

REPORT OF THE FEDERAL SALARY COUNCIL WORKING GROUP OCTOBER 21, 2020

EXECUTIVE SUMMARY. The Federal Salary Council Working Group met in 2020 on February 25, July 14, and September 10 to discuss issues regarding locality pay and other related matters for 2022.

This Council Working Group report presents recommendations for the full Council to consider during its public meeting on October 21, 2020. The presentation of the report follows the order of the Council's meeting agenda, which was approved by the Chairman prior to the meeting and is presented below.

- 1. Introductions and announcements; Minutes from November 5, 2019, meeting**
- 2. Report and Recommendations of the Federal Salary Council Working Group, decision points related to pending business:**
 - a) Should the Council recommend that the President's Pay Agent revise the GS employment threshold for considering additional locality pay areas within the NCS/OES model?**
 - b) Should the Council recommend that the Pay Agent adopt the metropolitan statistical areas (MSAs) and combined statistical areas (CSAs) delineated in Office of Management and Budget (OMB) Bulletin No. 20-01, issued March 6, 2020, for use in the locality pay program?**
- 3. Report of the Bureau of Labor Statistics**
- 4. Report and Recommendations of the Federal Salary Council Working Group, present business:**
 - a) What locality pay rates should the Council recommend that the President's Pay Agent adopt as those that would go into effect in 2022 under the Federal Employees Pay Comparability Act of 1990 (FEPCA), absent some other provision of law?**
 - b) Should the Council recommend the Pay Agent establish new locality pay areas for 2022 based on the results of the NCS/OES Model?**
 - c) Should the Council recommend any action be taken for locations that do not meet approved criteria for a change in their locality pay area designation?**
- 5. Future of Federal Pay**
 - Note that each Council Member will be asked to express their views on the Federal compensation system at this time.**
- 6. Testimony regarding certain proposed locality pay areas**
- 7. Public comment**
- 8. Adjournment**

WORKING GROUP RECOMMENDATIONS. The Working Group considered the issues presented in the Council’s meeting agenda and makes the following recommendations to the Council.

Agenda Item 1. Introductions and announcements; Minutes from November 5, 2019, meeting

The Working Group recommended that this time be reserved for covering the Council’s opening remarks and administrative announcements.

Agenda Item 2. Report and Recommendations of the Federal Salary Council Working Group, decision points related to pending business

The Working Group made recommendations for the Council to consider on the following items that were pending as of the Council’s April 2020 report to the President’s Pay Agent.

Agenda Item 2a. Should the Council recommend that the President’s Pay Agent revise the GS employment threshold for considering additional locality pay areas within the NCS/OES model?

Working Group Recommendation 2a: The Council should continue to analyze and discuss this issue.

Background and Rationale: The Council has reviewed “Rest of U.S.” (RUS) research areas for consideration as new locality pay areas since the implementation of the NCS/OES model (see Attachment 1 for a detailed description of that model). At that time, the Council set a threshold level of 2,500 GS employees for these research areas to focus its attention on those areas affecting the most employees. This threshold has been in place for the past 8 years, and several new locality pay areas have been recommended and approved based on this process. However, there may be other areas with GS employment below that threshold that might qualify for consideration.

Accordingly, the Council asked the Working Group to collaborate with BLS to determine whether a lower GS employment threshold would be appropriate, based on maturation of the Model over the years since it was first adopted for use in the locality pay program. The Working Group is still at work on that effort and recommends that the Council defer action on this item until that analysis can be completed.

Council Decision 2a:

Agenda Item 2b. Should the Council recommend that the Pay Agent adopt the metropolitan statistical areas (MSAs) and combined statistical areas (CSAs) delineated in Office of Management and Budget (OMB) Bulletin No. 20-01, issued March 6, 2020, for use in the locality pay program?

Working Group Recommendation 2b: Working Group members were unable to reach a consensus on this issue and submitted their individual views to the Chairman; those views are set forth below, and the Working Group recommends that Council Members submit them to the Pay Agent for consideration.

Background and Rationale: On September 14, 2018, the Office of Management and Budget (OMB) updated its definition and designation of metropolitan statistical areas (MSAs) and combined statistical areas (CSAs); the September 2018 OMB update was a “mid-decade revision” that was more significant than previous updates over the past few years.¹ While OMB does not establish the definitions of MSAs and CSAs specifically for use in the Federal Government’s locality pay program and cautions agencies to review them carefully before using them for non-statistical purposes, it has been the Council’s practice to consider those definitions for use in the locality pay program, both in defining new and existing basic locality pay areas and in evaluating RUS locations as potential areas of application.²

Use of the updated MSAs and CSAs in the locality pay program could result in RUS locations moving to separate locality pay areas and locations in separate locality pay areas moving to the RUS locality pay area. In addition, if updated MSAs and CSAs are to be recommended for use in the locality pay program, the geographic specifications provided by OPM to BLS for producing the non-Federal pay estimates could also be significantly affected. Accordingly, the Council deferred any recommendations to the Pay Agent in order to give it the opportunity to conduct a more extensive analysis of the potential impact of the revised OMB definitions on locality pay areas.

In that regard, the Working Group reviewed each location that could potentially be impacted by the OMB updates. Some members recommended that the Council treat OMB’s revised definitions as it had done in the past; that is, where the OMB definition expands or extends an existing locality pay area to include additional counties, those counties should be added to the existing locality pay area, but where those definitions exclude counties currently included in an existing locality pay area, those counties should continue to receive the locality adjustment. However, the remainder of the Working Group recommended a case-by-case approach, assessing the impact of each OMB revision on the relevant locality pay area(s), adopting or rejecting the revised definitions where appropriate.

Given that the Council’s authorizing statute does not require that it make recommendations based on consensus or majority vote, the Council Chairman asked that each Working Group member indicate her or his views on each OMB revision. Those views are set forth in Attachment 5 and summarized as follows:

- Working Group Members representing the American Federation of Government Employees (AFGE), the National Federation of Federal Employees (NFFE), and the National Treasury Employees Union (NTEU) recommend following past practice—expanding locality pay areas following the new OMB definitions, but retaining counties excluded by those definitions in their existing locality pay areas. They further noted that the number of employees that would be added with adoption of the updated OMB definitions would be relatively small.

¹ On March 6, 2020, OMB issued additional minor updates to these definitions, but based on analysis by OPM staff none of those updates would impact the definitions of current locality pay areas.

² The terms *basic locality pay area* and *area of application* are defined in Attachment 4. Those terms also have been used in past Council documents, which have discussed associated issues extensively.

- Five Working Group Members—the Council’s three Independent HR Experts and the members representing the Federal Law Enforcement Officers Association (FLEOA) and the Fraternal Order of Police (FOP)—opposed following the revised OMB definitions blindly, especially since the revised definitions did not take the Federal locality pay program into account when they were issued. They also stated that they could not support a recommendation to follow the OMB definitions only when they would expand a locality pay area, but not when they had the opposite effect. These Working Group Members recommend adopting the OMB revisions only for a subset of the locations potentially impacted by the OMB updates to the definitions of MSAs and CSAs. Four of those Members agreed on all accounts, with the fifth of those five providing his own set of recommendations.

Attachment 5 lists the locations that would be impacted by these Working Group Members’ recommendations on this issue and shows how each of those locations would be impacted. Detailed maps and GS employment and commuting data the Working Group Members considered are provided in the Appendix.

Council Decision 2b:

Agenda Item 3. Report of the Bureau of Labor Statistics

The Working Group recommended that this time be reserved for a presentation by Bureau of Labor Statistics staff.

Agenda Item 4. Report and Recommendations of the Federal Salary Council Working Group, present business:

The Working Group recommended the Council turn to present business at this time and made the following recommendations for the Council to consider.

Agenda Item 4a: What locality pay rates should the Council recommend that the President’s Pay Agent adopt as those that would go into effect in 2022 under the Federal Employees Pay Comparability Act of 1990 (FEPCA), absent some other provision of law?

Working Group Recommendation 4a. The Council should recommend locality pay adjustments as listed in Attachment 2 of this Report.

Background and Rationale: The Federal Salary Council’s Working Group reviewed comparisons of General Schedule (GS) and non-Federal pay based on data from two Bureau of Labor Statistics (BLS) surveys, the National Compensation Survey (NCS) and the Occupational Employment Statistics (OES) 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 OES to estimate occupational earnings by level of work in each locality pay area.

Taken together, these data comprise the NCS/OES Model (see Attachment 1 for a detailed description of that model), which is the methodology currently employed by the Council. Note that certain Members of the Council have recommended changes in that methodology to the President’s Pay Agent.

Based on that BLS model, OPM staff calculated a weighted average of the estimated locality pay disparities as of March 2020.³ According to those calculations, the estimated overall disparity between (1) base GS average salaries and (2) non-Federal average salaries as estimated by BLS in current locality pay areas was 52.17 percent. Using these data, the amount needed to reduce the pay disparity to 5 percent—the target disparity established by FEPCA—averages 44.92 percent. When existing locality pay adjustments (averaging 23.60 percent as of March 2020) are taken into account, the overall remaining pay disparity is estimated at 23.11 percent.

Using data from the current salary survey and pay comparison methodology described above, the Working Group recommends that the Council advise the Pay Agent to adopt the locality rates in Attachment 2 as those that, absent some other provision of law, would go into effect under FEPCA in January 2022. 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 2019 and September 2020, minus half a percentage point. The ECI for September 2020 will not be published until October 30, 2020, so the amount is not yet known.

The Working Group notes that, under the current methodology, the average March 2020 pay disparity for current and planned locality pay areas is 3.48 percentage points lower than the average March 2019 pay disparity for those areas, with most of those pay disparities decreasing.⁴

This year, the pay disparity for Laredo decreased by 23.17 percentage points. However, because Laredo has a relatively small GS payroll, that decrease for Laredo did not significantly affect the average pay gap. Pay gaps excluding Laredo decreased by 3.44 percentage points on average, which is close to the year-to-year percentage point decrease observed last year in the average pay gap including Laredo.

Council Decision 4a:

Agenda Item 4b. Should the Council recommend the Pay Agent establish new locality pay areas for 2022 based on the results of the NCS/OES Model?

Working Group Recommendation 4b. No, not at this time.

Background and Rationale: Attachment 6 lists locations, most in the RUS locality pay area, from which groups or individuals have contacted the Council or OPM staff to express concerns about pay levels or the geographic boundaries of locality pay areas. The RUS locations listed do not meet criteria approved by the Pay Agent for a change in their locality pay area designation, yet representatives from some of these locations report that Federal agencies in their area have recruiting and/or retention problems. For locations listed that are already in locality pay areas separate from RUS, the petitioners ask that the Council recommend a higher locality pay percentage for one or more locations in the locality pay area.

³ Those calculations excluded such additions as GS special rates and existing locality payments.

⁴ Last year, the Working Group noted that the March 2019 pay disparity for Laredo had increased by 25.41 percentage points and asked BLS for further analysis. In that regard, BLS noted that the increase was likely a statistical anomaly.

Some of these locations are in metropolitan areas monitored using the NCS/OES Model, but none of the metropolitan areas monitored meet the standard for establishing a new locality pay area based on NCS/OES Model results. More specifically, the Council is now monitoring pay disparities in 38 RUS research areas not approved for establishment as separate locality pay areas. We studied pay disparities for these areas, compared to the RUS pay disparity, over a 3-year period (2018-2020), and the results are shown in Attachment 3. Using the Council's current methodology, none of the 38 research areas had a pay disparity exceeding that for the RUS locality pay area by more than 10 percentage points on average over the 3-year period studied, the standard established by the Council to trigger a Council recommendation to establish a research area as a new locality pay area.

Regarding locations that have contacted the Council and OPM staff, we appreciate the input we have received. However, we urge agencies that are having staffing problems in a locality pay area to consider gathering Human Capital Indicators (HCI) data so that they can identify and quantify staffing issues in a geographic area of concern. Such data might be helpful in addressing staffing issues that are detrimental to agency missions.

We recognize that some agencies may have significant staffing problems requiring solutions in the near term. Regarding such situations, we recommend OPM continue to encourage agencies to consider using pay flexibilities such as recruitment, retention, and relocation payments, and special salary rates to ease any staffing problems that may exist in RUS locations or elsewhere.

Council Decision 4b:

Agenda Item 4c. Should the Council recommend any action be taken for locations that do not meet approved criteria for a change in their locality pay area designation?

Working Group Recommendation 4c. As discussed below, we recommend that the Council strongly endorse the approval of all appropriate pay flexibilities—such as recruiting and retention incentives and/or special pay rates—to the agencies that employ Federal workers in two areas that submitted Human Capital Indicators (HCI) data that were sufficient to support further Council consideration.

Background and Rationale: The Council and OPM staff receive numerous requests each year to establish or change locality pay areas for locations that do not meet established criteria for doing so. Those requests run the gamut from simple phone calls or emails from individual employees to detailed petitions and presentations by local representatives and organizations at Council public meetings, all trying to make the case that their particular location warrants a locality adjustment, notwithstanding the fact that that location does not meet the NCS/OES criteria.

In an effort to establish a more disciplined and data-driven response to such requests, the Chairman and Member Bullock proposed in the Council's April 2020 report to the Pay Agent that the Council require such representatives to support their requests with detailed HCI data that make a more quantitative case for coverage. That same report indicates that Council Members Erwin, Reardon, and Simon would be open to considering HCI data but do not support a hard-and-fast policy that such data be required.

Since the Council's April 2020 report was issued, groups from four geographic areas—Charleston, SC; Nashville, TN; Orlando/Central Florida; and Southern NJ⁵—have stated that they would try to support their requests with detailed HCI data. OPM staff has since received HCI submissions from Charleston and Southern NJ that were sufficient to support further Council consideration.

Commending the work done by those two locales, the Working Group analyzed their submissions and concluded that while the HCI data submitted by Charleston and Southern NJ indicated severe recruiting and retention difficulties sufficient to warrant some sort of additional pay adjustment, the evidence showed that those difficulties were limited to and/or varied significantly among certain occupational categories and/or grade levels. Accordingly, because the Council's current statutory authority limits it to recommendations that cover all occupations and grades in a particular location, the Working Group has concluded that Council cannot recommend that the Pay Agent designate those areas for a locality pay adjustment.

Nevertheless, while the Working Group cannot recommend that the Council consider locality pay adjustments for these two areas to the Council, its members are sympathetic to the challenges they face, and they recommend that the Council strongly endorse the approval of all appropriate pay flexibilities—such as recruiting and retention incentives and/or special pay rates—to the agencies that employ Federal workers in these two areas.

The Working Group notes that while the submissions by Central Florida and Nashville are not yet sufficient to make a determination with respect to locality pay, they too should be commended for their efforts and encouraged to continue them. However, in so doing, the Working Group recommends that the Council apprise those two areas of its statutory limitations—that is, that it can only recommend that a geographic area be recommended for a locality pay adjustment if its recruiting and retention challenges are across-the-board in nature. In that regard, the petitioners are also encouraged to explore the use of the various pay flexibilities as a way of addressing any staffing issues they may have.

Council Decision 4c:

Agenda Item 5. Future of Federal Pay

The Chairman has proposed that the Council discuss the Federal compensation system and that each Member be asked to discuss their views in that regard. Accordingly, the Working Group recommends the Council discuss that issue at this time.

Agenda Item 6: Testimony regarding certain proposed locality pay areas

The Working Group recommended that this time be reserved for testimony regarding certain locality pay areas.

⁵ None of these areas meets current criteria for being included in a higher-paying locality pay area.

Agenda Item 7: Public Comment

The Working Group recommended that this time be reserved to provide an opportunity for public comment.

Agenda Item 8: Adjournment

List of Attachments

Attachment 1: Explanation of NCS/OES Model and Pay Disparity Calculations

Attachment 2: Locality Rates for 2022 under FEPCA

Attachment 3: NCS/OES Model Pay Disparities 2018-2020 in RUS Research Areas

Attachment 4: Geographic Structure of Locality Pay Areas

Attachment 5: Views of Council Members on OMB Updates to MSAs and CSAs

Attachment 6: Locations that have Contacted Council Staff Since 11-05-19 Council Meeting

Appendix

Maps/Commuting Data Considered for the Issue of OMB Updates to MSAs and CSAs

Attachment 1

Explanation of NCS/OES Model and Pay Disparity Calculations

NCS/OES 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 Statistics (OES) data to estimate occupational earnings by level of work in each locality pay area. This measurement process is called the *NCS/OES 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).

OES 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 OES, 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/OES 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/OES model are averaged within PATCO category by grade level. The NCS/OES model covers virtually all GS jobs. The model produces occupational wage information for jobs found only in the OES sample for an area. For averaging within PATCO category, each job rate is

weighted by the Nationwide full-time, permanent, year-round employment⁶ 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/OES 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/OES 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 2020 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		\$37,254			\$33,874		2							
2		\$36,709			\$36,454		10			7	27	\$36,604.00	\$23,729	54.26%
3		\$39,780	\$44,973		\$37,711		50	6		14	98	\$39,811.31	\$27,580	44.35%
4	\$48,705	\$45,657	\$47,319	\$39,514	\$43,445		268	72		82	515	\$45,510.74	\$30,850	47.52%
5	\$55,186	\$54,056	\$53,046	\$54,653	\$46,722	181	1,071	432	27	1,240	3,050	\$50,901.19	\$34,223	48.73%
6	\$70,540	\$64,085	\$59,954	\$66,666	\$54,062	5	887	806		2,443	4,159	\$57,375.63	\$38,501	49.02%
7	\$70,917	\$69,530	\$69,690	\$70,795	\$63,751	1,684	483	932	846	4,581	8,665	\$66,841.92	\$42,794	56.19%
8	\$81,743	\$76,548	\$75,849	\$88,709	\$72,606	20	456	464	39	2,620	3,600	\$73,748.83	\$49,511	48.95%
9	\$86,726	\$80,327	\$88,306	\$82,064	\$84,039	7,871	300	297	1,568	2,032	12,125	\$85,547.64	\$51,530	66.02%
10	\$97,286	\$91,251	\$104,651	\$81,685	\$97,472	742	142	84	19	454	1,441	\$96,973.52	\$58,376	66.12%
11	\$109,927	\$99,859	\$111,498	\$101,691	\$111,729	12,696	13	129	4,049	865	17,776	\$108,140.32	\$61,814	74.94%
12	\$141,659	\$128,902	\$149,879	\$136,799	\$147,400	25,147	15	171	10,476	1,209	37,025	\$140,503.93	\$75,318	86.55%
13	\$164,707		\$182,515	\$164,188	\$176,085	48,323		454	17,747	520	67,049	\$164,778.46	\$91,072	80.93%
14	\$178,290		\$172,460	\$173,542	\$169,540	37,679		446	21,131	121	59,382	\$176,538.67	\$108,990	61.98%
15	\$216,682		\$183,278	\$210,558	\$176,908	18,016		152	16,587	18	34,777	\$213,594.20	\$130,978	63.08%
											249,689	\$154,303.80	\$90,362.47	70.76%

Attachment 2
FEPCA Locality Rates for 2022 Using Current Salary Survey Methodology

Locality Pay Area	Base GS Payroll	March 2020 Pay Disparity	Local Rate (Target Pay Disparity)
Alaska	\$489,515,045	60.24%	52.61%
Albany-Schenectady, NY-MA	\$186,407,347	49.48%	42.36%
Albuquerque-Santa Fe-Las Vegas, NM	\$604,280,071	37.30%	30.76%
Atlanta--Athens-Clarke County--Sandy Springs, GA-AL	\$2,111,510,140	43.49%	36.66%
Austin-Round Rock, TX	\$493,200,674	44.42%	37.54%
Birmingham-Hoover-Talladega, AL	\$378,635,531	39.62%	32.97%
Boston-Worcester-Providence, MA-RI-NH-ME	\$1,880,879,846	66.94%	58.99%
Buffalo-Cheektowaga, NY	\$354,956,300	44.80%	37.90%
Burlington-South Burlington, VT	\$225,549,021	46.23%	39.27%
Charlotte-Concord, NC-SC	\$235,447,161	43.08%	36.27%
Chicago-Naperville, IL-IN-WI	\$1,464,440,139	54.04%	46.70%
Cincinnati-Wilmington-Maysville, OH-KY-IN	\$429,652,627	39.24%	32.61%
Cleveland-Akron-Canton, OH	\$747,344,493	40.49%	33.80%
Colorado Springs, CO	\$529,595,661	44.01%	37.15%
Columbus-Marion-Zanesville, OH	\$627,875,302	47.37%	40.35%
Corpus Christi-Kingsville-Alice, TX	\$181,948,197	30.76%	24.53%
Dallas-Fort Worth, TX-OK	\$1,461,436,000	53.62%	46.30%
Davenport-Moline, IA-IL	\$260,624,742	40.24%	33.56%
Dayton-Springfield-Sidney, OH	\$593,170,308	49.26%	42.15%
Denver-Aurora, CO	\$1,415,854,105	64.67%	56.83%
Des Moines, IA (Pending)	\$192,162,860	39.97%	33.30%
Detroit-Warren-Ann Arbor, MI	\$931,888,197	51.02%	43.83%
Harrisburg-Lebanon, PA	\$402,958,605	45.66%	38.72%
Hartford-West Hartford, CT-MA	\$318,432,488	58.59%	51.04%
Hawaii	\$1,091,143,591	52.31%	45.06%
Houston-The Woodlands, TX	\$1,058,080,120	60.42%	52.78%
Huntsville-Decatur-Albertville, AL	\$799,295,342	45.00%	38.10%
Indianapolis-Carmel-Muncie, IN	\$745,552,637	33.65%	27.29%
Kansas City-Overland Park-Kansas City, MO-KS	\$1,315,377,437	40.26%	33.58%
Laredo, TX	\$219,291,140	56.04%	48.61%
Las Vegas-Henderson, NV-AZ	\$363,922,884	41.87%	35.11%
Los Angeles-Long Beach, CA	\$2,647,134,062	77.60%	69.14%
Miami-Fort Lauderdale-Port St. Lucie, FL	\$1,075,228,029	39.03%	32.41%
Milwaukee-Racine-Waukesha, WI	\$267,351,549	38.62%	32.02%
Minneapolis-St. Paul, MN-WI	\$602,784,829	57.68%	50.17%
New York-Newark, NY-NJ-CT-PA	\$3,298,619,371	75.33%	66.98%
Omaha-Council Bluffs-Fremont, NE-IA	\$345,146,103	41.53%	34.79%
Palm Bay-Melbourne-Titusville, FL	\$341,047,977	31.56%	25.30%
Philadelphia-Reading-Camden, PA-NJ-DE-MD	\$1,849,668,613	61.76%	54.06%
Phoenix-Mesa-Scottsdale, AZ	\$689,109,524	49.13%	42.03%
Pittsburgh-New Castle-Weirton, PA-OH-WV	\$467,529,698	41.45%	34.71%
Portland-Vancouver-Salem, OR-WA	\$772,700,201	49.16%	42.06%
Raleigh-Durham-Chapel Hill, NC	\$1,169,905,987	40.96%	34.25%
Rest of US	\$26,573,638,281	29.83%	23.65%
Richmond, VA	\$665,962,573	48.17%	41.11%
Sacramento-Roseville, CA-NV	\$520,914,191	62.37%	54.64%
San Antonio-New Braunfels-Pearsall, TX	\$1,462,347,653	42.31%	35.53%
San Diego-Carlsbad, CA	\$1,704,594,162	71.75%	63.57%
San Jose-San Francisco-Oakland, CA	\$1,719,616,642	90.43%	81.36%
Seattle-Tacoma, WA	\$1,878,513,409	73.99%	65.70%
St. Louis-St. Charles-Farmington, MO-IL	\$845,534,988	46.06%	39.10%
Tucson-Nogales, AZ	\$824,731,281	41.74%	34.99%
Virginia Beach-Norfolk, VA-NC	\$2,222,106,268	43.96%	37.10%
Washington-Baltimore-Arlington, DC-MD-VA-WV-PA	\$23,417,192,334	70.76%	62.63%
Total Payroll/Weighted Average Pay Gap	\$97,471,805,736	52.17%	44.92%

Attachment 3

NCS/OES Model Pay Disparities 2018-2020 in RUS Research Areas

OES/NCS Model Pay Gaps 2018-2020 in 38 BLS Research Areas Area Compared to Rest of US							
Area	Area Pay Gaps			Area Pay Gaps Minus Rest of US Pay Gap			
	2018	2019	2020	2018	2019	2020	Average
Augusta, GA	27.67%	30.43%	30.20%	-6.00%	-2.00%	0.37%	-2.54%
Boise, ID	36.88%	35.99%	36.10%	3.21%	3.56%	6.27%	4.35%
Charleston, SC	39.42%	39.67%	36.38%	5.75%	7.24%	6.55%	6.51%
Charleston, WV	22.21%	23.15%	21.19%	-11.46%	-9.28%	-8.64%	-9.79%
Clarksville, TN	19.48%	16.26%	11.26%	-14.19%	-16.17%	-18.57%	-16.31%
Columbia, SC	27.68%	28.52%	27.00%	-5.99%	-3.91%	-2.83%	-4.24%
Columbus, GA	24.87%	23.66%	19.57%	-8.80%	-8.77%	-10.26%	-9.28%
Crestview, FL	42.70%	39.39%	36.81%	9.03%	6.96%	6.98%	7.66%
El Paso, TX	40.15%	32.67%	29.08%	6.48%	0.24%	-0.75%	1.99%
Fresno, CA	38.56%	40.71%	40.70%	4.89%	8.28%	10.87%	8.01%
Gainesville, FL	21.53%	23.69%	19.11%	-12.14%	-8.74%	-10.72%	-10.53%
Gulfport, MS	38.29%	33.60%	30.65%	4.62%	1.17%	0.82%	2.20%
Jackson, MS	23.87%	21.74%	19.75%	-9.80%	-10.69%	-10.08%	-10.19%
Jacksonville, FL	37.71%	38.91%	33.74%	4.04%	6.48%	3.91%	4.81%
Jacksonville, NC	32.58%	28.75%	19.88%	-1.09%	-3.68%	-9.95%	-4.91%
Killeen-Temple, TX	36.89%	35.01%	27.76%	3.22%	2.58%	-2.07%	1.24%
Lawton, OK	17.51%	22.48%	25.68%	-16.16%	-9.95%	-4.15%	-10.09%
Lexington, KY	24.96%	23.68%	22.84%	-8.71%	-8.75%	-6.99%	-8.15%
Little Rock, AR	23.52%	21.89%	16.63%	-10.15%	-10.54%	-13.20%	-11.30%
Louisville, KY	35.11%	33.36%	34.44%	1.44%	0.93%	4.61%	2.33%
Macon, GA	38.77%	36.84%	32.57%	5.10%	4.41%	2.74%	4.08%
Madison, WI	39.95%	36.97%	36.06%	6.28%	4.54%	6.23%	5.68%
Manhattan, KS	25.58%	22.64%	18.77%	-8.09%	-9.79%	-11.06%	-9.65%
McAllen, TX	30.01%	21.81%	17.54%	-3.66%	-10.62%	-12.29%	-8.86%
Memphis, TN	36.24%	35.36%	25.33%	2.57%	2.93%	-4.50%	0.33%
Montgomery, AL	44.41%	41.82%	34.76%	10.74%	9.39%	4.93%	8.35%
Nashville, TN	39.02%	33.36%	30.30%	5.35%	0.93%	0.47%	2.25%
New Bern, NC	37.88%	39.52%	38.55%	4.21%	7.09%	8.72%	6.67%
New Orleans, LA	34.56%	35.40%	35.29%	0.89%	2.97%	5.46%	3.11%
Oklahoma City, OK	38.41%	39.46%	37.98%	4.74%	7.03%	8.15%	6.64%
Orlando, FL	38.32%	34.59%	30.41%	4.65%	2.16%	0.58%	2.46%
Pensacola, FL	23.90%	21.94%	18.26%	-9.77%	-10.49%	-11.57%	-10.61%
Rest of US	33.67%	32.43%	29.83%	0.00%	0.00%	0.00%	0.00%
Salt Lake City, UT	39.15%	39.43%	35.48%	5.48%	7.00%	5.65%	6.04%
Savannah, GA	31.01%	30.43%	25.45%	-2.66%	-2.00%	-4.38%	-3.01%
Spokane, WA	41.48%	41.78%	41.34%	7.81%	9.35%	11.51%	9.56%
Tampa, FL	39.74%	40.52%	35.52%	6.07%	8.09%	5.69%	6.62%
Tulsa, OK	44.50%	38.61%	36.35%	10.83%	6.18%	6.52%	7.84%
Yuma, AZ	26.28%	27.19%	25.66%	-7.39%	-5.24%	-4.17%	-5.60%

Note: Regarding the 2018 Rest of US pay gap, in its recommendations for 2019 the Council recommended that Des Moines, IA, be established as a separate locality pay area. Accordingly, the 2018 Rest of US pay gap used in the Council's recommendations for 2020 (33.75 percent) has been adjusted in a cost-neutral fashion to take the recommended locality payments for Des Moines into account, and the adjusted 2018 Rest of US pay gap is 33.67 percent.

Attachment 4

Geographic Structure of Locality Pay Areas

Terms Used in Referring to Composition of Locality Pay Areas

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 5-Views of Working Group Members on OMB Updates to MSAs and CSAs

Views of Working Group Members on OMB Updates to MSAs and CSAs					
New OMB MSA/CSA Definition	Impacted Location	Following OMB Change in MSA/CSA Definition would...	Working Group Member Recommendation		
			AFGE/NFFE/NTEU	HR Experts/FOP	FLEOA
Albany CSA	Berkshire County, MA	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
Albuquerque CSA	Cibola County, NM	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
	McKinley County, NM	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
	Mora County, NM	Include location in existing LPA.	Accept OMB Change	Reject OMB Change	Reject OMB Change
	Gordon County, GA	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Accept OMB Change
Atlanta CSA	Floyd County, GA	Include location in existing LPA.	Accept OMB Change	Accept OMB Change	Accept OMB Change
	Habersham County, GA	Include location in existing LPA.	Accept OMB Change	Accept OMB Change	Accept OMB Change
	Stephens County, GA	Include location in existing LPA.	Accept OMB Change	Reject OMB Change	Reject OMB Change
	Columbus, GA CSA	Include location in existing LPA.	Accept OMB Change	Reject OMB Change	Reject OMB Change
	Coosa County, AL	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
Birmingham CSA	Tallapoosa County, AL	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
Burlington CSA	Washington County, VT	Include location in existing LPA.	Accept OMB Change	Accept OMB Change	Accept OMB Change
Charlotte CSA	Anson County, NC	Include location in existing LPA.	Accept OMB Change	Reject OMB Change	Accept OMB Change
Cleveland CSA	Harrison County, OH	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
	Wayne County, OH	Include location in existing LPA.	Accept OMB Change	Accept OMB Change	Reject OMB Change
Corpus Christi CSA	Duval County, TX	Include location in existing LPA.	Accept OMB Change	Accept OMB Change	Accept OMB Change
Dallas CSA	Delta County, TX	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
	Hopkins County, TX	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
	Somervell County, TX	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
Dayton CSA	Preble County, OH	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
Harrisburg CSA	Lancaster County, PA	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
Houston CSA	San Jacinto County, TX	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
	Trinity County, TX	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
Huntsville CSA	DeKalb County, AL	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
	Marshall County, AL	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Accept OMB Change
Las Vegas CSA	Mohave County, AZ	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
Los Angeles CSA	Kern County, CA	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
	San Luis Obispo County, CA	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
Miami CSA	Okeechobee County, FL	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
Minneapolis CSA	Sibley County, MN	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
	Steele County, MN	Include location in existing LPA.	Accept OMB Change	Reject OMB Change	Accept OMB Change
New York CSA	Carbon County, PA	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Reject OMB Change

Attachment 5-Views of Working Group Members on OMB Updates to MSAs and CSAs

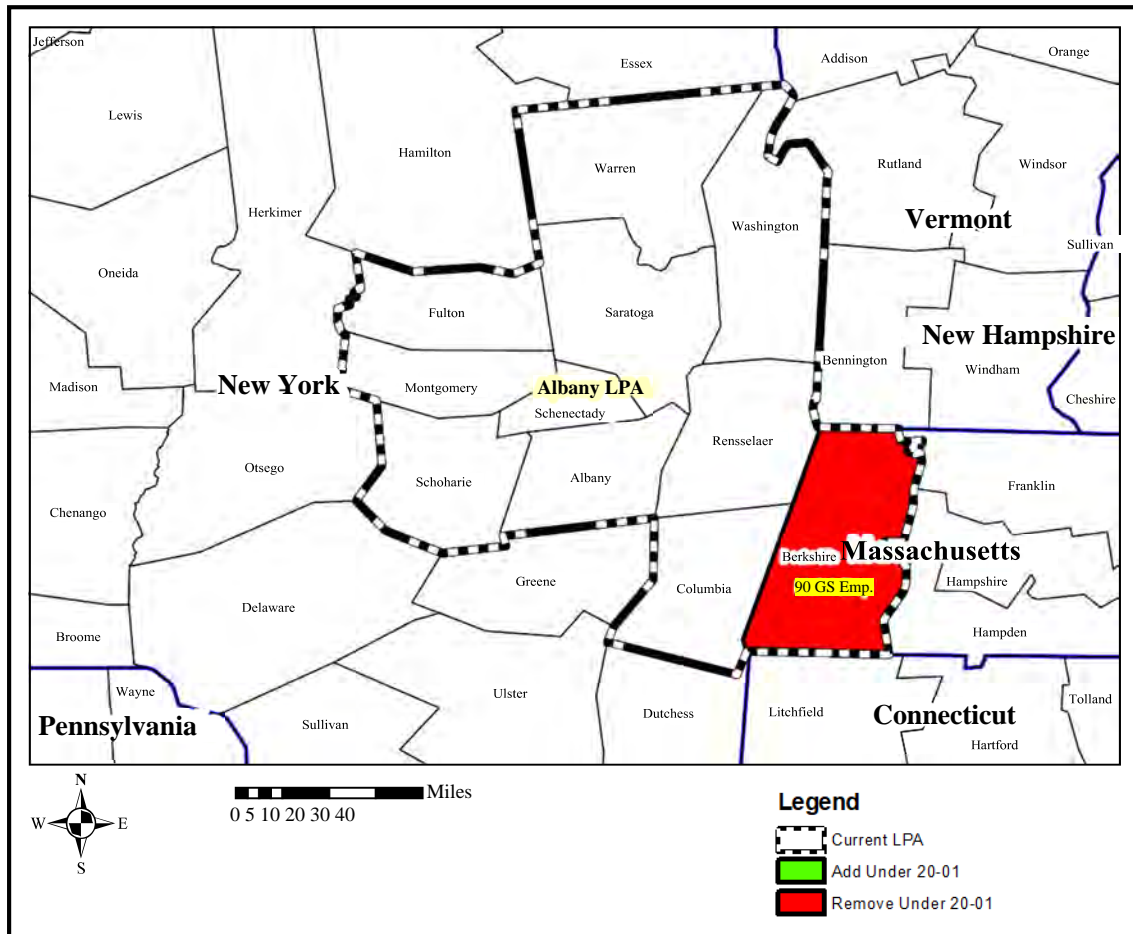
Views of Working Group Members on OMB Updates to MSAs and CSAs					
New OMB MSA/CSA Definition	Impacted Location	Following OMB Change in MSA/CSA Definition would...	Working Group Member Recommendation		
			AFGE/NFFE/NTEU	HR Experts/FOP	FLEOA
	Lehigh County, PA	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
	Northampton County, PA	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
	Warren County, PA	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
Phoenix CSA	Gila County, AZ	Include location in existing LPA.	Accept OMB Change	Accept OMB Change	Accept OMB Change
Raleigh CSA	Moore County, NC	Include location in existing LPA.	Accept OMB Change	Reject OMB Change	Accept OMB Change
Richmond MSA	Caroline County, VA	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
	Cumberland County, VA	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
	Louisa County, VA	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
Sacramento CSA	Carson City, NV	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
	Douglas County, NV	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
San Jose CSA	Mariposa County, CA	Include location in existing LPA.	Accept OMB Change	Accept OMB Change	Accept OMB Change
	Merced County, CA	Include location in existing LPA.	Accept OMB Change	Accept OMB Change	Accept OMB Change
	Stanislaus County, CA	Include location in existing LPA.	Accept OMB Change	Accept OMB Change	Accept OMB Change
Virginia Beach CSA	Tyrrell County, NC	Exclude location from existing LPA.	Reject OMB Change	Accept OMB Change	Accept OMB Change
	Franklin City, VA	Include location in existing LPA.	Accept OMB Change	Reject OMB Change	Reject OMB Change
	Southampton County, VA	Include location in existing LPA.	Accept OMB Change	Reject OMB Change	Reject OMB Change
Washington DC CSA	Dorchester County, MD	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
	Kent County, MD	Exclude location from existing LPA.	Reject OMB Change	Reject OMB Change	Reject OMB Change
	Madison County, VA	Include location in existing LPA.	Accept OMB Change	Reject OMB Change	Reject OMB Change

Attachment 6: Locations that have Contacted Council Staff Since 11-05-19 Council Meeting

Location of Interest and Current Locality Pay Area
Contacts Regarding Pay Areas Separate from RUS
Austin locality pay area
Boston locality pay area
Denver locality pay area
Harrisburg locality pay area
Hawaii locality pay area
Miami locality pay area
Southern NJ Counties within Philadelphia locality pay area
Contacts Regarding Locations in RUS
Asheville, Buncombe County, NC
Bend, OR
Boise, ID
Central Florida
Charleston, SC
Charleston, WV
Cheshire County, NH
College Station, TX
Douglas and Lane Counties, OR
Eagle Pass/Maverick County, TX
Flagstaff, AZ
Fort Morgan/Morgan County, CO
Herlong, CA
Jefferson County, WA
Lansing, MI
Laramie County, WY
Lee County, FL (Cape Coral CSA)
Locations in the White River National Forest, CO
Louisville, KY
Lubbock, Lubbock County, TX
Madison, WI
Nashville, TN
New Hanover, Pender, and Duplin Counties, NC
New Orleans, LA
Nottoway County, VA
Oklahoma City, OK MSA
Olmsted County, MN
Pine County, MN
Prescott, AZ/Yavapai County, AZ
Preston County, WV AKA Morgantown CSA
Redding Red Bluff, CA CSA
Reno, NV
Rochester, NY
Salt Lake City, UT
San Juan County, WA
Savannah, GA
Sullivan County, NY
United States Penitentiary Thomson, Carroll County, IL
Visalia, CA
West Texas

Appendix

Albany Locality Pay Area (LPA) Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



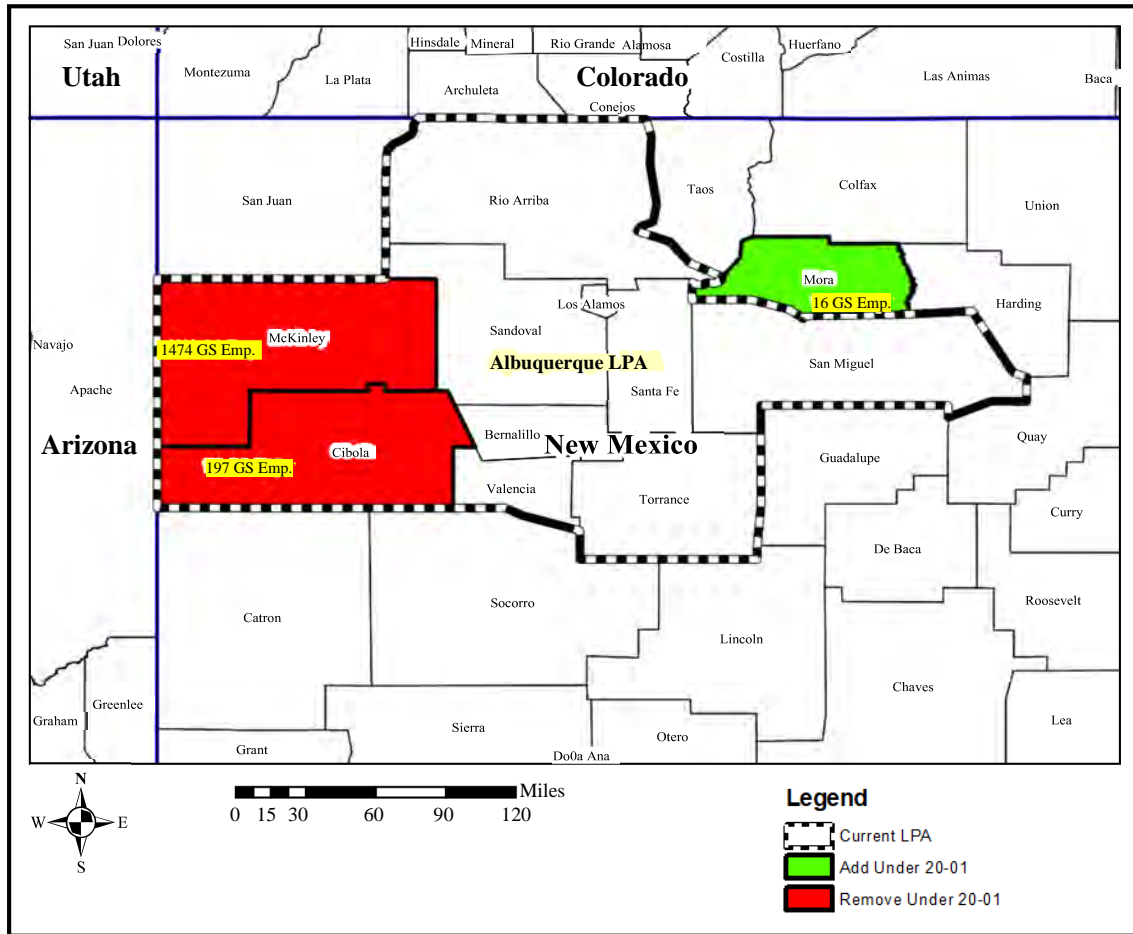
Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion ¹
Berkshire County, MA	Moved to RUS	Not in the CSA the basic LPA is based on and doesn't meet applicable commuting and GS employment criteria.	Not unless commuting rates with the two adjacent basic locality pay areas are summed. Has commuting rates of 4.89% with the Albany basic locality pay area and 3.22% with the New York locality pay area.	No, would need 400 or more GS employees; has 90.

Note: Berkshire County was added by the Pay Agent in 2016 to the Albany locality pay area based on being bordered by three locality pay areas and other factors discussed in 80 FR 65607.

¹ March 2019 GS employment is used throughout.

Albuquerque Locality Pay Area (LPA)

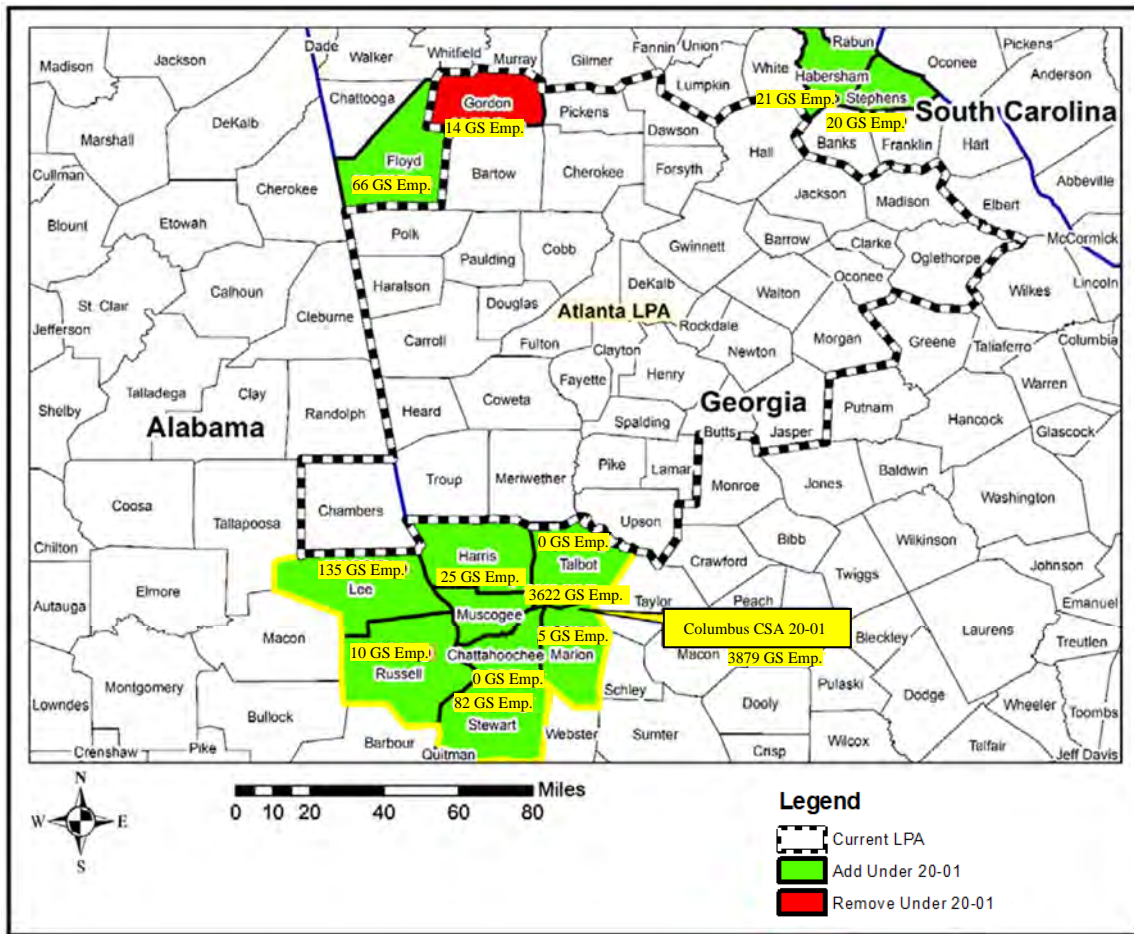
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Mora County, NM	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 59.37% commuting rate with the current Albuquerque basic LPA.	No, would need 400 or more GS employees; has 16.
Cibola County, NM	Moved to RUS	Removed by OMB from the CSA the basic LPA is based on.	Yes. Has a 14.26% commuting rate with what would be the Albuquerque basic LPA.	No, would need 400 or more GS employees; has only 197.
McKinley County, NM	Moved to RUS	Now an area of application that met GS and commuting criteria, but the loss of Cibola County, NM, from the Albuquerque CSA has reduced the commuting interchange rate for McKinley County to 3.28%.	No, has a 3.28% commuting rate with what would be the Albuquerque basic LPA.	Yes, would need 400 or more GS employees; has 1,474.

Atlanta Locality Pay Area (LPA)

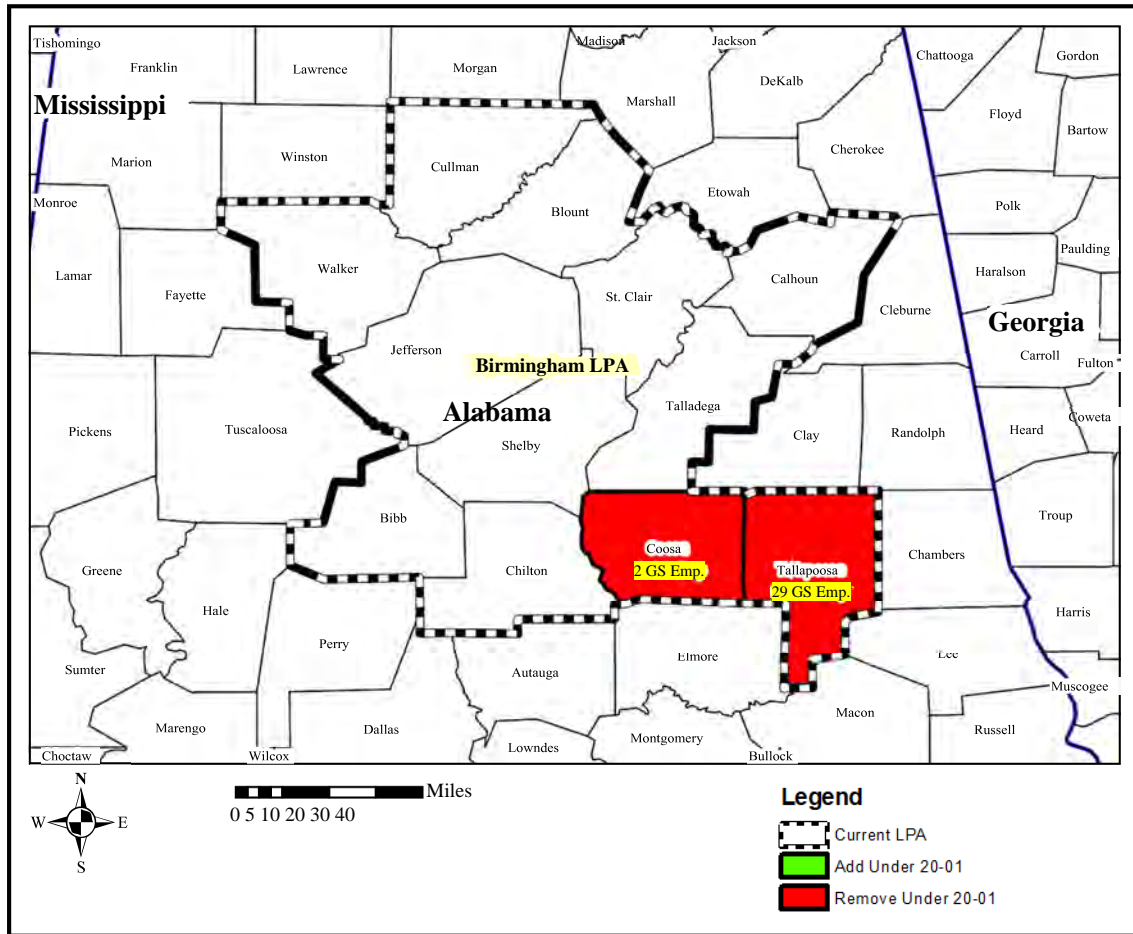
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Floyd County, GA	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 33.29% commuting rate with the current Atlanta basic LPA.	No, has 66 GS employees.
Habersham County, GA	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 30.54% commuting rate with the current Atlanta basic LPA.	No, has 21 GS employees.
Stephens County, GA	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has an 11.24% commuting rate with the current Atlanta basic LPA.	No, has 20 GS employees.
Columbus GA CSA (Multiple Counties)	Added From RUS	Now qualifies based on commuting if the 20-01 definition of the Columbus CSA is used.	Under current CSA definition of the Columbus CSA, no. Has a 7.19% commuting rate with the current Atlanta basic LPA. Under updated (20-01) definition of the Columbus CSA, yes. Has an 8.32% commuting rate with the current Atlanta basic LPA.	Yes, would need 1,500 or more GS employees; has 3,879.
Gordon County, GA	Moved to RUS	Moved by OMB to the Chattanooga-Cleveland-Dalton, TN-GA CSA, which is in the Rest of US and is not studied using the NCS/OES model because its employment is below 2,500.	Not the Chattanooga CSA, which has a 3.68% commuting rate with what would be the Atlanta basic LPA. However, Gordon County alone has a 32.97% commuting rate with the Atlanta basic LPA.	No, would need 1,500 or more GS employees; has 800. Gordon County alone has 14 GS employees.

Birmingham Locality Pay Area (LPA)

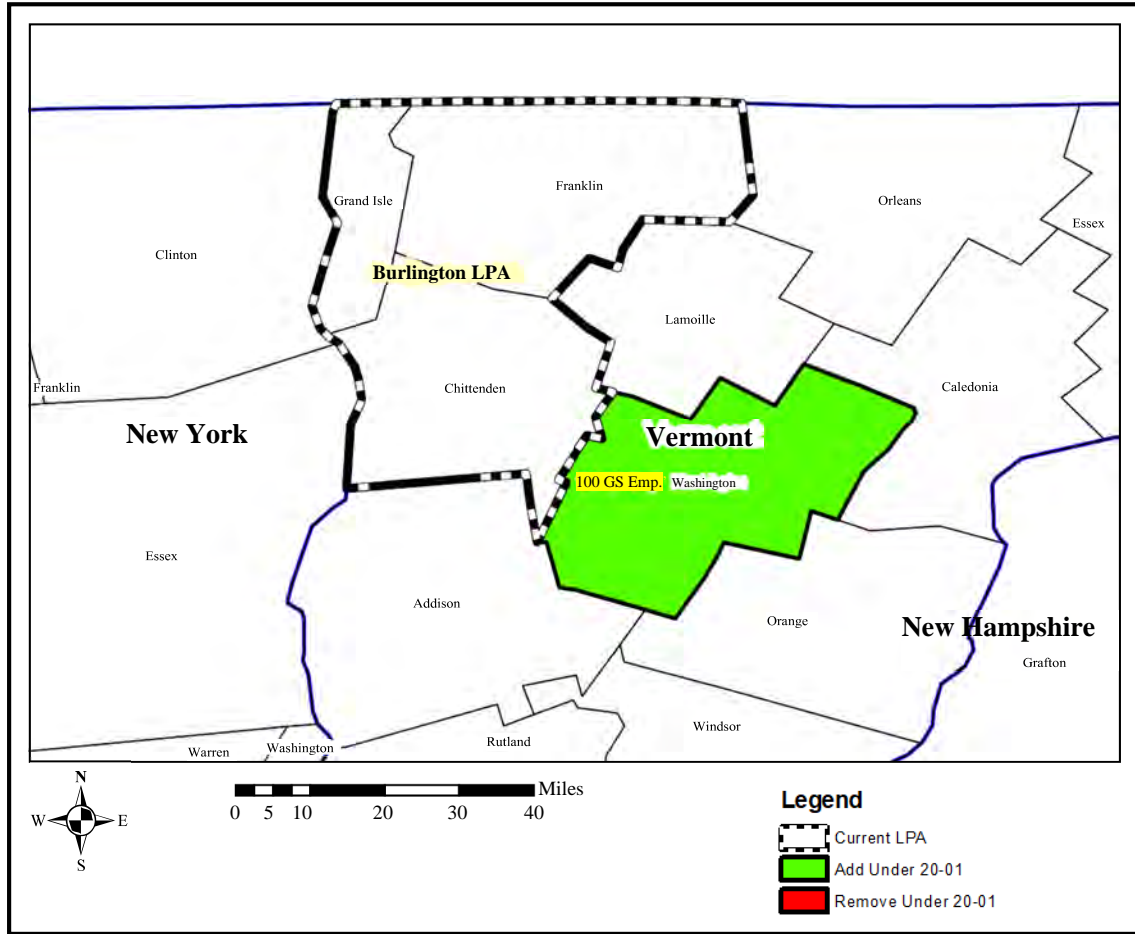
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Coosa County, AL	Moved to RUS	Removed by OMB from the CSA the basic LPA is based on. Now part of the Montgomery, AL, CSA. Note: Montgomery is a Rest of US research area not meeting the pay gap criterion. (This county has not been included in Montgomery pay gap calculations.)	Not for the Montgomery CSA, which has a 4.51% commuting rate with the Birmingham basic locality pay area. Regarding the commuting rate just between each county and the Birmingham basic locality pay area—	The CSA would need 1,500 or more GS employees, and it has 902. Regarding GS employment for these two counties, Coosa has 2 and Tallapoosa has 29.
Tallapoosa County, AL	Moved to RUS	Removed by OMB from the CSA the basic LPA is based on. Now part of the Montgomery, AL, CSA. Note: Montgomery is a Rest of US research area not meeting the pay gap criterion. (This county has not been included in Montgomery pay gap calculations.)	<ul style="list-style-type: none"> Coosa County has a 48.82% commuting rate, and Tallapoosa County has a 6.67% commuting rate. 	

Burlington Locality Pay Area (LPA)

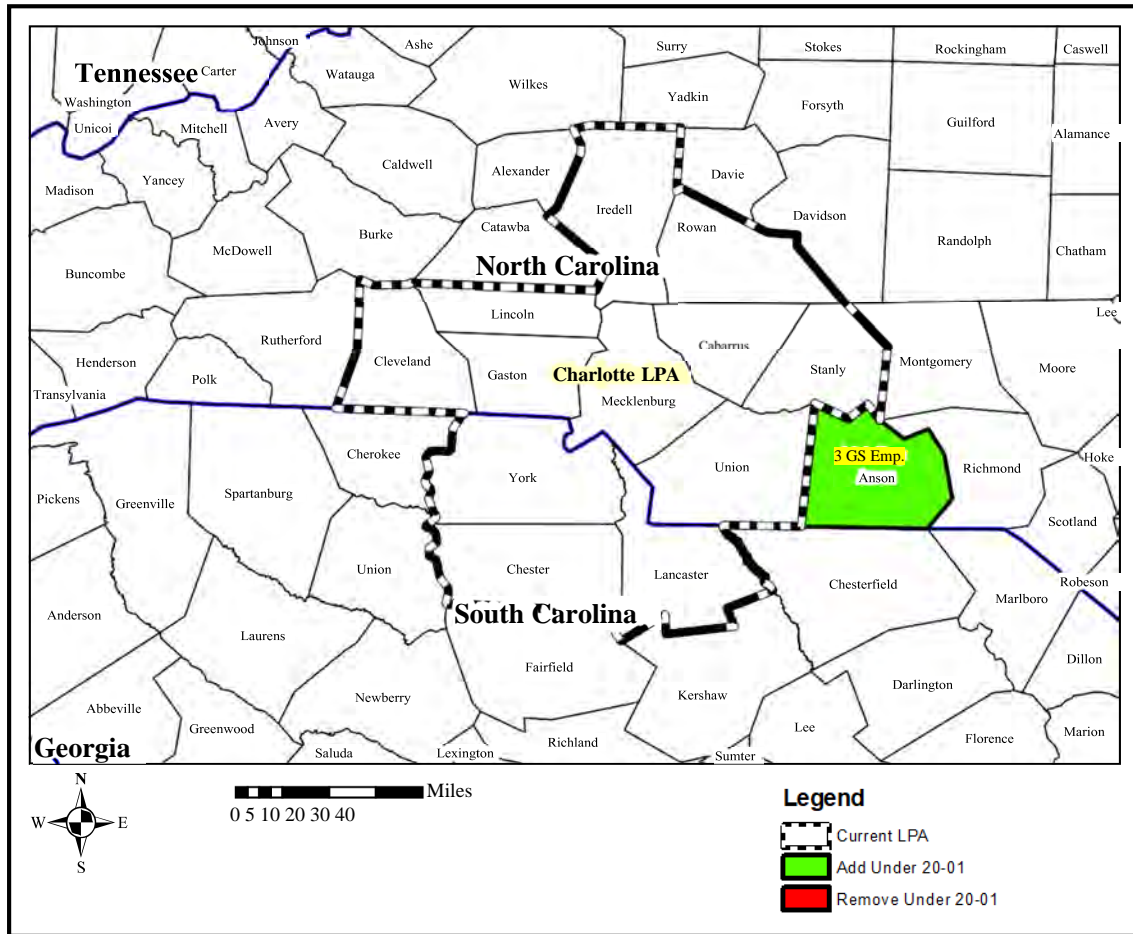
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Washington County, VT	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 17.60% commuting rate with the current Burlington basic LPA.	No, would need 400 or more GS employees; has 100.

Charlotte Locality Pay Area (LPA)

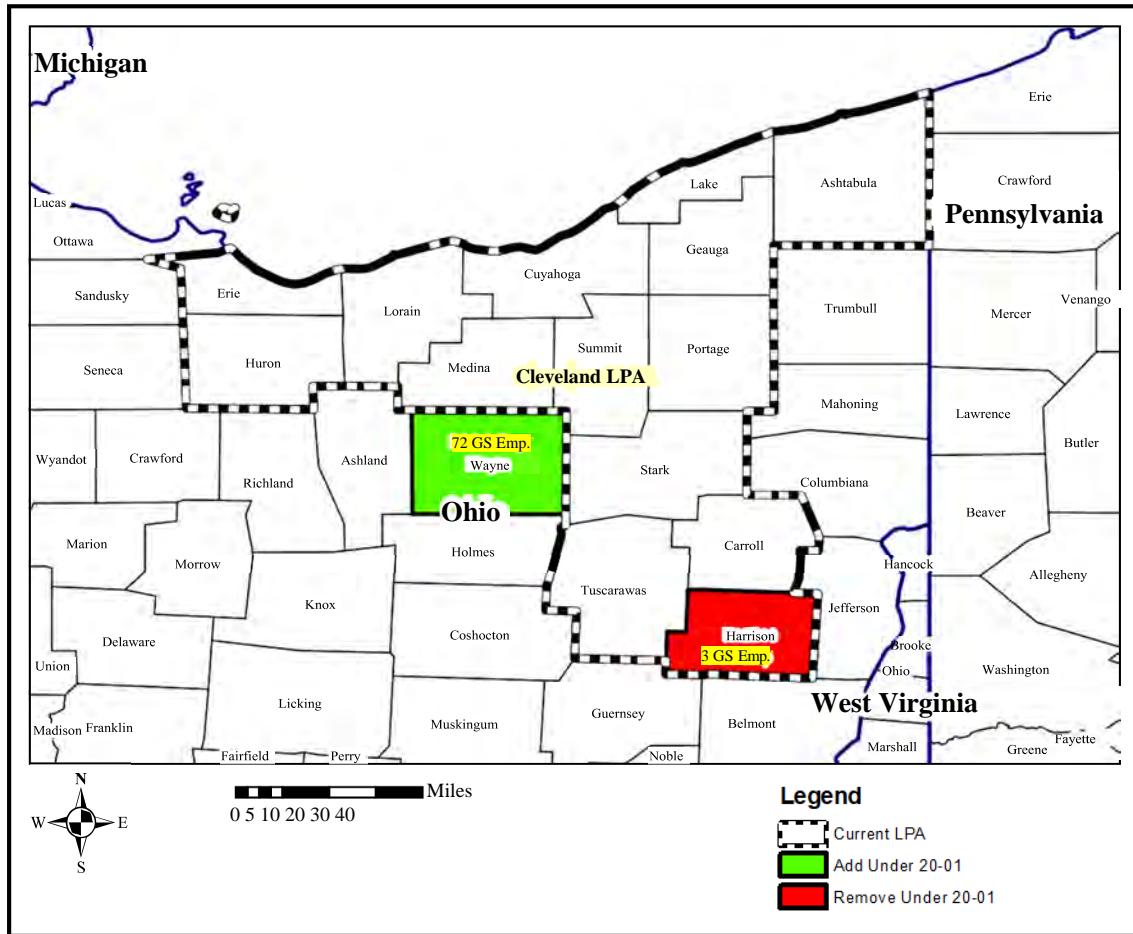
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Anson County, NC	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 51.57% commuting rate with the current Charlotte basic LPA.	No, would need 400 or more GS employees; has 3.

Cleveland Locality Pay Area (LPA)

Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01

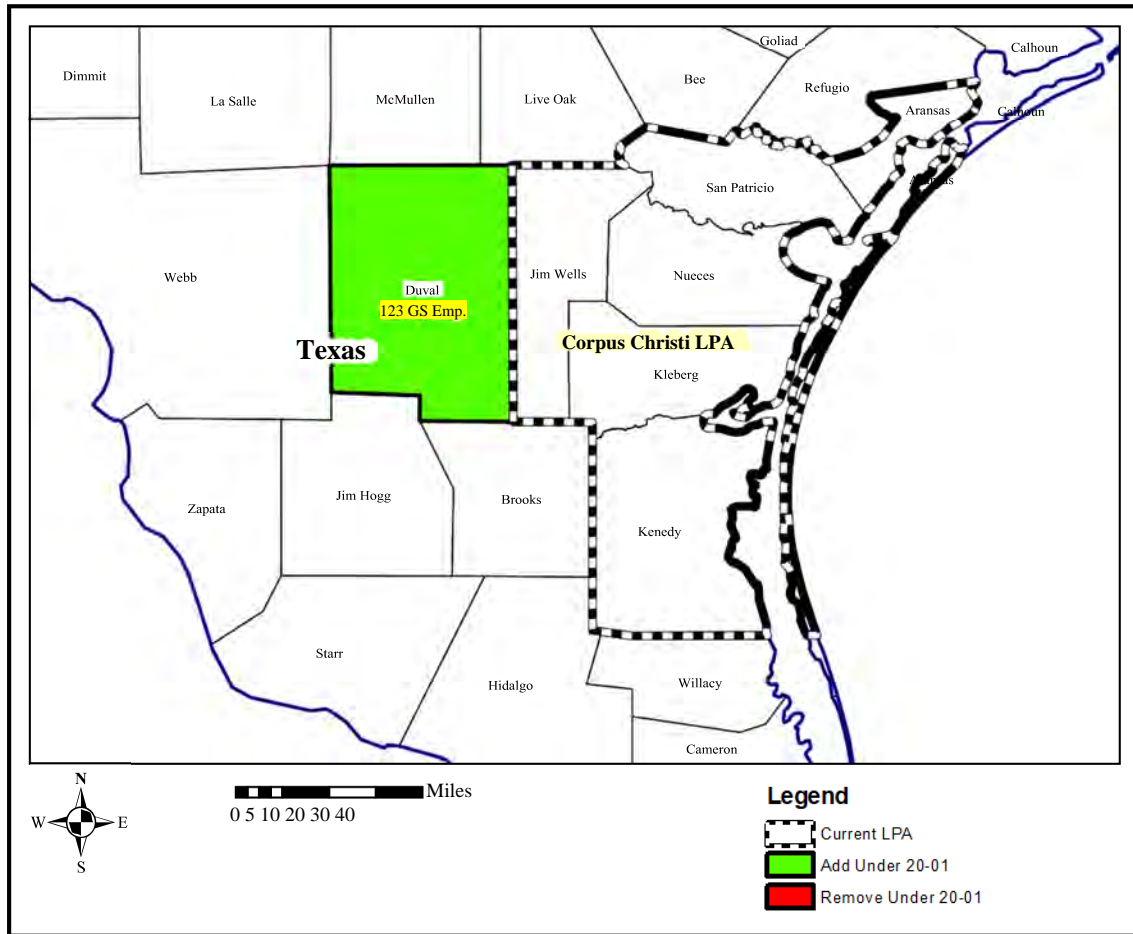


Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Wayne County, OH	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 38.23% commuting rate with the current Cleveland basic LPA.	No, would need 400 or more GS employees; has 72.
Harrison County, OH	Moved to RUS	Not in the CSA the basic LPA is based on and doesn't meet GS employment criterion.	Yes, has a 31.01% commuting rate with what would be the Cleveland basic LPA.	No, would need 400 or more GS employees; has 3.

Note: Harrison County was added by the Pay Agent in 2016 to the Cleveland locality pay area based on being bordered by three locality pay areas and other factors discussed in 80 FR 65607.

Corpus Christi Locality Pay Area (LPA)

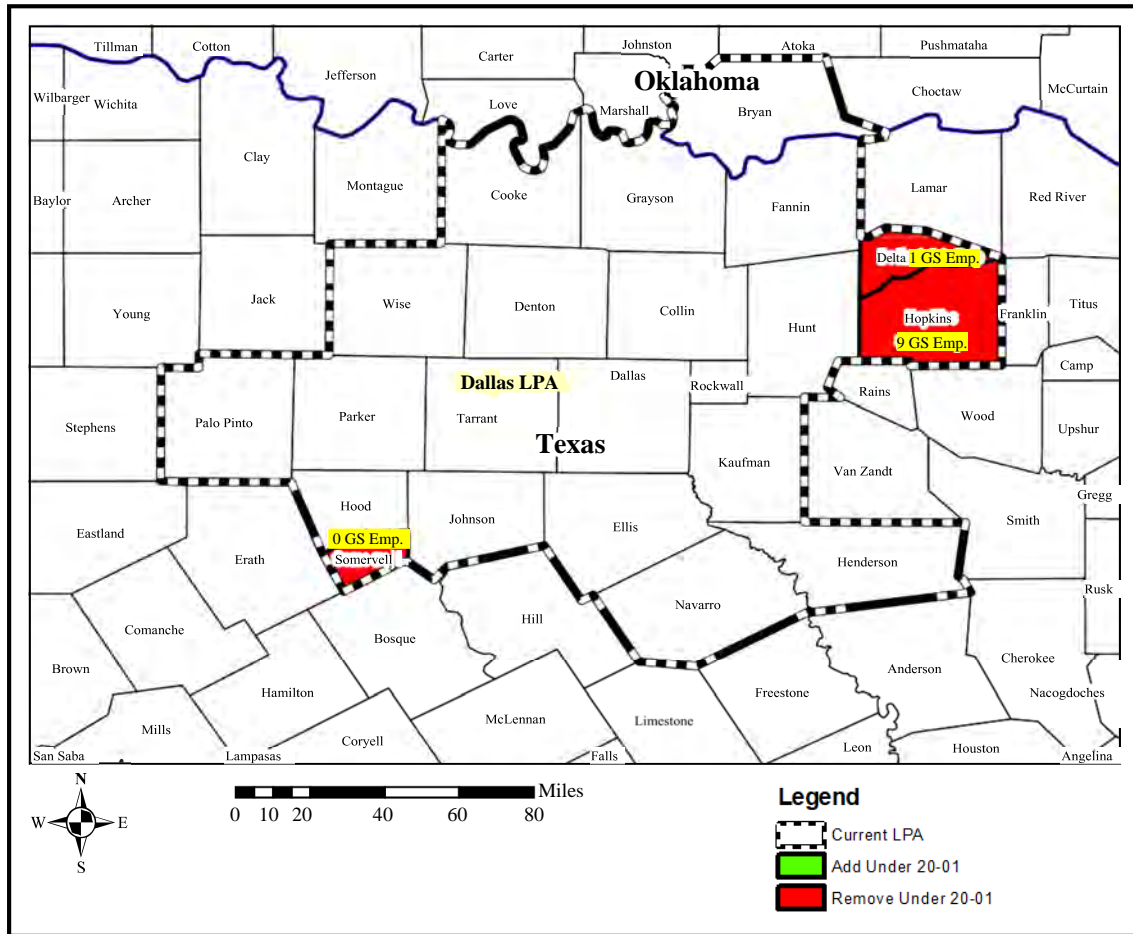
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Duval County, TX	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 46.86% commuting rate with the current Corpus Christi basic LPA.	No, would need 400 or more GS employees; has 123.

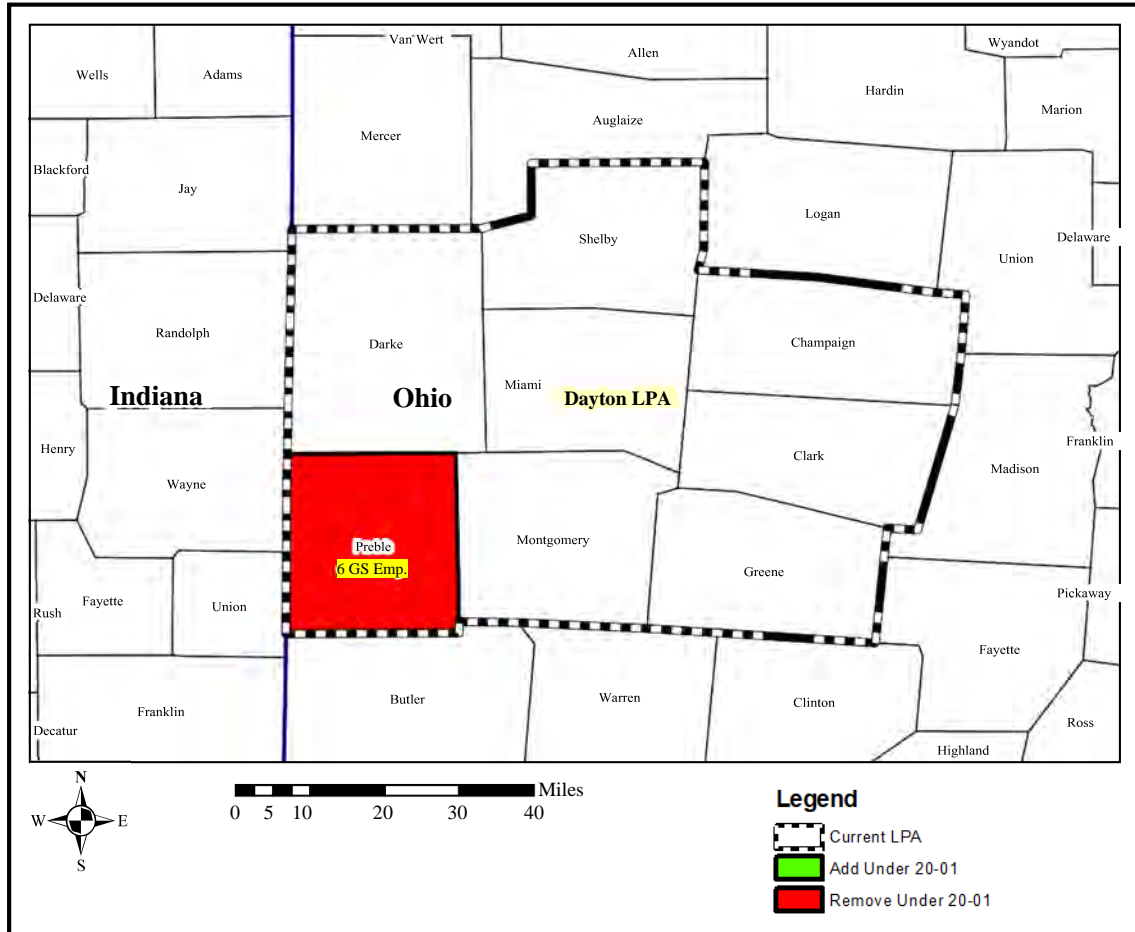
Dallas Locality Pay Area (LPA)

Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Delta County, TX	Moved to RUS	Removed in 2013 from the OMB-defined CSA the basic LPA is based on.	Yes. Has a 43.46% commuting rate with what would be the Dallas basic LPA.	No, would need 400 or more GS employees; has 1.
Hopkins County, TX	Moved to RUS	Removed by OMB from the CSA the basic LPA is based on.	Yes. Has a 15.47% commuting rate with what would be the Dallas basic LPA.	No, would need 400 or more GS employees; has 9.
Somervell County, TX	Moved to RUS	Removed by OMB from the CSA the basic LPA is based on.	Yes, has a 76.66% commuting rate with what would be the Dallas basic LPA.	No, would need 400 or more GS employees; has zero.

Dayton Locality Pay Area (LPA)
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01

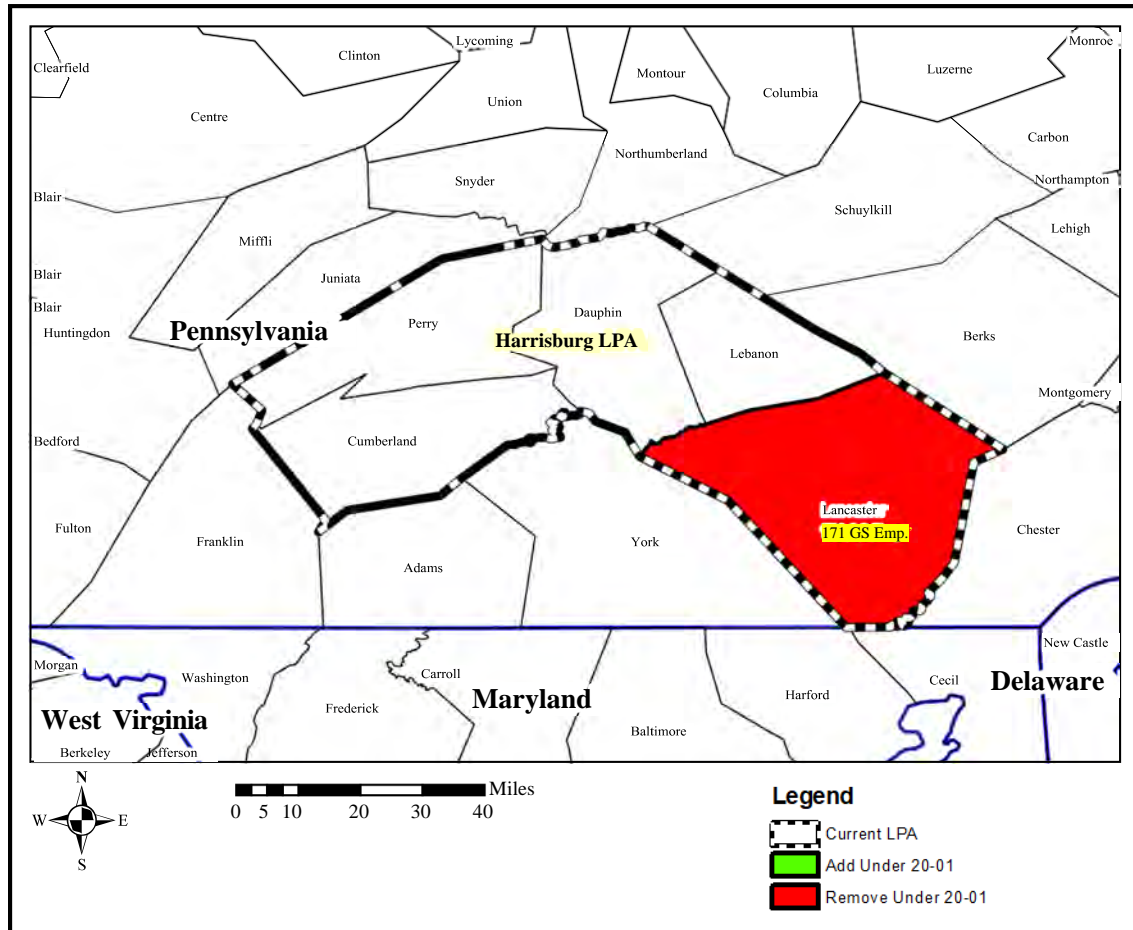


Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Preble County, OH	Moved to RUS	Removed in 2013 from the OMB-defined CSA the basic LPA is based on.	Yes. Has a 42.99% commuting rate with what would be the Dayton basic LPA.	No, would need 400 or more GS employees; has 6.

Note: Preble County was retained by the Pay Agent when no longer part of the basic locality pay area after adoption of the February 2013 CSAs and MSAs.

Harrisburg Locality Pay Area (LPA)

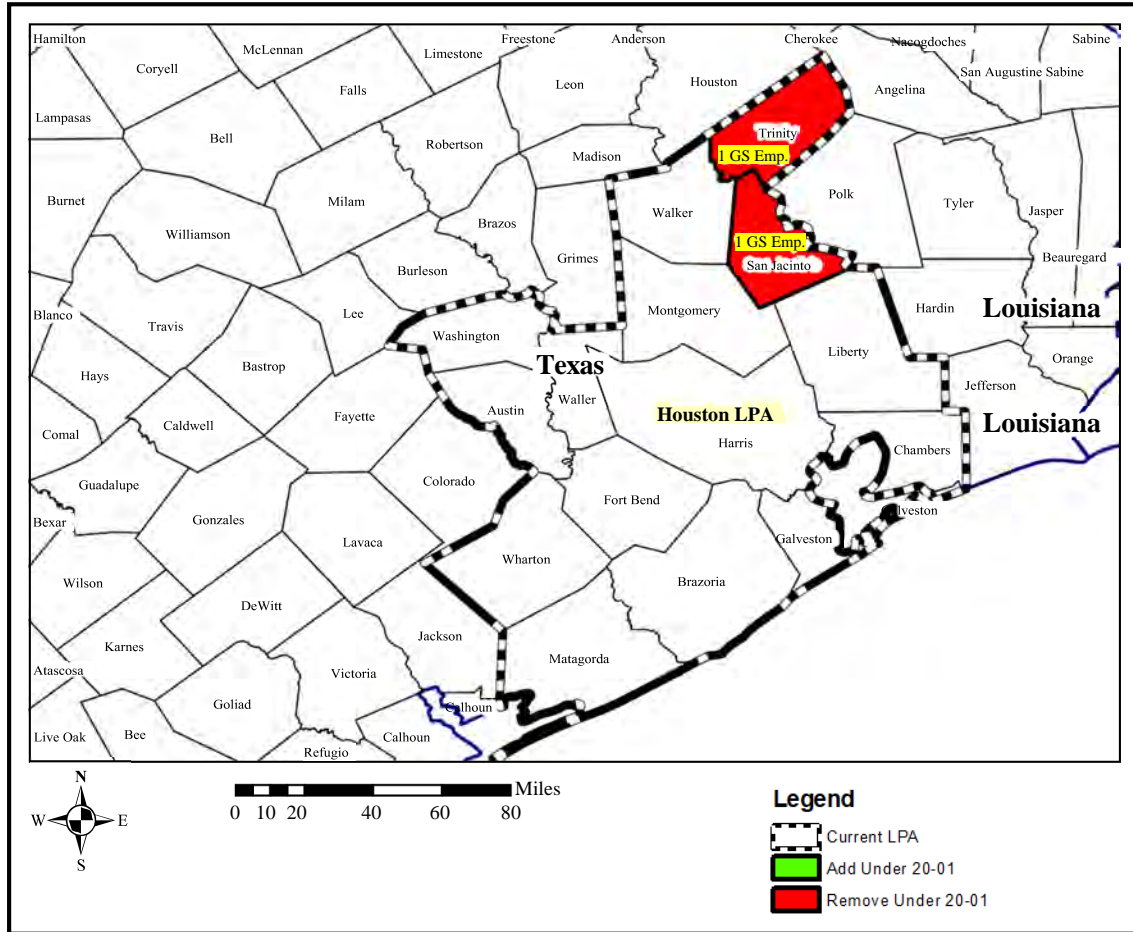
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Lancaster County, PA	Moved to RUS	<p>Not in the CSA the basic LPA is based on and doesn't meet the applicable GS employment criterion.</p> <p>Added to Harrisburg by the Pay Agent in 2016. Completely surrounded by the DC, Harrisburg, and Philadelphia basic locality pay areas.</p>	Yes, has a 14.90% commuting rate with what would be the Harrisburg basic LPA.	No, would need 400 or more GS employees; has 171.

Houston Locality Pay Area (LPA)

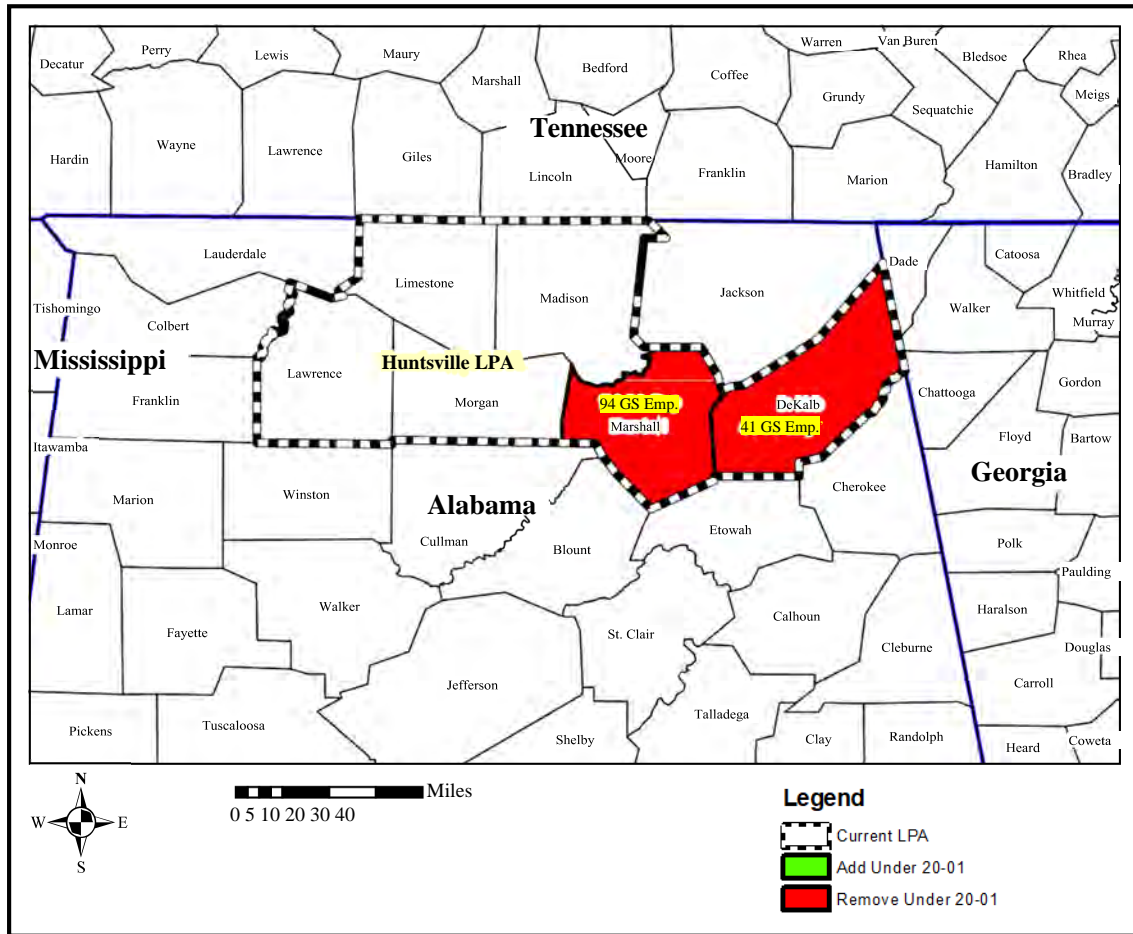
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
San Jacinto County, TX	Moved to RUS	Removed in 2013 from the OMB-defined CSA the basic LPA is based on.	Yes. Has a 68.52% commuting rate with what would be the Houston basic LPA.	No, would need 400 or more GS employees; has 1.
Trinity County, TX	Moved to RUS	Removed by OMB from the CSA the basic LPA is based on.	Yes. Has a 26.85% commuting rate with what would be the Houston basic LPA.	No, would need 400 or more GS employees; has 1.

Huntsville Locality Pay Area (LPA)

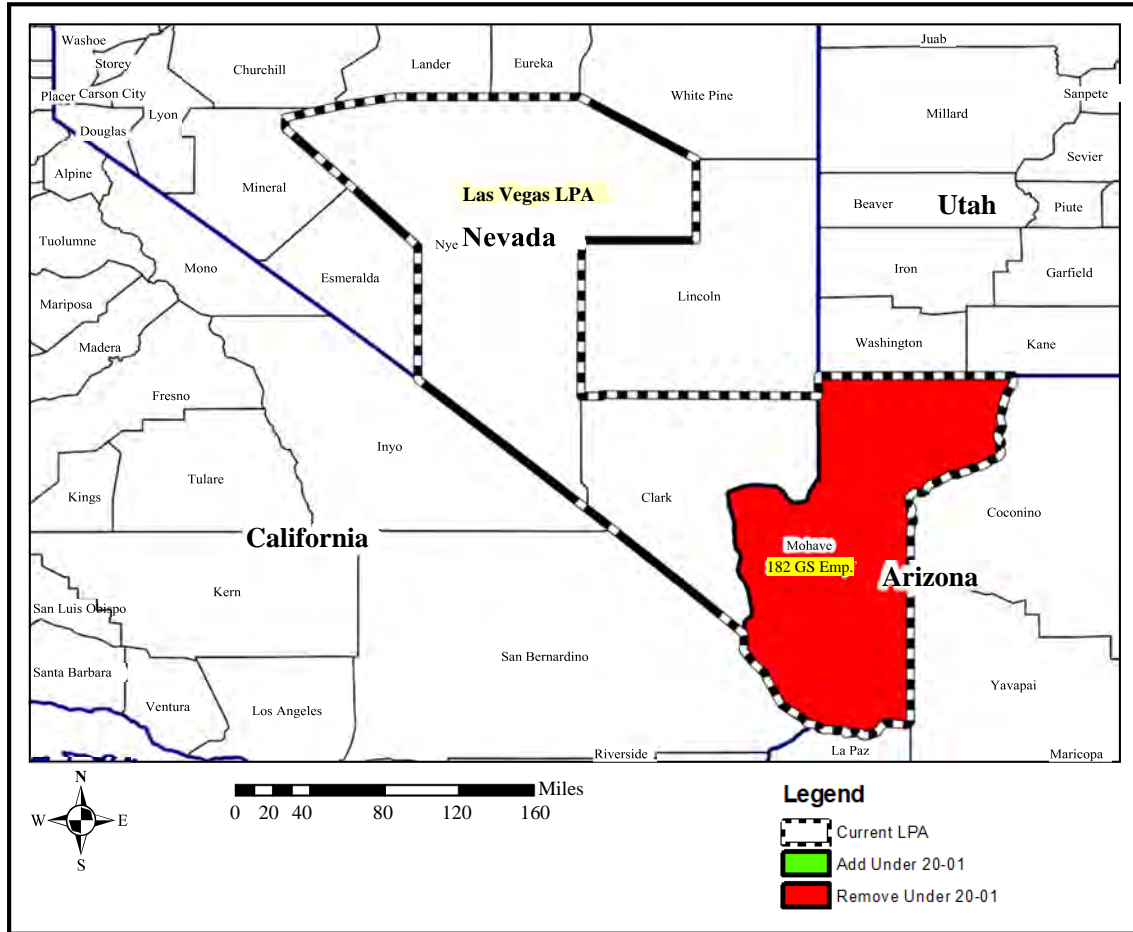
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
DeKalb County, AL	Moved to RUS	Removed by OMB from the CSA the basic LPA is based on.	No. Has a 0.73% commuting rate with what would be the Huntsville basic LPA. Further, with the removal of Marshall County, DeKalb is no longer adjacent to what would be the Huntsville basic locality pay area.	No, would need 400 or more GS employees; has 41.
Marshall County, AL	Moved to RUS	Removed by OMB from the CSA the basic LPA is based on.	Yes, has a 16.65% commuting rate with what would be the Huntsville basic LPA.	No, would need 400 or more GS employees; has 94.

Las Vegas Locality Pay Area (LPA)

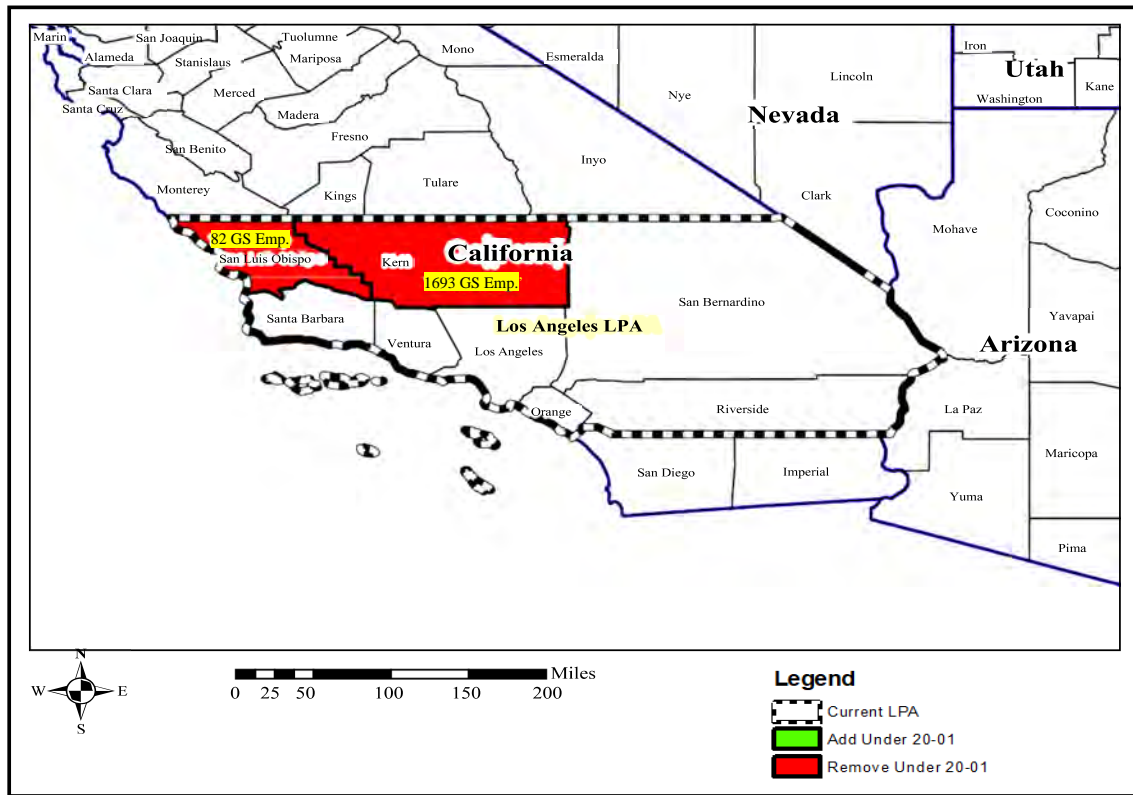
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Mohave County, AZ	Moved to RUS	Removed by OMB from the CSA the basic LPA is based on.	Yes. Has a 13.90% commuting rate with what would be the Las Vegas basic LPA.	No, would need 400 or more GS employees; has 182.

Los Angeles Locality Pay Area (LPA)

Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01

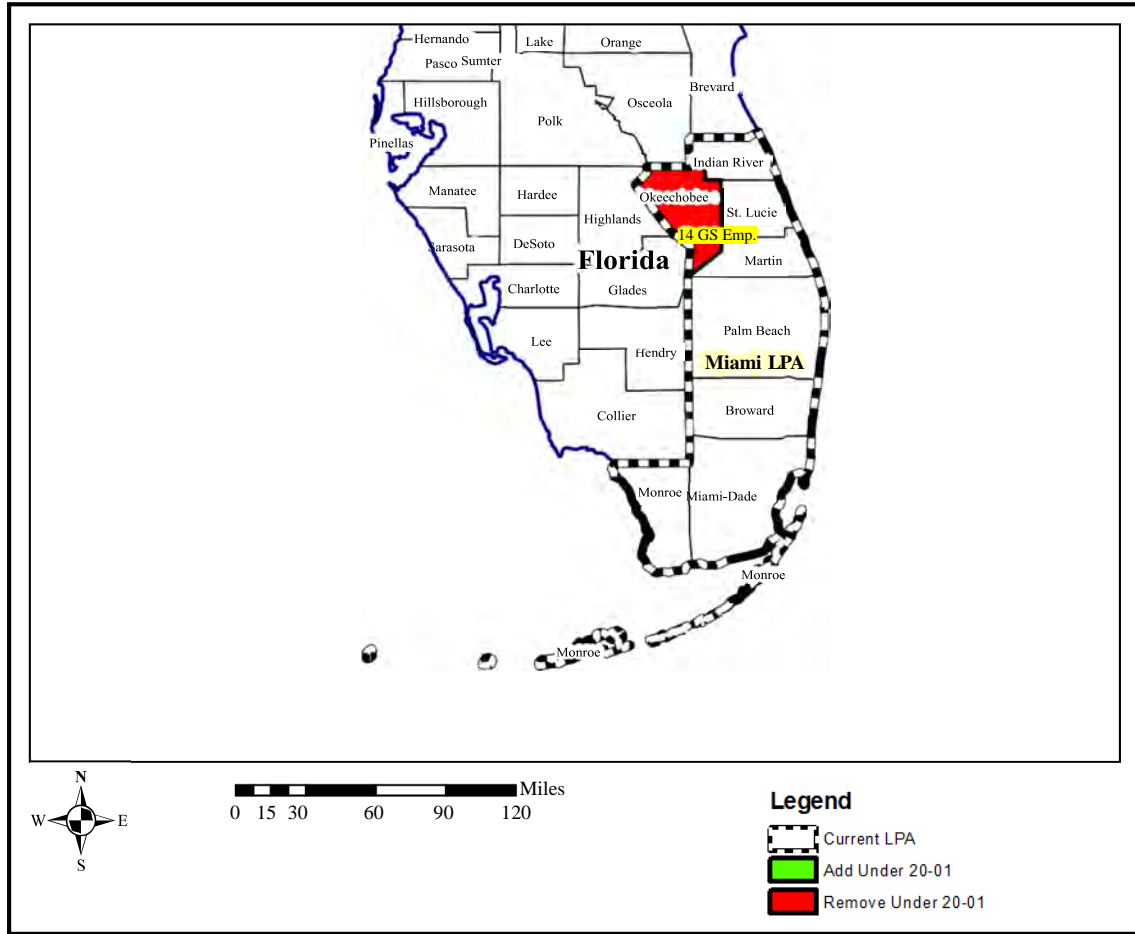


Location	Change	Reason Would Change	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Kern County, CA	Moved to RUS	This change would result from use in the locality pay program of the updated commuting data that OMB used to define the latest MSAs and CSAs and is not a result of the OMB redefinitions themselves.	No. Has a 6.45% commuting rate with what would be the Los Angeles basic LPA.	Yes, would need 400 or more GS employees; has 1,693.
San Luis Obispo	Moved to RUS	Not in the CSA the basic LPA is based on and doesn't meet applicable commuting and GS employment criteria. Added to Los Angeles by the Pay Agent in 2016 due to 99% of its land boundary being bordered by higher-paying locality pay areas.	Has a 1.29% commuting rate with what would be the Los Angeles basic LPA and a 0.75% commuting rate with what would be the San Jose basic LPA.	No, would need 400 or more GS employees; has 82.

Note: Before 2016, only the Edwards AFB portion of Kern County was included in the Los Angeles locality pay area. (That portion of Kern County was included in the Los Angeles locality pay area for many years.) Kern County marginally met the commuting criterion, with a 7.59 commuting rate. Using updated commuting data, the commuting rate is now 6.45 percent, which is below the 7.5 percent threshold.

Miami Locality Pay Area (LPA)

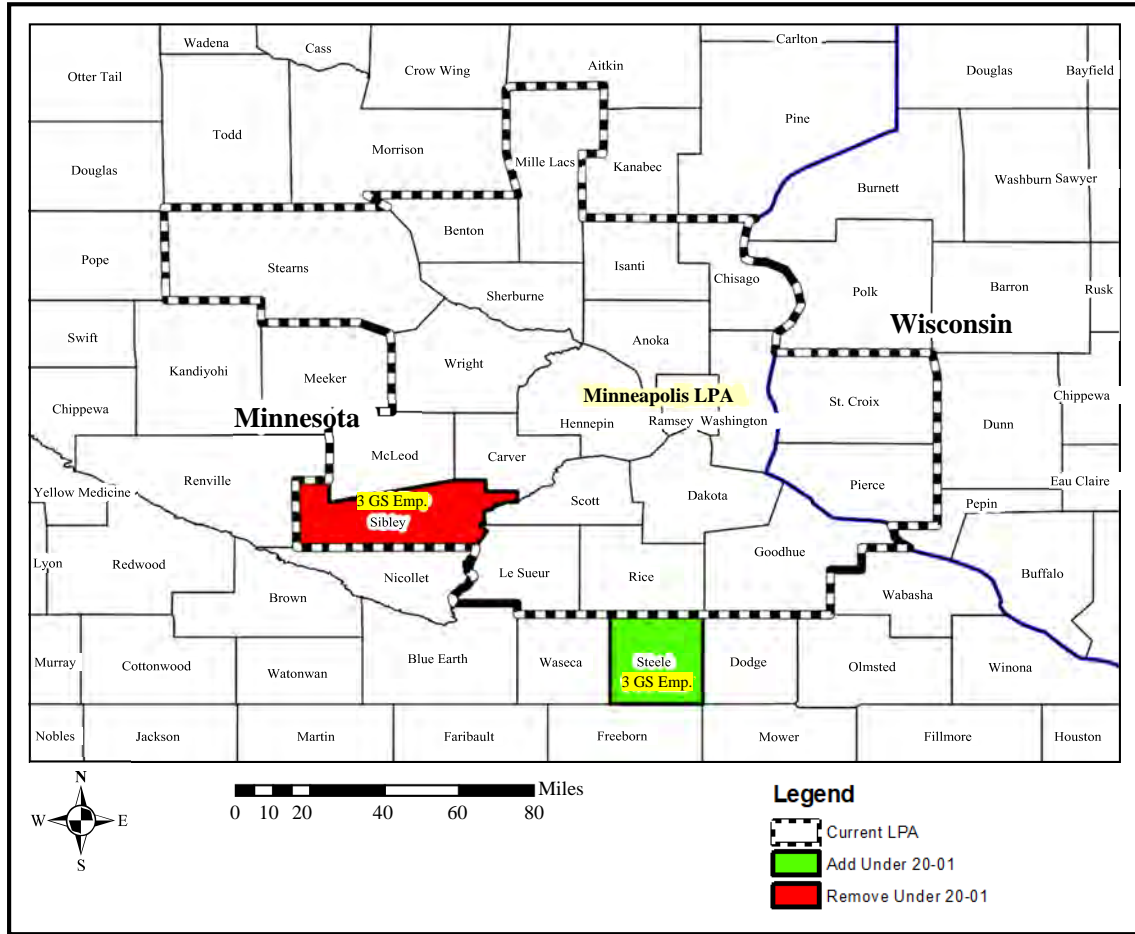
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Okeechobee County, FL	Moved to RUS	Removed by OMB from the CSA the basic LPA is based on.	Yes. Has a 23.20% commuting rate with what would be the Miami basic LPA.	No, would need 400 or more GS employees; has 14.

Minneapolis Locality Pay Area (LPA)

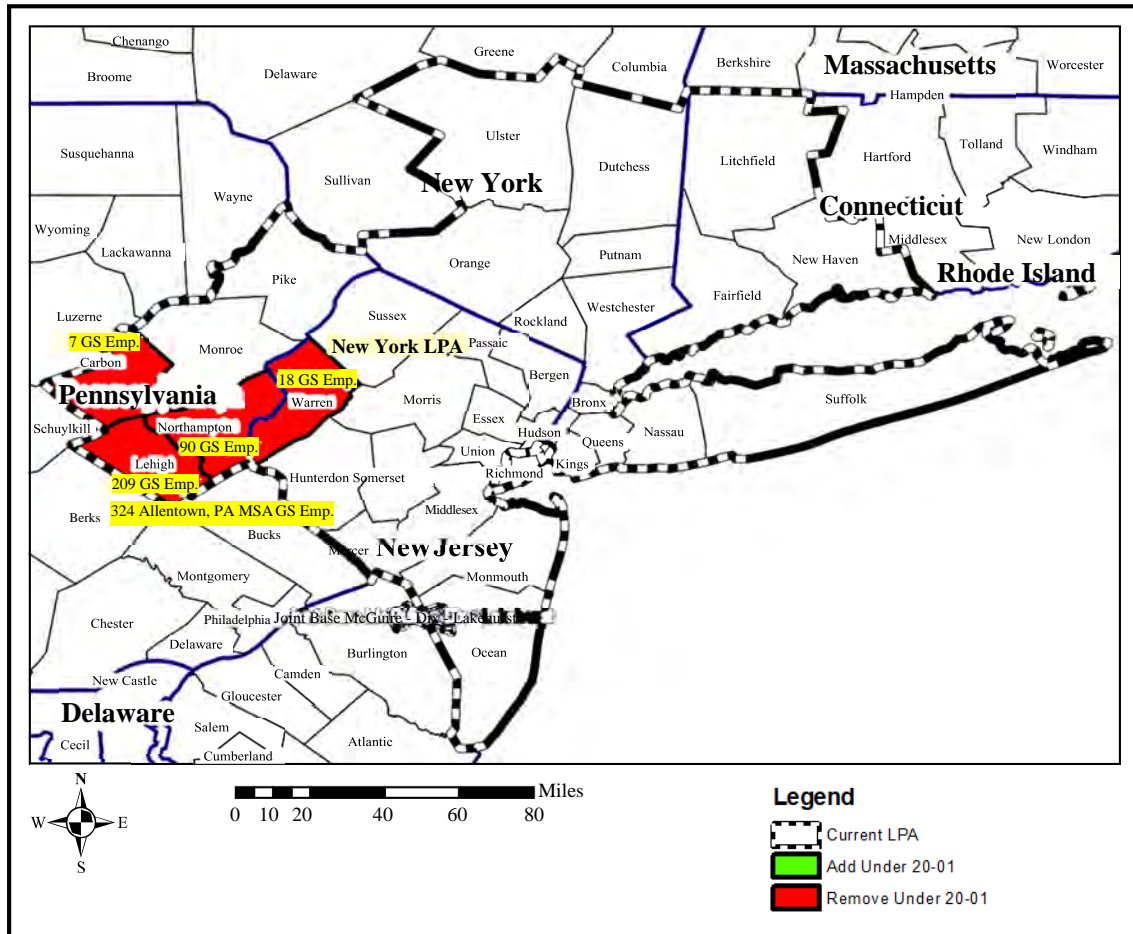
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Steele County, MN	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 22.72% commuting rate with the current Minneapolis basic LPA.	No, would need 400 or more GS employees; has 3.
Sibley County, MN	Moved to RUS	Removed by OMB from the CSA the basic LPA would be based on.	Yes. Has a 55.09% commuting rate with what would be the Minneapolis basic LPA.	No, would need 400 or more GS employees; has 3.

New York Locality Pay Area (LPA)

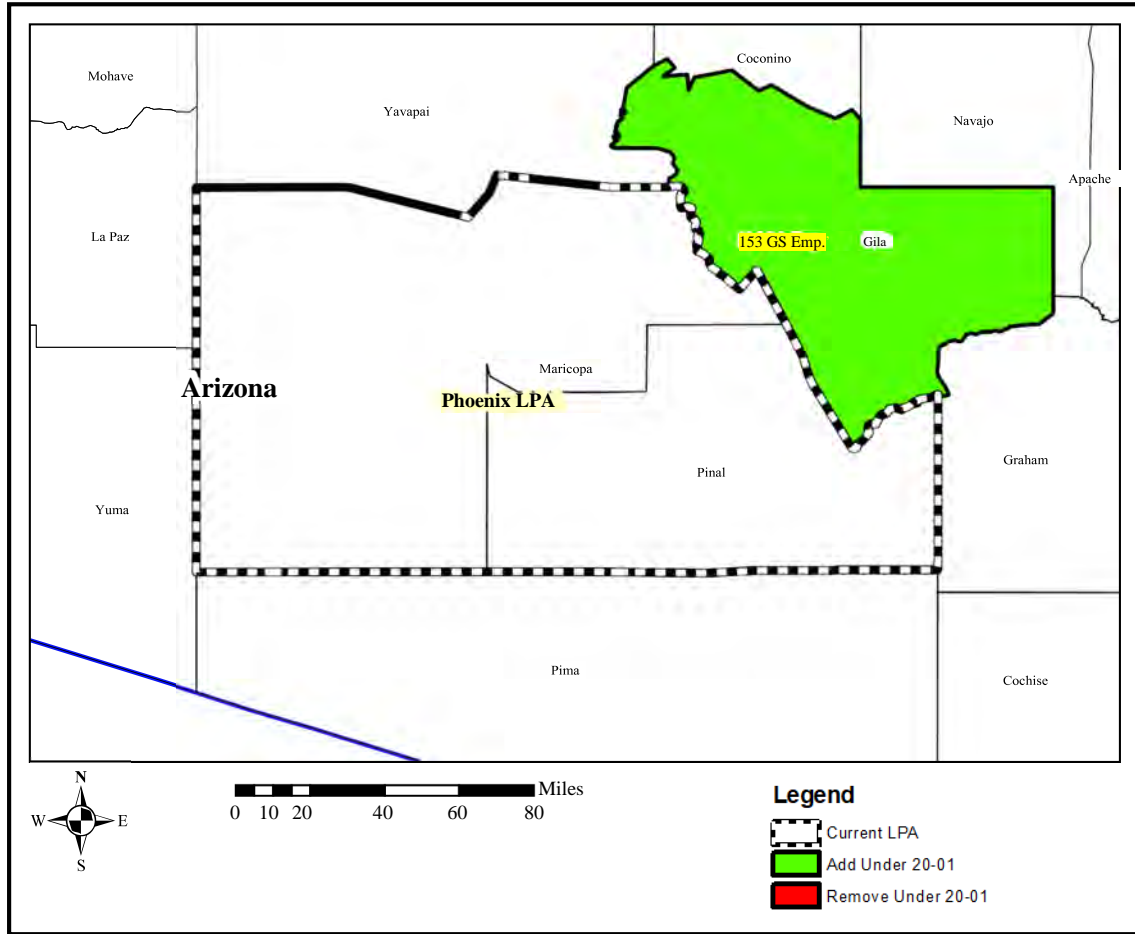
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Allentown, PA MSA (Several Counties)	Moved to RUS	Removed by OMB from the CSA the basic LPA would be based on.	Yes. Has an 18.88% commuting rate with the current New York basic LPA.	No, would need 1,500 or more GS employees; has 324.

Phoenix Locality Pay Area (LPA)

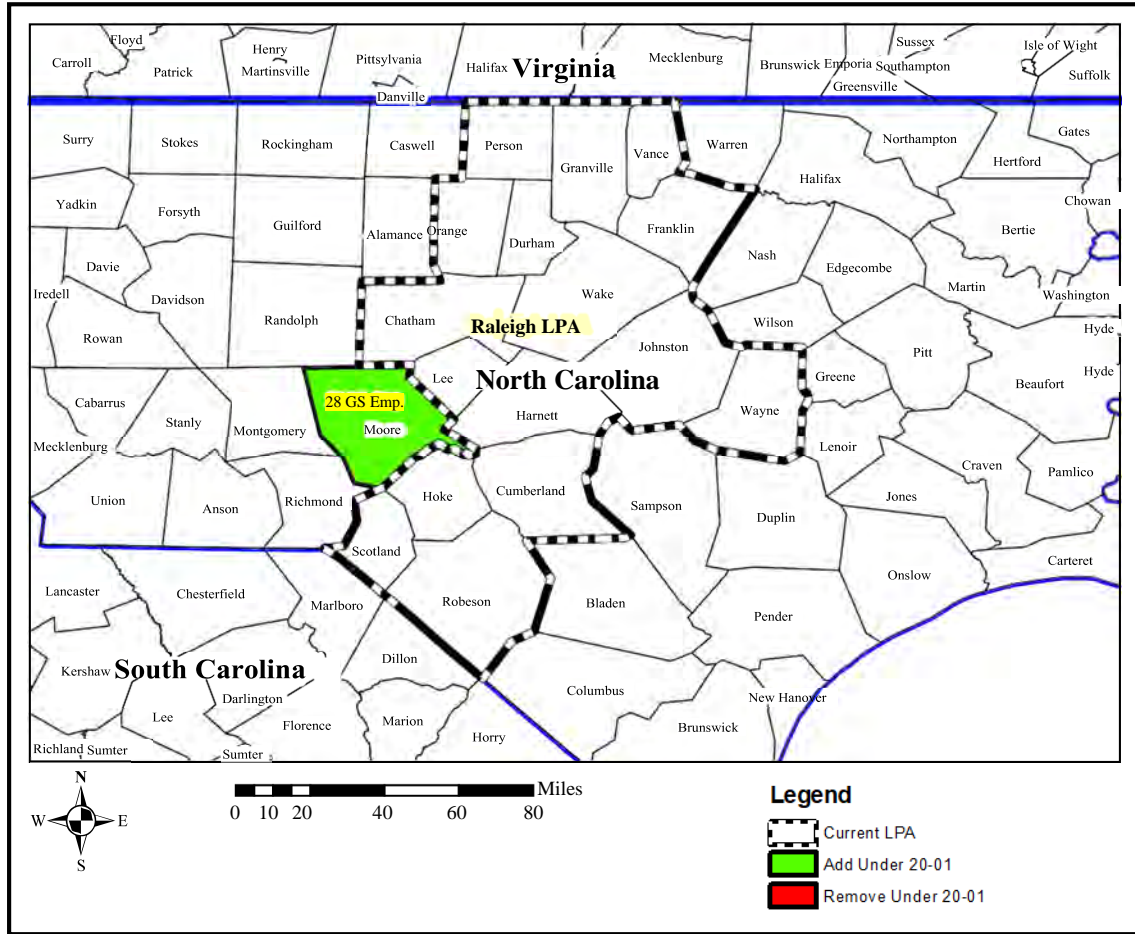
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Independently Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Gila County, AZ	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 20.56% commuting rate with the current Phoenix basic LPA.	No, would need 400 or more GS employees; has 153.

Raleigh Locality Pay Area (LPA)

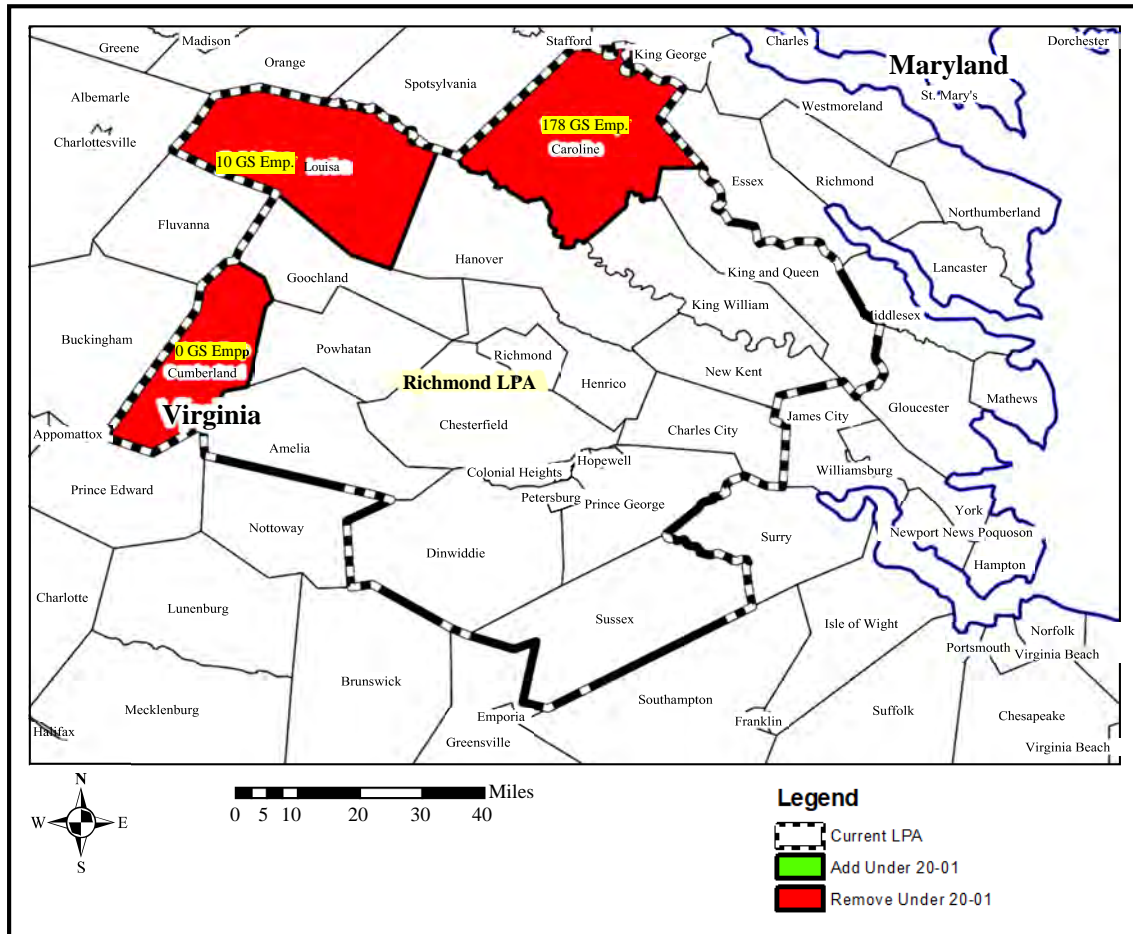
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Moore County, NC	Added From RUS	Added by OMB to the Fayetteville CSA, which is already an area of application to the Raleigh locality pay area.	Yes. Has 13.92% commuting rate with the current Raleigh basic LPA.	No, would need 400 or more GS employees; has 28.

Richmond Locality Pay Area (LPA)

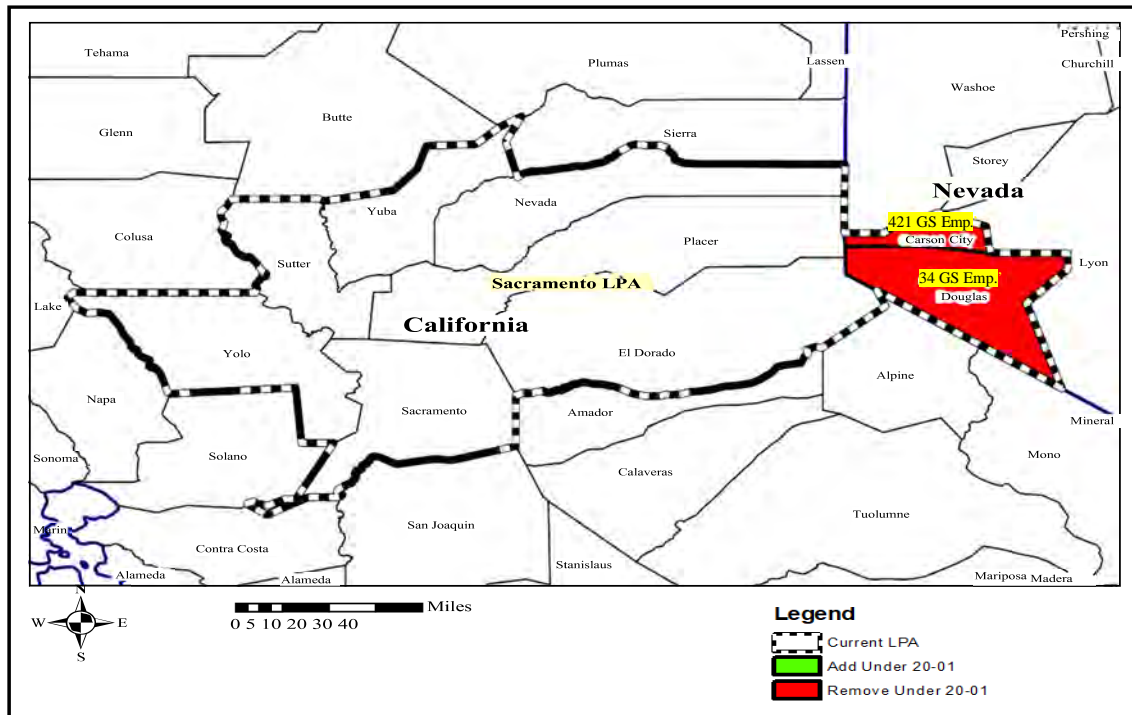
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Caroline County, VA	Moved to RUS	Removed by OMB from the CSA the basic LPA would be based on.	Yes. Has a 40.04% commuting rate with what would be the Richmond basic LPA.	No, would need 400 or more GS employees; has 178.
Cumberland County, VA	Moved to RUS	Removed in 2013 from the OMB-defined CSA the basic LPA is based on.	Yes. Has a 52.74% commuting rate with what would be the Richmond basic LPA.	No, would need 400 or more GS employees; has zero.
Louisa County, VA	Moved to RUS	Removed in 2013 from the OMB-defined CSA the basic LPA is based on.	No, has a 39.16% commuting rate with what would be the Richmond basic LPA.	No, would need 400 or more GS employees; has 10.

Sacramento Locality Pay Area (LPA)

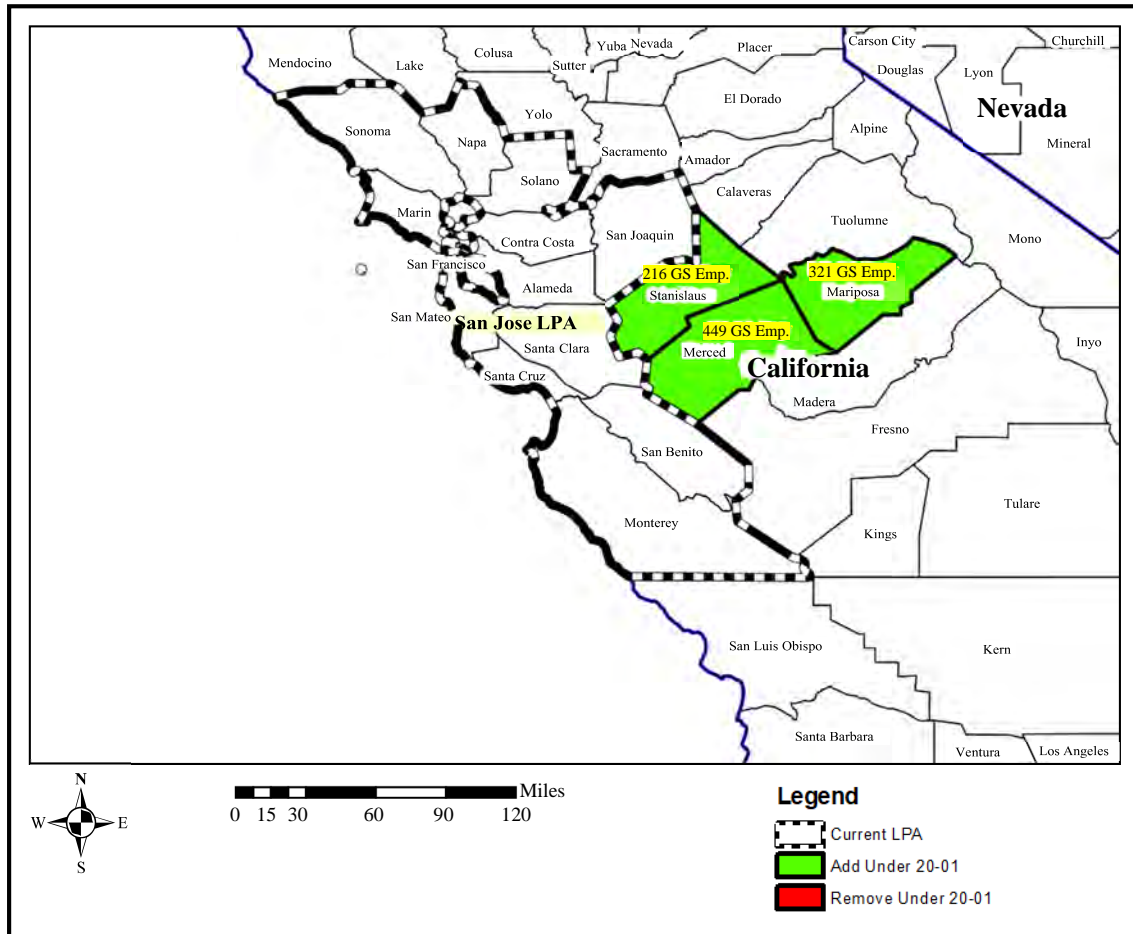
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Carson City, NV	Moved to RUS	<p>Carson City was added effective January 2005 to the Sacramento locality pay area as an area of application because it met the GS employment and employment interchange criteria applicable for single-county locations. It became part of the Reno CSA subsequently and no longer qualifies based on standard criteria but was retained as an exception by the Pay Agent when the February 2013 CSAs and MSAs were adopted by the Pay Agent.</p> <p>Douglas County, also now part of the Reno CSA, used to be part of the Sacramento basic locality pay area but has not been since the February 2013 MSAs and CSAs were adopted. It was retained by the Pay Agent the same time as Carson City was.</p>	<p>For the entire Reno CSA, no; its commuting rate with the Sacramento basic locality pay area is 4.01%.</p> <p>For the individual counties—</p> <ul style="list-style-type: none"> Carson City's commuting rate is 1.05%, and Douglas County's commuting rate is 23.46%. <p>This situation is analogous to the situation in Albuquerque with respect to Cibola and McKinley counties: Removal of one county from a basic locality pay area (Cibola in the Albuquerque LPA, Douglas in the Sacramento LPA) reduces the commuting rate for another county that previously qualified as an area of application (McKinley in the Albuquerque LPA, Carson City in the Sacramento LPA).</p>	<p>Combined, the two counties have 455 GS employees. Carson City has 421, and Douglas has 34. The standard is 400, so Carson City meets the criterion and Douglas County does not.</p>
Douglas County, NV	Moved to RUS			

San Jose Locality Pay Area (LPA)

Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01

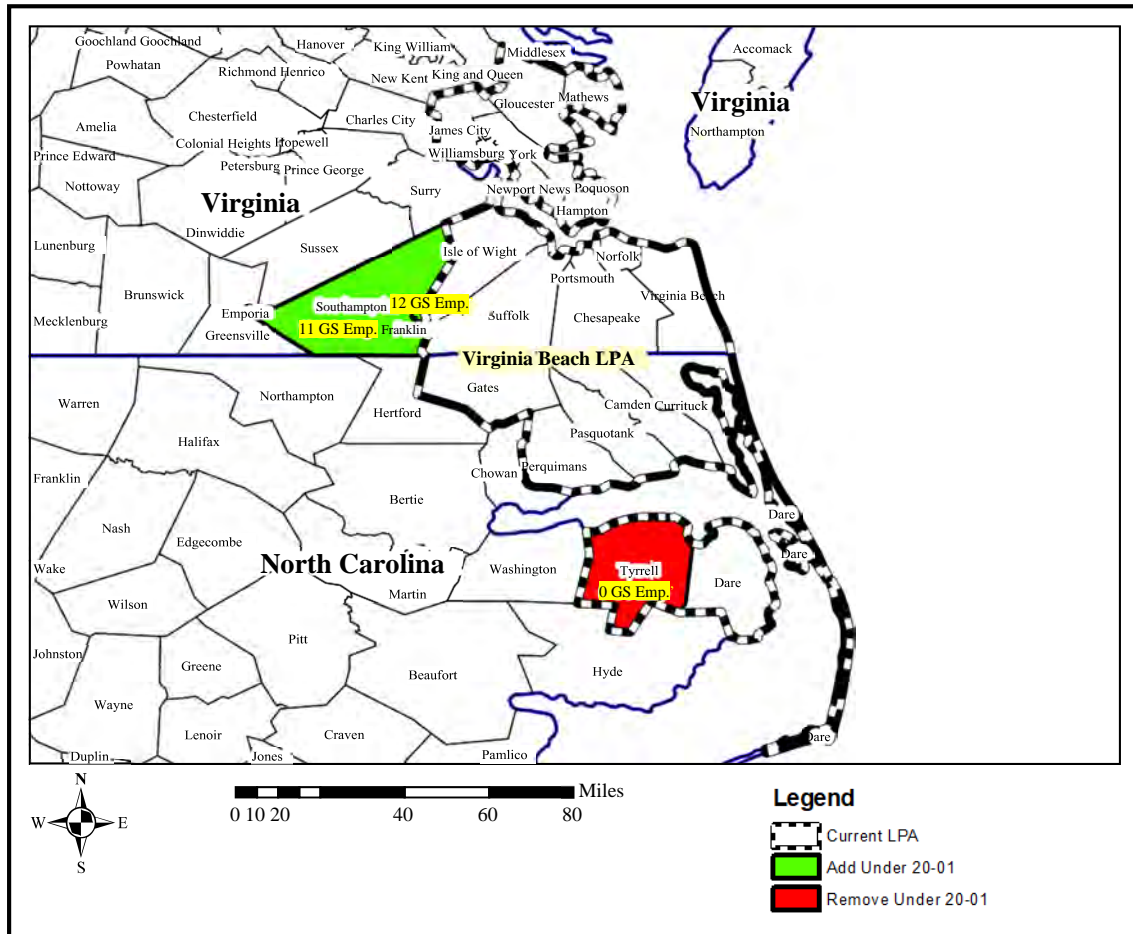


Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Mariposa County, CA	Added From RUS	Area of application under single-county GS employment and commuting criteria.	No. Has a 3.39% commuting rate with the current San Jose basic LPA. ²	No, would need 400 or more GS employees; has 321.
Merced County, CA	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 10.32% commuting rate with the current San Jose basic LPA.	Yes, would need 400 or more GS employees; has 449.
Stanislaus County, CA	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 25.17% commuting rate with the current San Jose basic LPA.	No, would need 400 or more GS employees; has 216.

² Mariposa County is east of Merced and Stanislaus Counties and is not adjacent to the San Jose basic LPA without the counties being added.

Virginia Beach Locality Pay Area (LPA)

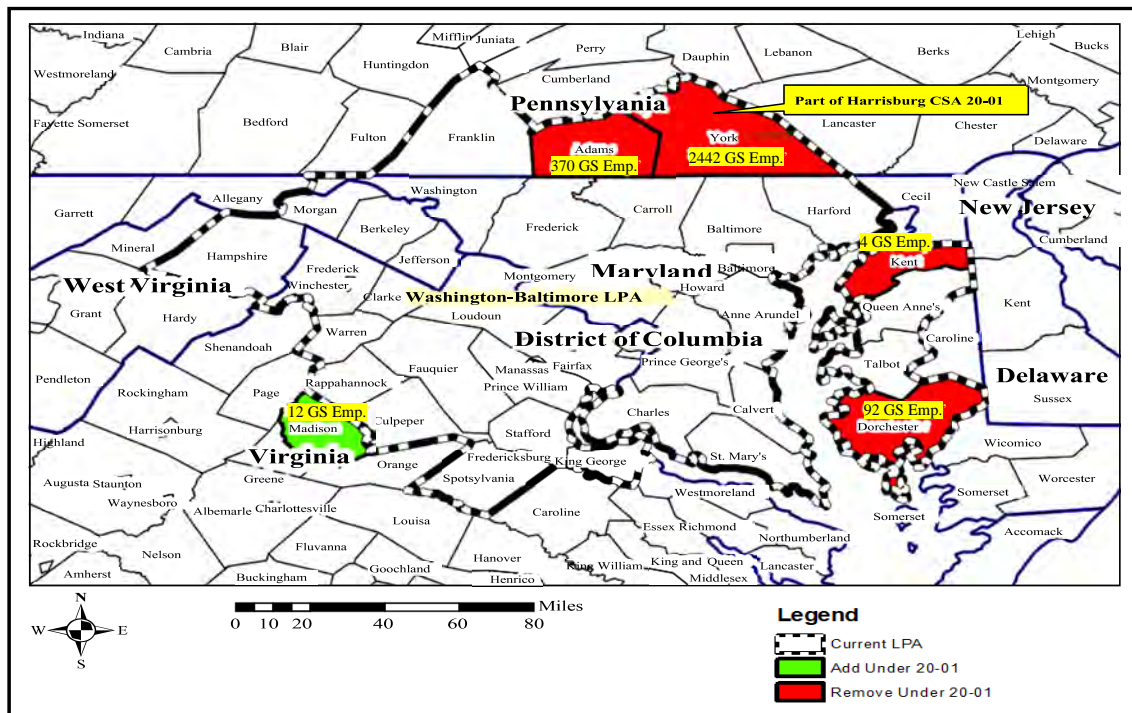
Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Franklin City, VA	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 60.05% commuting rate with the current Virginia Beach basic LPA.	No, has 12 GS employees.
Southampton County, VA	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 39.64% commuting rate with the current Virginia Beach basic LPA.	No, has 11 GS employees.
Tyrrell County, NC	Moved to RUS	Removed by OMB from the CSA the basic LPA would be based on.	No, has a 23.12% commuting rate with what would be the Virginia Beach basic LPA.	No, would need 400 or more GS employees; has zero.

Washington-Baltimore Locality Pay Area (LPA)

Impact of Using MSAs and CSAs Defined in OMB Bulletin No. 20-01



Location	Change	Reason Would Change under CSA/MSA Updates	Meets 7.5 Percent Commuting Criterion	Meets GS Employment Criterion
Adams County, PA	Moved to Harrisburg, which is lower-paying than DC	These counties are both in the CSA the Harrisburg basic locality pay area is based on. Before there was a Harrisburg locality pay area, these two counties comprised the York-Hanover-Gettysburg CSA, which met the commuting and GS employment criteria and was established as an area of application to DC.	Yes. There is an 8.83% commuting rate between the DC and Harrisburg CSAs. Regarding county-level commuting, the rates between these counties and DC are 24.06% for Adams and 14.20% for York.	Combined, the two counties have 2,812 GS employees. Adams has 370, and York has 2,442. The standard is 400, so York meets the criterion and Adams does not.
York County, PA	Moved to Harrisburg, which is lower-paying than DC			
Kent County, MD	Moved to RUS	Not in the CSA the basic LPA is based on and doesn't meet applicable commuting and GS employment criteria. Added to DC by the Pay Agent in 2016 based on being completely surrounded by higher DC locality pay.	Yes. Has a 36.08% commuting rate with the current DC basic LPA.	No, would need 400 or more GS employees; has 4.
Dorchester County, MD	Moved to RUS	Removed by OMB from the CSA the basic LPA would be based on.	Yes. Has a 31.23% commuting rate with the current DC basic LPA.	No, would need 400 or more GS employees; has 92.
Madison County, VA	Added From RUS	Added by OMB to the CSA the basic LPA would be based on.	Yes. Has a 55.15% commuting rate with the current DC basic LPA.	No, would need 400 or more GS employees; has 12.