not meet the proposed employment interchange criterion. Not evaluated using the NCS/OEWS Model.
Grand County, UT	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Grand Junction, CO MSA (Mesa County, CO)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Hazelton, WV (Morgantown-Fairmont, WV CSA)	Adjacent to the Pittsburgh basic locality pay area but does not meet the proposed employment interchange criterion. Not evaluated using the NCS/OEWS Model.
Herlong, CA (Lassen County)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Hood River County, OR (Hood River, OR Micropolitan Area)	Adjacent to the Portland basic locality pay area but does not meet the proposed employment interchange criterion. Not evaluated using the NCS/OEWS Model.
Humboldt County, CA (Eureka-Arcata, CA Micropolitan Area)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Jackson County, OR (Medford-Grants Pass, OR CSA)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.

Contacts Regarding Locations in Rest of US (continued)	
Jacksonville, FL	This Rest of US research area does not meet the pay disparity criterion.
Johnson and Linn Counties, IA (Cedar Rapids, IA CSA)	Adjacent to the Davenport basic locality pay area but does not meet the proposed employment interchange criterion. Not evaluated using the NCS/OEWS Model.
Kalispell, MT (Flathead County, MT Micropolitan Area)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Karnes County, TX	Proposed under a Working Group recommendation to be added to the San Antonio locality pay area.
Knoxville, TN (Knoxville, TN CSA)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Louisville, KY (Rest of US research area)	This Rest of US research area does not meet the pay disparity criterion. Adjacent to the Indianapolis basic locality pay area but does not meet the proposed employment interchange criterion.
Madison County, VA	Madison County is proposed under a Working Group recommendation to be added to the Washington-Baltimore locality pay area.
Madison, WI	This Rest of US research area does not meet the pay disparity criterion. Adjacent to the Milwaukee basic locality pay area but does not meet the employment interchange criterion.
Merced County, CA	Proposed under a Working Group recommendation to be added to the San Jose locality pay area.
Myrtle Beach, SC (Myrtle Beach, SC CSA)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Nashville, TN	This Rest of US research area does not meet the pay disparity criterion.
New Orleans, LA	This Rest of US research area does not meet the pay disparity criterion.
Nottoway County, VA	Proposed under a Working Group recommendation to be added to the Richmond locality pay area.
Pacific County, WA	Proposed under a Working Group recommendation to be added to the Seattle locality pay area.
Pine County, MN	Proposed under a Working Group recommendation to be added to the Minneapolis locality pay area.
Reno, NV	This potential Rest of US research area now meets the pay disparity criterion.
Rochester, MN	Proposed under a Working Group recommendation to be added to the Minneapolis locality pay area.
Salt Lake City, UT CSA (including Hill AFB)	This Rest of US research area does not meet the pay disparity criterion.
San Juan County, WA	San Juan is proposed under a Working Group recommendation to be added to the Seattle locality pay area.
Scranton, PA (Lackawanna County, PA)	This potential Rest of US research area does not meet the pay disparity criterion. The Scranton MSA is adjacent to the New York basic locality pay area but does not meet the proposed employment interchange criterion.
Shenandoah National Park, VA (Rest of US locations other than Madison County, VA)	None of the several Rest of US counties comprising this set of locations meets applicable criteria.
Sierra County, CA	Proposed under a Working Group recommendation to be added to the Sacramento locality pay area.

Contacts Regarding Locations in Rest of US (continued)	
Siskiyou County, CA	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Smith County, TX (Tyler, TX CSA)	Adjacent to the Dallas basic locality pay area but does not meet the proposed employment interchange criterion. Not evaluated using the NCS/OEWS Model.
Southeast Idaho (Idaho Falls-Rexburg-Blackfoot, ID CSA)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Spokane, WA	This Rest of US research area now meets the pay disparity criterion.
Stanislaus County, CA	Proposed under a Working Group recommendation to be added to the San Jose locality pay area.
Sussex County, DE (Salisbury, MD-DE CSA)	Proposed under a Working Group recommendation to be added to the Philadelphia locality pay area.
Teton County, WY	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Toledo, OH	Adjacent to the Detroit and Cleveland basic locality pay areas but does not meet the proposed employment interchange criterion. Not evaluated using the NCS/OEWS Model.
Ukiah, CA (Mendocino County, CA)	Adjacent to the San Jose basic locality pay area but does not meet the proposed employment interchange criterion. Not evaluated using the NCS/OEWS Model.
Waseca County, MN	Proposed under a Working Group recommendation to be added to the Minneapolis locality pay area.
Wayne County, PA	Proposed under a Working Group recommendation to be added to the New York locality pay area.
White River Junction, VT (Lebanon, NH-VT Micropolitan Area)	Proposed under a Working Group recommendation to be added to the Boston locality pay area.
Yellowstone National Park (including Teton County, WY)	Not adjacent to an existing basic locality pay area, and not evaluated using the NCS/OEWS Model.
Yuma, AZ	This Rest of US research area does not meet the pay disparity criterion.