

Report of the Federal Salary Council Working Group November 18, 2024

Executive Summary

The Federal Salary Council Working Group met on September 27, 2024, to discuss issues regarding locality pay for 2026. This Council Working Group report is based on discussions in that meeting 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.

In this report, the Working Group recommends establishing the Kennewick-Richland-Walla Walla, WA, Combined Statistical Area and the Syracuse-Auburn, NY, Combined Statistical Area as locality pay areas separate from the Rest of US. This recommendation is based on those two areas each having a pay disparity substantially exceeding the Rest of US pay disparity over a 3-year period. This recommendation would impact about 4,368 General Schedule (GS) employees who work in the two areas.

Pending a response from the President's Pay Agent on the recommendations the Council published in its February 2024 report, the Working Group recommends the Council reiterate the following recommendations from its February 2024 annual report that would change the locality pay area designations for certain locations. Such changes would impact about 14,797 GS employees and would result from applying standard criteria after making two updates to the underlying data by which the Pay Agent defines locality pay areas, which are:

- Applying the updates to the delineations of the metropolitan statistical areas (MSAs) and combined statistical areas (CSAs) reflected in Office of Management and Budget (OMB) Bulletin No. 23-01 as such updates were applied with adoption of OMB Bulletin No. 20-01; and
- In assessing locations for possible inclusion in locality pay areas as areas of application, using the updated county-to-county worker flow data that Census collected between 2016 and 2020 as part of the American Community Survey; those data were used in the delineation of the MSAs and CSAs in OMB Bulletin No. 23-01.

The Working Group is not recommending changes to the criteria for defining locality pay areas that the President's Pay Agent approved in its December 2022 annual report, nor are we recommending making any exceptions to defining locality pay area boundaries based on those criteria. The changes in locality pay area boundaries we recommend in this report result from locations meeting the standard criteria for a change in locality pay area designation. Stakeholders should note that those criteria are applied to all locations throughout the Country each year and not just in response to stakeholder requests.

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 of the Council held on November 18, 2024.

Summary of Working Group Recommendations

1. Should the Council recommend the locality pay rates for 2026 for current locality pay areas, using the NCS/OEWS Model results shown in Attachment 1?¹

The Working Group recommends doing so.

2. Now that the Bureau of Labor Statistics (BLS) has delivered 3 years of estimates covering the period March 2022 through March 2024 for the 11 locations for which it could provide only 1 year of NCS/OEWS estimates last year, should these locations now be established as Rest of US research areas?

The Working Group recommends doing so.

3. Should the Council recommend that the Pay Agent establish any of the Rest of US research areas listed in Attachment 3 as new locality pay areas?

The Working Group suggests that the Council recommend establishing the Kennewick-Richland-Walla Walla, WA, CSA and the Syracuse-Auburn, NY, CSA as locality pay areas separate from the Rest of US locality pay area. Both areas have a pay disparity exceeding that for the Rest of US locality pay area by more than 10 percentage points on average over the 3-year period March 2022 through March 2024.

While the Dothan, AL, research area also technically meets the pay disparity criterion, the Working Group recommends that Dothan not be established as a locality pay area based on these results because the anomalous GS-13 estimate that caused the 47.84 percentage point change in Dothan's pay disparity between 2022 and 2023 remains in the sample and continues to distort the pay disparity results for Dothan, as further explained below.

4. Should BLS review NCS/OEWS salary estimates each year and identify any obvious anomalies each year in a report accompanying the data delivered to U.S. Office of Personnel Management (OPM) staff?

The Working Group recommends BLS be asked to do so.

¹As explained in Attachment 2, the BLS salary survey methodology used in the locality pay program combines National Compensation Survey (NCS) data and Occupational Employment and Wage Statistics (OEWS) data in a measurement process called the NCS/OEWS Model.

5. Since BLS regards research areas with non-Federal employment of fewer than 20,000 as being at increased risk for year-to-year volatility in NCS/OEWS salary estimates, should BLS stop delivering NCS/OEWS salary estimates for such areas?

For MSAs and CSAs not previously established as Rest of US research areas and represented by fewer than 20,000 non-Federal employees, the Working Group recommends waiting to receive deliveries for such areas until their non-Federal employment with respect to representation in the NCS/OEWS estimates increases to 20,000 or more, and BLS should monitor non-Federal employment for such areas for which the Council expresses an interest in receiving NCS/OEWS estimates.

For locations already established as Rest of US research areas that are found to have non-Federal employment of fewer than 20,000, BLS should continue deliveries of such areas until the Council requests otherwise. The Council may want to BLS to stop deliveries for some areas with low non-Federal employment but should make decisions on whether to do so carefully, considering factors such as how far below the threshold of 20,000 non-Federal employees the area is or whether its pay disparity has come close to meeting the pay disparity criterion over one or more 3-year periods.

6. Should any of the locations listed in Attachment 4 be established as new Rest of US research areas?

As explained below, the Working Group recommends not doing so until BLS delivers a full 3-year set of NCS/OEWS data for these areas.

7. Should the Council reiterate its recommendation from its February 2024 report that—

- a. In defining locality pay areas geographically the Pay Agent apply the updates to the delineations of the MSAs and CSAs reflected in Office of Management and Budget (OMB) Bulletin No. 23-01 as such updates were applied with adoption of OMB Bulletin 20-01, and
- b. Updated commuting patterns data be used in the locality pay program—i.e., commuting patterns data collected by the U.S. Census Bureau between 2016 and 2020 as part of the American Community Survey?

The Working Group recommends doing so.

8. Should the Council reiterate its recommendation to add Wyandot County, OH, to the Columbus, OH, locality pay area and Yuma County, AZ, to the Phoenix, AZ, locality pay area? Making the other changes we recommend in locality pay area boundaries without a locality pay area redesignation for these locations would leave Wyandot County completely surrounded by higher locality pay, and Yuma County would also be entirely surrounded by higher locality pay but for its southern border with Mexico.

The Working Group recommends doing so.

9. Should any exceptions be made to the policy of defining locality pay areas based on standard criteria?

The Working Group recommends not doing so based on information it has so far. However, the Chairman asks that the Council hear the testimony stakeholders have been given time to provide in this meeting before deciding on this issue.

10. Since BLS has not yet been able to collect data for a sample of NCS/OEWS observations as the Council requested in its February 2024 report, should the Council make that request again in its next annual report?

The Working Group recommends doing so.

List of Attachments

Attachment 1: FEPCA Locality Rates for 2026

Attachment 2: Explanation of NCS/OEWS Model and Pay Disparity Calculations

Attachment 3: Pay Disparities for 2022-2024 in 51 BLS Research Areas

Attachment 4: Locations under Consideration as Rest of US Research Areas

Attachment 5: Locations Added to Pay Areas under Working Group Recommendations

Attachment 6: CT Planning Region Locations to be Retained in Current Pay Area

Attachment 7: Locations that have Contacted OPM Staff Since 11/14/23 Council Meeting

Background and Rationale for Working Group Recommendations

Issue 1: Should the Council recommend the locality pay rates for 2026 for current locality pay areas, using the NCS/OEWS Model results shown in Attachment 1?

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 2.

The pay disparities (the 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.

In taking a weighted average of the locality pay gaps as of March 2024 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 56.57 percent. Thus, the amount needed to reduce the pay disparity to 5 percent (the target gap) averages 49.11 percent. Considering existing locality pay rates averaging 25.54 percent, the overall remaining pay disparity is 24.72 percent. The proposed comparability payments for 2026 for each locality pay area are shown in Attachment 1.

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 2023 and September 2024, less half a percentage point. The ECI increased 3.8 percent in September 2024, so the base GS increase in 2026 would be 3.3 percent.

Note: The pay disparity for the Corpus Christi, TX, locality pay area remains below the pay disparity for the Rest of US locality pay area as it was last year. 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 2026 for current locality pay areas, using the NCS/OEWS Model results shown in Attachment 1? The Working Group recommends doing so. Does the Council agree?

Issue 2: Now that the Bureau of Labor Statistics (BLS) has delivered 3 years of estimates covering the period March 2022 through March 2024 for the 11 locations for which it could provide only 1 year of NCS/OEWS estimates last year, should these locations now be established as Rest of US research areas?

As discussed in the Council's February 2024 report, the Council requested last year that BLS deliver 3 years of NCS/OEWS data for the following 11 locations, but they could not be established as Rest of US research areas because the BLS was not able to deliver the full 3 years of data last year: the Alexandria, LA MSA; the Greensboro--Winston-Salem--High Point, NC CSA; the Johnson City-Kingsport-Bristol, TN-VA CSA; the Kennewick-Richland-Walla Walla, WA CSA; the Knoxville-Morristown-Sevierville, TN CSA; the Rapid City-Spearfish, SD CSA; the Roanoke, VA MSA; the Syracuse-Auburn, NY CSA; the Waco, TX MSA; the Watertown-Fort Drum, NY MSA; and the Wichita-Winfield, KS CSA.

This year, BLS delivered a full 3 years of data for each of these years, and the Working Group recommends they be established as Rest of US research areas.

- **Council Decision Point 2:** Does the Council agree with the Working Group that these 11 areas should all be established as Rest of US research areas now that BLS has provided a full 3 years of data for each of them?

Issue 3: Should the Council recommend that the Pay Agent establish any of the Rest of US research areas listed in Attachment 3 as new locality pay areas?

As documented in the Council's February 2024 annual report, the Council requested last year that BLS deliver NCS/OEWS salary estimates for the 11 locations listed in Attachment 4 of that report, but BLS was not able to deliver the full 3 years of data needed to apply the pay disparity criterion to any of those 11 areas. However, this year BLS was able to deliver data covering an entire 3-year period for these areas, and 2 of the 11 areas meet the pay disparity criterion this year. Those two areas are the Kennewick-Richland-Walla Walla, WA, CSA and the Syracuse-Auburn, NY, CSA. Both have a pay disparity exceeding that for the Rest of US by more than 10 percentage points on average over the 3-year period March 2022 through March 2024, as shown in Attachment 3.

While the Dothan, AL, research area also technically meets the pay disparity criterion, the anomalous GS-13 estimate that caused the 47.84 percentage point change in Dothan's pay disparity between 2022 and 2023 remains in the sample and continues to distort the pay disparity results for Dothan.

By way of review, Dothan is a newer Rest of US research area first established in 2022 as part of the Council's ongoing effort to study pay disparities in locations with fewer than 2,500 GS employees. For the periods 2019-2021 and 2020-2022, Dothan's pay disparity did not meet the pay disparity criterion and was only 1.19 percentage points and 1.05 percentage points above the Rest of US pay disparity for those two

measurement periods, respectively. However, due to an extremely high 2023 non-Federal salary estimate for grade GS-13 (\$468,517, higher than any estimate for any area and grade), Dothan's pay disparity increased by 47.84 percentage points between 2022 and 2023, resulting in the area technically meeting the pay disparity criterion when the Council reviewed pay disparities last year. The Council regarded the 2023 Dothan estimate as anomalous and did not recommend a change in the area's locality pay area designation for locality pay in 2025.

Regarding pay disparity data under review this year, BLS staff has informed us that there is still a very large wage rate for one of the occupations used in the GS-13, PATCO T salary estimate. BLS staff has noted that, from a statistical point of view, the March 2024 salary estimates may not be particularly representative of non-Federal equivalents to GS-13 level workers in Dothan.

The GS-13, PATCO T salary estimate for Dothan continues to stand out as an obvious anomaly this year. In 2024, the GS-13, PATCO T salary estimate for Dothan is \$455,172—about 32 percent higher than the second-highest 2024 salary estimate BLS delivered, which is for the GS-15, PATCO A cell for the San Jose-San Francisco locality pay area and is \$344,449.

No research areas other than the three mentioned above met the pay disparity criterion this year.

- **Council Decision Point 3:** Should any of the Rest of US research areas listed in Attachment 3 be established as new locality pay areas? The Working Group recommends that the Kennewick and Syracuse research areas be recommended for establishment as new locality pay areas but that the Dothan research area not be recommended for establishment as a new locality pay area at this time. Does the Council agree?

Issue 4: Should BLS review NCS/OEWS salary estimates each year and identify any obvious anomalies to the Council each year in a report accompanying the data delivered to OPM staff?

In its February 2024 report to the Pay Agent, the Council noted its intent to work with BLS in 2024 to identify options for addressing anomalous non-Federal salary estimates such as the March 2023 estimate for Dothan, AL. While BLS is still considering what procedures might help in establishing precise and consistent methods for addressing such anomalies, BLS staff did carefully review this year's data for any obvious anomalies such as that for Dothan. We understand BLS concluded from that review that none of the underlying records in this year's data other than the problematic GS-13 estimate for Dothan stand out as obvious anomalies.

The Working Group believes that until a more precise and consistent method for addressing anomalous efforts is identified and endorsed by the Council, BLS should

review NCS/OEWS salary estimates each year and identify any obvious anomalies each year in a report accompanying the data delivered to OPM staff.

- **Council Decision Point 4:** Should BLS review NCS/OEWS salary estimates each year and identify any obvious anomalies to the Council each year in a report accompanying the data delivered to OPM staff? The Working Group recommends BLS be asked to do so. Does the Council agree?

Issue 5: Since BLS regards research areas with non-Federal employment of fewer than 20,000 as being at increased risk for year-to-year volatility in NCS/OEWS salary estimates, should BLS stop delivering NCS/OEWS salary estimates for such areas?

As part of its work to help the Council identify ways to address anomalous estimates, BLS concluded that areas with NCS/OEWS estimates representing fewer than 20,000 non-Federal employees are more at risk for year-to-year volatility than areas represented by larger numbers of non-Federal employees. BLS asked the Working Group if NCS/OEWS deliveries should stop for such areas.

In discussing that question, the Working Group members agreed the best answer might provide a different outcome for an area not yet established as a Rest of US research area than for an established research area BLS is already delivering. There are still many MSAs and CSAs in the Rest of US that have never been studied using the NCS/OEWS Model, and screening out an MSA or a CSA based on its low non-Federal employment might allow BLS to provide estimates for another area that has less risk-for year-to-year volatility. However, it might be best in some cases to consider one or more 3-year periods of data before discontinuing deliveries for a recently established research area, especially if it has non-Federal employment only slightly below 20,000 and/or a pay disparity that comes close to meeting the criterion. As an example—

- All 11 areas listed in Attachment 4 of the Council’s February 2024 report that BLS was not able to deliver the full 3 years of data for last year are now established as Rest of US research areas (including the Kennewick and Syracuse areas, which as discussed above have met the pay disparity criterion);
- One of those 11 areas was the Watertown-Fort Drum MSA, and BLS found that NCS/OEWS salary estimates for the Watertown-Fort Drum MSA covered fewer than 20,000 non-Federal employees;
- However, while the Watertown MSA did not meet the pay disparity criterion this year, it did have a pay disparity exceeding the Rest of US pay disparity by 8.50 percentage points over the 3-year period March 2022 to March 2024, and the Working Group would prefer to continue monitoring the pay disparity for this area for the time being. The Working Group has not established a specific amount by which a pay disparity comes close enough to the standard to warrant further monitoring in a case such as this but does agree BLS deliveries for this area should continue for now.

Based on those considerations, for MSAs and CSAs not previously established as Rest of US research areas and represented by fewer than 20,000 non-Federal employees, the Working Group recommends waiting to receive deliveries for such areas until their non-Federal employment with respect to representation in the NCS/OEWS estimates increases to 20,000 or more. However, for locations already established as Rest of US research areas that are found to have non-Federal employment of fewer than 20,000, BLS should continue deliveries of such areas until the Council requests otherwise. The Council may want to BLS to stop deliveries for some established Rest of US research areas with low non-Federal employment but should make decisions on whether to do so carefully, considering factors such as how far below the threshold of 20,000 non-Federal employees the area is or whether its pay disparity has come close to meeting the pay disparity criterion over one or more 3-year periods.

Three established Rest of US research areas that have had pay disparities below that for the Rest of US for many years are Manhattan, KS; Lawton, OK; and Jacksonville, NC. The Working Group believes it best for BLS to discontinue deliveries for these three areas for the time being and replace them with three new areas. The areas selected should be those not yet studied that have the most GS employment compared to other areas not yet selected for evaluation using the NCS/OEWS Model. Discontinuing deliveries for these three areas may allow BLS to provide a full 3 years of NCS/OEWS data for the eight areas listed in Attachment 4 next year and may also help BLS deliver additional areas we may request next year if discontinuing them for now frees up enough BLS resources to do so.

- **Council Decision Point 5:** Does the Council agree with this approach?

Issue 6: Should any of the locations listed in Attachment 4 be established as new Rest of US research areas?

As part of its ongoing efforts to study pay in more locations with fewer than 2,500 GS employees using the NCS/OEWS Model, in early 2024 the Council requested that BLS deliver NCS/OEWS salary estimates for the core-based statistical areas listed in Attachment 4. The Council requested that BLS deliver salary estimates for these areas covering the period March 2022 to March 2024 because data for Rest of US research areas over a 3-year period are needed to recommend a research area be established as a new locality pay area. However, BLS has not yet been able to send March 2022 and March 2023 salary estimates for these areas. The Working Group recommends that these areas should continue to be considered as potential Rest of US research areas, and the Council should evaluate 3 consecutive years of pay disparity data for these areas as soon as possible. Also, the Council should continue its work to study pay in as many additional locations as resources allow.

The Working Group also notes that data for two other areas were originally requested from BLS for consideration as possible new Rest of US research areas, but since the

estimates for those two areas were represented by non-Federal employment below 20,000, the Working Group thinks it best to select two more areas to replace them as soon as possible. BLS should monitor their non-Federal employment and let the Council know if it increases to 20,000 or more. The two areas in question are the Brunswick, GA MSA and the Cheyenne, WY MSA.

Council Decision Point 6: Does the Council agree with the Working Group on this issue?

Issue 7: Should the Council reiterate the recommendation in its February 2024 report that—

- a. In defining locality pay areas geographically, the Pay Agent apply the updates to the delineations of the metropolitan statistical areas and combined statistical areas reflected in Office of Management and Budget (OMB) Bulletin No. 23-01 as such updates were applied with adoption of OMB Bulletin 20-01, and
- b. Updated commuting patterns data be used in the locality pay program—i.e., commuting patterns data collected by the U.S. Census Bureau between 2016 and 2020 as part of the American Community Survey?

In its February 2024 report, the Council recommended use of the updated MSAs and CSAs as such updates were applied when the Pay Agent adopted the MSAs and CSAs delineated in OMB Bulletin No. 20-01. As with adoption of those earlier definitions of MSAs and CSAs, any location that would move to a lower-paying locality pay area as a result of applying the updates in OMB Bulletin No. 23-01 would remain in its current locality pay area as an area of application. For evaluating locations adjacent to basic locality pay areas as areas of application, the Council recommended using the commuting patterns data collected by the U.S. Census Bureau between 2016 and 2020 as part of the American Community Survey. The Pay Agent has not yet provided its views on that recommendation. A list of locations that would be added under that recommendation is provided in Attachment 5.

Reminder on Connecticut Planning Regions

Regarding the eight Connecticut counties listed in the locality pay area definitions on OPM's website: As explained in the Council's February 2024 annual report, those eight Connecticut counties ceased to function as governmental and administrative entities in 1960, and at the request of the Connecticut Office of Policy and Management, the Census Bureau is now using new geographic constructs called *Connecticut planning regions* in place of the eight counties. The CBSAs in OMB Bulletin No. 23-01 use those planning regions.

Locations within the eight legacy counties are now in nine planning regions as shown in Attachment 6. Currently, the duty stations in the planning regions are in three locality pay areas—

- Boston, which has a 2024 locality pay percentage of 31.97percent;
- Hartford, which has a 2024 locality pay percentage of 31.62 percent; and
- New York, which has a 2024 locality pay percentage of 37.24 percent.

Use without exception of the CBSAs in OMB Bulletin No. 23-01 would result in certain Connecticut locations in those three locality pay areas moving from one to another of them. In all cases, such use without exception would result in impacted employees being redesignated to a *lower-paying* locality pay area—in most cases, from New York to Hartford, and in some cases, from Boston to Hartford. However, implementing a Council recommendation to apply CBSA updates as with the adoption of OMB Bulletin 20-01 would include retaining such locations in their current locality pay area.

- **Council Decision Point 7:** Should the Council recommend that—
 - In defining locality pay areas geographically, the Pay Agent apply the updates to the delineations of the metropolitan statistical areas and combined statistical areas reflected in Office of Management and Budget (OMB) Bulletin No. 23-01 as such updates were applied with adoption of OMB Bulletin 20-01, and
 - Updated commuting patterns data be used in the locality pay program—i.e., commuting patterns data collected by the U.S. Census Bureau between 2016 and 2020 as part of the American Community Survey?

The Working Group recommends doing so. Does the Council agree?

Issue 8: Should the Council reiterate the recommendation in its February 2024 report to add Wyandot County, OH, to the Columbus, OH, locality pay area and Yuma County, AZ, to the Phoenix, AZ, locality pay area? Making the other changes that would result from using OMB Bulletin No. 23-01 MSA and CSA delineations and related commuting data would otherwise leave Wyandot County completely surrounded by higher locality pay, and Yuma County would also be entirely surrounded by higher locality pay but for its southern border with Mexico.

The past practice for single-county Rest of US locations that would otherwise be completely surrounded by higher locality pay has been to redesignate them to the locality pay area with which they have the greatest degree of employment interchange. To follow that practice, the Council should recommend adding Wyandot County, OH, to the Columbus, OH, locality pay area and Yuma County, AZ, to the Phoenix, AZ, locality pay area if OMB Bulletin No. 23-01 MSA and CSA delineations and related commuting

data are used to define locality pay areas as recommended in the Council's February 2024 report.

- **Council Decision Point 8:** Should the Council recommend that the Pay Agent add Wyandot County, OH, to the Columbus, OH, locality pay area and Yuma County, AZ, to the Phoenix, AZ, locality pay area? The Working Group recommends doing so. Does the Council agree?

Issue 9: Should any exceptions be made to the policy of defining locality pay areas based on standard criteria?

The Working Group recommends continuing to apply the same criteria for all locations throughout the country. However, the Working Group anticipates that the 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 7 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.

Some of those locations 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 9:** Should any exceptions be made to the policy of defining locality pay area based on standard criteria?

The Working Group recommends not doing so based on information it has so far. However, the Chairman asks that the Council hear the testimony stakeholders have been given time to provide in this meeting before deciding on this issue.

After hearing the testimony, does the Council agree with the Working Group that no exceptions should be made to the policy of defining locality pay area based on standard criteria?

Issue 10: BLS has said it does not have the resources currently to collect data for a sample of NCS/OEWS observations to show the prevailing policy on salary ranges and waiting periods for progression through those ranges, as requested in the Council’s February 2024 report. Should the Council make the same request again in its next annual report?

As has been the case for decades, the General Schedule has a pay range of 30 percent for most grades—i.e., the maximum rate is generally about 30 percent higher than the minimum rate. While this may have been a reflection of the labor market in past decades, the Chairman believes it does not reflect modern labor markets and that the narrowness of the GS range compared to non-Federal salary ranges for comparable jobs may partially explain the size of the pay disparities the Council calculates each year. However, BLS does not include the collection of data on pay range policy in the processes by which it produces salary estimates for the locality pay program.

As noted in the Council’s meeting last year, the Working Group believes it is important to be aware of significant factors driving the overall disparity between GS and non-Federal pay and recommends that the Council ask BLS again to collect data on pay range policy for a sample of observations sufficient for estimating the prevailing non-Federal range width and progression time. The data collected would be similar to the rate range data the Department of Defense collects for the Federal Wage System. If BLS lacks the funding to complete this important research, the Working Group believes it should be provided the funding to do so.

- **Council Decision Point 10:** Should the Council ask BLS again to collect data for a sample of NCS/OEWS observations to show the prevailing policy on salary ranges and waiting periods for progression through those ranges? The Working Group recommends doing so. Does the Council agree?

Attachment 1

FEPCA Locality Rates for 2026 Using Current Salary Survey Methodology March 2024 NCS/OEWS Pay Disparities and "Full FEPCA" Locality Pay Percentages

Locality Pay Area	March 2024 Base GS Payroll	March 2024 Pay Disparity	March 2024 Full FEPCA Locality Rate	Remaining Pay Disparity
Alaska	\$593,218,461	58.57%	51.02%	5.00%
Albany-Schenectady, NY-MA	\$229,161,921	53.50%	46.19%	5.00%
Albuquerque-Santa Fe-Las Vegas, NM	\$798,723,197	39.44%	32.80%	5.00%
Atlanta--Athens-Clarke County--Sandy	\$3,038,609,706	46.43%	39.46%	5.00%
Austin-Round Rock-Georgetown, TX	\$609,453,253	46.41%	39.44%	5.00%
Birmingham-Hoover-Talladega, AL	\$561,576,415	39.93%	33.27%	5.00%
Boston-Worcester-Providence, MA-RI-NH-CT-	\$2,356,579,808	69.41%	61.34%	5.00%
Buffalo-Cheektowaga-Olean, NY	\$464,810,316	47.85%	40.81%	5.00%
Burlington-South Burlington-Barre, VT	\$256,951,555	49.87%	42.73%	5.00%
Charlotte-Concord, NC-SC	\$356,787,178	47.82%	40.78%	5.00%
Chicago-Naperville, IL-IN-WI	\$1,870,835,783	57.95%	50.43%	5.00%
Cincinnati-Wilmington-Maysville, OH-KY-IN	\$567,310,872	40.08%	33.41%	5.00%
Cleveland-Akron-Canton, OH-PA	\$1,020,491,613	36.46%	29.96%	5.00%
Colorado Springs, CO	\$606,002,542	50.31%	43.15%	5.00%
Columbus-Marion-Zanesville, OH	\$771,066,809	45.09%	38.18%	5.00%
Corpus Christi-Kingsville-Alice, TX	\$259,781,720	29.07%	30.65%	-1.21%
Dallas-Fort Worth, TX-OK	\$1,898,632,080	50.79%	43.61%	5.00%
Davenport-Moline, IA-IL	\$357,022,230	36.89%	30.37%	5.00%
Dayton-Springfield-Kettering, OH	\$718,136,886	42.01%	35.25%	5.00%
Denver-Aurora, CO	\$1,730,240,404	71.19%	63.04%	5.00%
Des Moines-Ames-West Des Moines, IA	\$249,405,011	42.32%	35.54%	5.00%
Detroit-Warren-Ann Arbor, MI	\$1,282,033,943	47.65%	40.62%	5.00%
Fresno-Madera-Hanford, CA	\$461,338,957	51.24%	44.04%	5.00%
Harrisburg-Lebanon, PA	\$485,218,049	38.58%	31.98%	5.00%
Hartford-East Hartford, CT-MA	\$138,683,410	58.79%	51.23%	5.00%
Hawaii	\$1,307,375,710	49.02%	41.92%	5.00%
Houston-The Woodlands, TX	\$1,505,291,703	51.07%	43.88%	5.00%
Huntsville-Decatur, AL	\$980,855,742	46.34%	39.37%	5.00%
Indianapolis-Carmel-Muncie, IN	\$874,812,409	37.03%	30.50%	5.00%
Kansas City-Overland Park-Kansas City, MO-	\$1,599,326,490	41.05%	34.33%	5.00%
Laredo, TX	\$300,997,739	46.22%	39.26%	5.00%
Las Vegas-Henderson, NV-AZ	\$494,366,688	42.00%	35.24%	5.00%
Los Angeles-Long Beach, CA	\$3,210,155,734	79.92%	71.35%	5.00%
Miami-Port St. Lucie-Fort Lauderdale, FL	\$1,352,766,362	44.77%	37.88%	5.00%
Milwaukee-Racine-Waukesha, WI	\$349,767,699	43.64%	36.80%	5.00%
Minneapolis-St. Paul, MN-WI	\$870,181,667	57.25%	49.76%	5.00%
New York-Newark, NY-NJ-CT-PA	\$3,409,641,348	82.26%	73.58%	5.00%
Omaha-Council Bluffs-Fremont, NE-IA	\$430,024,081	36.15%	29.67%	5.00%
Palm Bay-Melbourne-Titusville, FL	\$362,261,835	40.58%	33.89%	5.00%
Philadelphia-Reading-Camden, PA-NJ-DE-MD	\$2,519,647,226	57.29%	49.80%	5.00%
Phoenix-Mesa, AZ	\$902,215,750	51.12%	43.92%	5.00%
Pittsburgh-New Castle-Weirton, PA-OH-WV	\$672,029,878	38.81%	32.20%	5.00%
Portland-Vancouver-Salem, OR-WA	\$972,002,506	58.94%	51.37%	5.00%
Raleigh-Durham-Cary, NC	\$1,472,689,315	44.54%	37.66%	5.00%
Reno-Fernley, NV	\$174,974,477	47.00%	40.00%	5.00%
Rest of US	\$31,164,339,215	36.06%	29.58%	5.00%
Richmond, VA	\$829,472,300	48.72%	41.64%	5.00%
Rochester-Batavia-Seneca Falls, NY	\$162,244,439	51.14%	43.94%	5.00%
Sacramento-Roseville, CA-NV	\$654,582,707	68.78%	60.74%	5.00%
San Antonio-New Braunfels-Pearsall, TX	\$1,840,604,816	41.20%	34.48%	5.00%
San Diego-Chula Vista-Carlsbad, CA	\$2,026,294,123	78.28%	69.79%	5.00%
San Jose-San Francisco-Oakland, CA	\$2,082,067,301	106.62%	96.78%	5.00%
Seattle-Tacoma, WA	\$2,303,217,257	85.77%	76.92%	5.00%
Spokane-Spokane Valley-Coeur d'Alene, WA-	\$230,343,010	50.09%	42.94%	5.00%
St. Louis-St. Charles-Farmington, MO-IL	\$1,018,506,586	46.09%	39.13%	5.00%
Tucson-Nogales, AZ	\$902,751,034	43.40%	36.57%	5.00%

Locality Pay Area	March 2024 Base GS Payroll	March 2024 Pay Disparity	March 2024 Full FEPCA Locality Rate	Remaining Pay Disparity
Virginia Beach-Norfolk, VA-NC	\$2,644,577,186	42.42%	35.64%	5.00%
Washington-Baltimore-Arlington, DC-MD-VA-	\$26,814,404,344	79.39%	70.85%	5.00%
Total/Averages	\$118,116,860,796	56.57%	49.11%	5.00%

Note that the pay disparity for the Corpus Christi, TX, locality pay area remains below the pay disparity for the Rest of US locality pay area again this year. 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.

Attachment 2

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 employment² 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

² Employment weights include employees in the United States and its territories and possessions.

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.

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		\$37,301			\$36,368		2				2	\$37,301.00	\$27,147	37.40%
2		\$42,282			\$41,954		7			2	12	\$42,209.11	\$28,419	48.52%
3		\$44,264	\$45,129		\$44,051		41	3		14	76	\$44,257.33	\$30,334	45.90%
4		\$50,464	\$54,018	\$58,960	\$51,778		190	29		67	327	\$51,132.20	\$34,887	46.57%
5	\$67,959	\$60,601	\$61,978	\$64,657	\$55,780	251	887	204	16	1,195	2,600	\$59,203.26	\$37,950	56.00%
6	\$86,160	\$69,517	\$69,149	\$79,161	\$64,966	3	1,065	746		2,233	4,067	\$66,950.41	\$42,854	56.23%
7	\$87,330	\$74,017	\$75,374	\$82,763	\$71,482	1,886	424	947	837	4,061	8,261	\$76,888.76	\$47,380	62.28%
8	\$91,113	\$80,631	\$80,459	\$85,282	\$78,770	21	282	542		2,259	3,105	\$79,317.50	\$54,777	44.80%
9	\$100,440	\$79,973	\$89,338	\$88,081	\$86,568	7,495	180	340	1,524	1,907	11,493	\$95,831.60	\$57,398	66.96%
10	\$109,138	\$93,675	\$102,978	\$102,828	\$105,064	569	82	97	20	372	1,140	\$106,061.50	\$65,918	60.90%
11	\$129,118	\$106,588	\$119,989	\$115,021	\$117,275	12,658	12	135	3,771	832	17,435	\$125,411.89	\$69,180	81.28%
12	\$161,564	\$128,024	\$155,505	\$150,227	\$154,697	24,708	9	192	10,018	1,077	36,011	\$158,163.41	\$84,583	86.99%
13	\$197,157	\$153,616	\$201,944	\$182,510	\$214,073	50,012	1	498	17,644	486	68,645	\$193,545.89	\$102,299	89.20%
14	\$196,709	\$145,098	\$176,566	\$187,764	\$171,382	40,832	1	443	20,601	102	61,985	\$193,549.31	\$122,803	57.61%
15	\$285,089		\$229,517	\$297,254	\$220,663	19,350		162	17,174	13	36,705	\$290,513.71	\$146,677	98.06%
											251,864	\$184,143.98	\$102,648.60	79.39%

Attachment 3

NSC/OEWS Model Pay Disparities 2022-2024 in 51 Rest of US Research Areas Each Research Area Compared to Rest of US

Area	Area Pay Gaps			Area Pay Gaps Minus Rest of US Pay Gap			
	2022	2023	2024	2022	2023	2024	Average
Alexandria, LA	14.39%	17.41%	16.02%	-20.15%	-19.77%	-20.04%	-19.99%
Asheville, NC	34.14%	33.86%	33.39%	-0.40%	-3.32%	-2.67%	-2.13%
Augusta, GA	25.59%	27.34%	26.55%	-8.95%	-9.84%	-9.51%	-9.43%
Boise, ID	37.93%	39.07%	37.90%	3.39%	1.89%	1.84%	2.37%
Brownsville, TX	27.41%	21.85%	17.79%	-7.13%	-15.33%	-18.27%	-13.58%
Charleston, SC	46.18%	42.73%	41.79%	11.64%	5.55%	5.73%	7.64%
Charleston, WV	23.75%	26.68%	24.00%	-10.79%	-10.50%	-12.06%	-11.12%
Clarksville, TN	17.99%	23.59%	19.54%	-16.55%	-13.59%	-16.52%	-15.55%
Columbia, SC	31.50%	34.22%	30.81%	-3.04%	-2.96%	-5.25%	-3.75%
Crestview, FL	37.81%	38.74%	37.43%	3.27%	1.56%	1.37%	2.07%
Dothan, AL	31.07%	78.91%	69.96%	-3.47%	41.73%	33.90%	24.05%
El Paso, TX	25.17%	24.79%	23.07%	-9.37%	-12.39%	-12.99%	-11.58%
Gainesville, FL	27.93%	28.32%	23.93%	-6.61%	-8.86%	-12.13%	-9.20%
Greensboro, NC	38.22%	38.24%	35.83%	3.68%	1.06%	-0.23%	1.50%
Gulfport, MS	27.93%	28.96%	23.43%	-6.61%	-8.22%	-12.63%	-9.15%
Jackson, MS	17.08%	18.04%	17.45%	-17.46%	-19.14%	-18.61%	-18.40%
Jacksonville, FL	34.80%	39.22%	37.12%	0.26%	2.04%	1.06%	1.12%
Johnson City, TN	23.86%	28.68%	25.21%	-10.68%	-8.50%	-10.85%	-10.01%
Kalamazoo, MI	41.30%	41.24%	38.67%	6.76%	4.06%	2.61%	4.48%
Kennewick, WA	59.29%	68.07%	65.33%	24.75%	30.89%	29.27%	28.30%
Knoxville, TN	30.85%	34.43%	27.58%	-3.69%	-2.75%	-8.48%	-4.97%
Killeen-Temple, TX	31.35%	32.75%	28.21%	-3.19%	-4.43%	-7.85%	-5.16%
Lexington, KY	24.32%	27.58%	24.31%	-10.22%	-9.60%	-11.75%	-10.52%
Lincoln, NE	31.02%	33.23%	33.98%	-3.52%	-3.95%	-2.08%	-3.18%
Little Rock, AR	19.14%	23.69%	20.21%	-15.40%	-13.49%	-15.85%	-14.91%
Louisville, KY	36.52%	39.90%	34.43%	1.98%	2.72%	-1.63%	1.02%
Macon, GA	28.83%	35.17%	33.66%	-5.71%	-2.01%	-2.40%	-3.37%
Madison, WI	42.74%	47.55%	45.62%	8.20%	10.37%	9.56%	9.38%
McAllen, TX	23.27%	21.55%	13.45%	-11.27%	-15.63%	-22.61%	-16.50%
Memphis, TN	28.75%	32.79%	32.84%	-5.79%	-4.39%	-3.22%	-4.47%
Montgomery, AL	32.58%	33.76%	35.85%	-1.96%	-3.42%	-0.21%	-1.86%
Nashville, TN	37.20%	41.14%	37.22%	2.66%	3.96%	1.16%	2.59%
New Bern, NC	34.92%	33.98%	30.30%	0.38%	-3.20%	-5.76%	-2.86%
New Orleans, LA	36.74%	38.25%	34.56%	2.20%	1.07%	-1.50%	0.59%
Oklahoma City, OK	40.27%	43.50%	39.17%	5.73%	6.32%	3.11%	5.05%
Orlando, FL	35.84%	34.63%	33.14%	1.30%	-2.55%	-2.92%	-1.39%
Parkersburg, WV	31.16%	30.91%	31.98%	-3.38%	-6.27%	-4.08%	-4.58%
Pensacola, FL	22.96%	23.21%	24.21%	-11.58%	-13.97%	-11.85%	-12.47%
Rapid City, SD	29.28%	29.30%	33.12%	-5.26%	-7.88%	-2.94%	-5.36%
Roanoke, VA	36.18%	34.33%	32.04%	1.64%	-2.85%	-4.02%	-1.74%
Salt Lake City, UT	40.94%	43.46%	42.55%	6.40%	6.28%	6.49%	6.39%
Savannah, GA	33.82%	36.95%	35.06%	-0.72%	-0.23%	-1.00%	-0.65%
Scranton, PA	34.02%	37.14%	30.79%	-0.52%	-0.04%	-5.27%	-1.94%
Shreveport, LA	30.74%	30.97%	28.52%	-3.80%	-6.21%	-7.54%	-5.85%
Syracuse, NY	54.84%	55.40%	53.74%	20.30%	18.22%	17.68%	18.73%
Tampa, FL	39.01%	41.44%	43.05%	4.47%	4.26%	6.99%	5.24%
Tulsa, OK	39.02%	37.81%	35.19%	4.48%	0.63%	-0.87%	1.41%

Area	Area Pay Gaps			Area Pay Gaps Minus Rest of US Pay Gap			
	2022	2023	2024	2022	2023	2024	Average
Waco, TX	32.17%	36.72%	31.88%	-2.37%	-0.46%	-4.18%	-2.34%
Watertown, NY	49.11%	41.76%	42.42%	14.57%	4.58%	6.36%	8.50%
Wichita, KS	35.23%	37.11%	35.33%	0.69%	-0.07%	-0.73%	-0.04%
Yuma, AZ	28.74%	27.61%	31.89%	-5.80%	-9.57%	-4.17%	-6.51%
Rest of U.S.	34.54%	37.18%	36.06%	0.00%	0.00%	0.00%	0.00%

Attachment 4
Locations under Consideration as Rest of US Research Areas

Cedar Rapids-Iowa City, IA CSA
Columbia-Moberly-Mexico, MO CSA
Fargo-Wahpeton, ND-MN CSA
Fayetteville-Springdale-Rogers, AR MSA
Flagstaff, AZ MSA
Mobile-Daphne-Fairhope, AL CSA
Panama City, FL MSA
Sioux Falls, SD MSA

Attachment 5

Locations Added to Locality Pay Areas under Working Group Recommendations

If the Pay Agent applies the updated commuting data and core-based statistical areas (CBSAs) in line with past practice, then in 2026 about 15,480 employees would be redesignated to a higher-paying locality pay area as a result.

The table below uses the following terms in the “COMPONENTTYPE” column to indicate what type of addition each listed location would be to a locality pay area, and—

- “Basic LPA” means the location would be added to the locality pay area by virtue of being part of the CBSA comprising the basic locality pay area;
- “Metro AA” means the location meets the 7.5 percent employment interchange criterion used to evaluate CBSAs adjacent to a basic locality pay area;
- “Single County AA” means the location meets the 20 percent employment interchange criterion used to evaluate single counties adjacent to a basic locality pay area; and
- “Single County AA (Adj to multi and sums to 20 PCT+)” means that, while the location does not meet the 20 percent employment interchange criterion for single counties with respect to a single locality pay area, the sum of employment interchange rates for all adjacent basic locality pay areas is at least 20 percent.

2026 LPA	2024 LPA	PLACENAME	COMPONENTTYPE	GS Empl
Albuquerque, NM	Rest of US	Socorro County, NM	Single County AA	89
Atlanta, GA	Rest of US	Macon County, AL	Metro AAs	663
Atlanta, GA	Birmingham, AL	Tallapoosa County, AL	Metro AAs	32
Austin, TX	Rest of US	Bell County, TX	Metro AAs	6,743
Austin, TX	Rest of US	Coryell County, TX	Metro AAs	103
Austin, TX	Rest of US	Fayette County, TX	Single County AA (Adj to multi and sums to 20 PCT+)	16
Austin, TX	Rest of US	Lampasas County, TX	Metro AAs	28
Boston, MA	Rest of US	Windham County, VT	Metro AAs	34
Charlotte, NC	Rest of US	McDowell County, NC	Basic LPA	50
Charlotte, NC	Rest of US	Rutherford County, NC	Single County AA	36
Cleveland, OH	Columbus, OH	Coshocton County, OH	Basic LPA	16
Cleveland, OH	Rest of US	Hancock County, OH	Metro AAs	43
Cleveland, OH	Rest of US	Ottawa County, OH	Basic LPA	137
Cleveland, OH	Rest of US	Sandusky County, OH	Basic LPA	15
Cleveland, OH	Rest of US	Seneca County, OH	Metro AAs	10
Columbus, OH	Rest of US	Athens County, OH	Basic LPA	132
Columbus, OH	Rest of US	Jackson County, OH	Single County AA	12
Columbus, OH	Rest of US	Meigs County, OH	Single County AA	7
Columbus, OH	Rest of US	Wyandot County, OH	Surrounded	2
Dallas, TX	Rest of US	Lamar County, TX	Metro AAs	32
Dallas, TX	Rest of US	Marshall County, OK	Single County AA	4
Dallas, TX	Rest of US	Red River County, TX	Metro AAs	9
Denver, CO	Rest of US	Lake County, CO	Metro AAs	21
Denver, CO	Rest of US	Summit County, CO	Metro AAs	57
Detroit, MI	Rest of US	Bay County, MI	Metro AAs	76
Detroit, MI	Rest of US	Fulton County, OH	Metro AAs	7
Detroit, MI	Rest of US	Lucas County, OH	Metro AAs	558

2026 LPA	2024 LPA	PLACENAME	COMPONENTTYPE	GS Empl
Detroit, MI	Rest of US	Midland County, MI	Metro AAs	20
Detroit, MI	Rest of US	Saginaw County, MI	Metro AAs	1,020
Detroit, MI	Rest of US	Wood County, OH	Metro AAs	52
Houston, TX	Rest of US	Polk County, TX	Single County AA	7
Huntsville, AL	Rest of US	Franklin County, AL	Metro AAs	24
Huntsville, AL	Rest of US	Giles County, TN	Single County AA	10
Indianapolis, IN	Rest of US	Cass County, IN	Single County AA	25
Indianapolis, IN	Rest of US	Howard County, IN	Basic LPA	32
Indianapolis, IN	Rest of US	Miami County, IN	Basic LPA	351
Indianapolis, IN	Rest of US	Parke County, IN	Single County AA	13
Indianapolis, IN	Rest of US	White County, IN	Metro AAs	5
Kansas City, MO-KS	Rest of US	St. Clair County, MO	Single County AA	4
Las Vegas, NV	Rest of US	Esmeralda County, NV	Single County AA	0
Los Angeles, CA	Rest of US	La Paz County, AZ	Single County AA (Adj to multi and sums to 20 PCT+)	222
Minneapolis, MN	Rest of US	Pepin County, WI	Single County AA	4
Minneapolis, MN	Rest of US	Todd County, MN	Single County AA	19
Minneapolis, MN	Rest of US	Winona County, MN	Metro AAs	30
Phoenix, AZ	Rest of US	Yuma County, AZ	Surrounded	2,758
Pittsburgh, PA	Rest of US	Monongalia County, WV	Metro AAs	837
Pittsburgh, PA	Rest of US	Preston County, WV	Metro AAs	671
Raleigh, NC	Rest of US	Richmond County, NC	Metro AAs	36
Raleigh, NC	Rest of US	Sampson County, NC	Single County AA	33
Reno, NV	Rest of US	Mineral County, NV	Single County AA	47
Reno, NV	Rest of US	Pershing County, NV	Single County AA	4
San Jose-San	Rest of US	Tuolumne County, CA	Single County AA	240
Washington, DC	Rest of US	Page County, VA	Single County AA	84
Total Emp>				15,480

Attachment 6
Connecticut Planning Region Locations to be Retained in Current Locality Pay Area

Legacy FIPS	Legacy County Name	Planning Region Code	Planning Region Name	Town	Current Pay Area	Pay Area with Unqualified 23-01 Use
09001	Fairfield County	09140	Naugatuck Valley Planning Region	Shelton town	New York	Hartford
09005	Litchfield County	09140	Naugatuck Valley Planning Region	Thomaston town	New York	Hartford
09005	Litchfield County	09140	Naugatuck Valley Planning Region	Watertown town	New York	Hartford
09005	Litchfield County	09140	Naugatuck Valley Planning Region	Woodbury town	New York	Hartford
09005	Litchfield County	09140	Naugatuck Valley Planning Region	Plymouth town	New York	Hartford
09005	Litchfield County	09140	Naugatuck Valley Planning Region	Bethlehem town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Litchfield town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	New Hartford town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Norfolk town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	North Canaan town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Sharon town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Torrington town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Warren town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Washington town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Winchester town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Barkhamsted town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Roxbury town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Salisbury town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Canaan town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Colebrook town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Cornwall town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Goshen town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Harwinton town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Kent town	New York	Hartford
09005	Litchfield County	09160	Northwest Hills Planning Region	Morris town	New York	Hartford
09009	New Haven County	09140	Naugatuck Valley Planning Region	Cheshire town	New York	Hartford
09009	New Haven County	09140	Naugatuck Valley Planning Region	Derby town	New York	Hartford
09009	New Haven County	09140	Naugatuck Valley Planning Region	Seymour town	New York	Hartford
09009	New Haven County	09140	Naugatuck Valley Planning Region	Naugatuck town	New York	Hartford
09009	New Haven County	09140	Naugatuck Valley Planning Region	Wolcott town	New York	Hartford
09009	New Haven County	09140	Naugatuck Valley Planning Region	Beacon Falls town	New York	Hartford
09009	New Haven County	09140	Naugatuck Valley Planning Region	Middlebury town	New York	Hartford
09009	New Haven County	09140	Naugatuck Valley Planning Region	Waterbury town	New York	Hartford
09009	New Haven County	09140	Naugatuck Valley Planning Region	Oxford town	New York	Hartford
09009	New Haven County	09140	Naugatuck Valley Planning Region	Southbury town	New York	Hartford

Legacy FIPS	Legacy County Name	Planning Region Code	Planning Region Name	Town	Current Pay Area	Pay Area with Unqualified 23-01 Use
09009	New Haven County	09140	Naugatuck Valley Planning Region	Prospect town	New York	Hartford
09009	New Haven County	09140	Naugatuck Valley Planning Region	Ansonia town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	East Haven town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	Woodbridge town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	Hamden town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	Meriden town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	New Haven town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	North Branford town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	North Haven town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	Orange town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	Wallingford town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	West Haven town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	Milford town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	County subdivisions not	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	Madison town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	Bethany town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	Branford town	New York	Hartford
09009	New Haven County	09170	South Central Connecticut Planning Region	Guilford town	New York	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Hampton town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Sterling town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Thompson town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Woodstock town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Putnam town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Killingly town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Ashford town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Brooklyn town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Canterbury town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Chaplin town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Eastford town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Plainfield town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Pomfret town	Boston	Hartford
09015	Windham County	09150	Northeastern Connecticut Planning Region	Scotland town	Boston	Hartford
09015	Windham County	09180	Southeastern Connecticut Planning Region	Windham town	Boston	Hartford

Attachment 7
Locations that have Contacted Council Staff Since 11/14/23 Council Meeting

Contacts Regarding Pay Areas Separate from Rest of US

Area	Notes
Albany locality pay area	Concerns were related to pay levels and were in most cases focused on increasing the locality pay percentage for an area. However, in some cases, stakeholders proposed changing the definitions of locality pay areas in order for certain locations to receive an increase. For example, in the cases of Carlisle Barracks and Boston and the Sacramento locality pay areas, OPM Staff received proposals to depart from use of OMB-defined CSAs/MSAs as the basis of locality pay areas in order for certain locations to include a pay increase.
Boston locality pay area	
Burlington locality pay area	
Carlisle Barracks within Harrisburg locality pay area	
Colorado Springs locality pay area	
Dallas locality pay area	
Hawaii locality pay area	
Kansas City locality pay area	
Los Angeles locality pay area	
Miami locality pay area	
Philadelphia locality pay area	
Sacramento locality pay area (proposal to redesignate Yolo County, CA, to the San Jose locality pay area)	
San Diego locality pay area	
Virginia Beach locality pay area	

Notes on table below:

- It is not the case that the Council considered only the locations listed below for its recommendations to the Pay Agent. The criteria used to define locality pay areas are applied continuously to all locations throughout the country. Analysis of a Rest of US location using the latest available data does not require a stakeholder request; the information below is to show the geographical range of contacts and the impact of applying the criteria to various locations.
- Regarding the place names in the “Area” column in the table below, OPM staff has used place names that are intended to make it easier to link the entries below to contacts they have received regarding these areas. Stakeholders have not necessarily expressed concern about an entire county or MSA/CSA, nor do they always describe locations in terms of those geographical constructs when contacting OPM.

Contacts Regarding Locations in Rest of US

Area	Notes
Accomack and Northampton Counties VA	These two single-county locations are adjacent to each other. They do not meet the criteria to be established as areas of application, and they are not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Bend, OR, MSA including Deschutes County, OR	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Bennington County, VT (Bennington, VT, Micropolitan Statistical Area)	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Bethel, ME (Oxford County, ME)	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Blaine County, ID (Hailey, ID, Micropolitan Statistical Area)	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Boise, ID (Rest of US research area)	Does not meet the criteria for areas of application. Does not meet the pay disparity criterion.

Area	Notes
Cape Coral-Fort Myers-Naples, FL, CSA	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Carlsbad Caverns (Carlsbad-Artesia, NM, Micropolitan Statistical Area)	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Central Florida (Includes Orlando and Tampa Rest of US research areas as well as Sarasota and Cape Coral.)	These locations do not meet applicable criteria. Orlando and Tampa area are Rest of US research areas that do not meet the pay disparity criterion or the criteria for areas of application. Sarasota does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Cape Coral does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model.
Charleston, SC (Rest of US research area)	Does not meet the criteria for areas of application. Does not meet the pay disparity criterion.
Charlottesville, VA, MSA	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Chattanooga-Cleveland-Dalton, TN-GA-AL, CSA	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Clatsop County, OR (Astoria, OR, Micropolitan Statistical Area)	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Clay County, TX (Wichita Falls, TX, MSA)	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Coconino County, AZ (Flagstaff, AZ, MSA, which Council is evaluating as possible new research area but needs a full 3 years of NCS/OEWS data for this area)	Does not meet the criteria for areas of application. However, Council is evaluating the Flagstaff, AZ, MSA as a possible Rest of US research area.
College Station-Bryan, TX, MSA	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Coos County, NH	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.

Area	Notes
Crane, IN (Martin County, IN)	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Crestview-Fort Walton Beach-Destin, FL, MSA (Rest of US research area)	Does not meet the criteria for areas of application. Does not meet the pay disparity criterion.
Douglas and Lane Counties, OR	<p>These two single-county locations are adjacent to each other. They do not meet the criteria to be established as areas of application, and they are not evaluated using the NCS/OEWS Model.</p> <ul style="list-style-type: none"> • Regarding Lane County, it comprises the Eugene-Springfield, OR, MSA, and no areas with comparable GS employment have been selected yet for study using the Model. Council is working to study pay in more areas with GS employment of less than 2,500. • Regarding Douglas County, it comprises Roseburg, OR Micropolitan Statistical Area, and BLS has said the NCS/OEWS Model cannot produce reliable salary estimates for micropolitan areas or rural counties.
Edwards-Rifle, CO, CSA	Does not meet the criteria for areas of application, and not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties. (The Edwards-Rifle, CO, CSA consists entirely of micropolitan areas.)
Erie-Meadville, PA, CSA	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Fayetteville-Springdale-Rogers, AR, MSA (Council is evaluating as possible new research area but needs a full 3 years of NCS/OEWS data for this area)	Does not meet the criteria for areas of application. However, Council is evaluating the Fayetteville-Springdale-Rogers, AR, MSA as a possible Rest of US research area.
Grand County, CO	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Grand Rapids, MI (Grand Rapids-Wyoming, MI, CSA)	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.

Area	Notes
Grand Traverse County, MI	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Greensboro, NC (New Rest of US research area)	Does not meet the criteria for areas of application. Does not meet the pay disparity criterion.
Gunnison County, CO	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Humboldt County, CA (Eureka-Arcata, CA, Micropolitan Statistical Area)	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Jacksonville, FL (Rest of US research area)	Does not meet the criteria for areas of application. Does not meet the pay disparity criterion.
Kennewick-Richland-Walla Walla, WA, CSA (New Rest of US research area)	Does not meet the criteria for areas of application. This new Rest of US research area meets the pay disparity criterion over the period March 2022 to March 2024.
Lassen County, CA (Susanville, CA, Micropolitan Statistical Area)	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Madison, WI (Rest of US research area)	Does not meet the criteria for areas of application. Does not meet the pay disparity criterion.
Mendocino County, CA	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Mono and Inyo Counties, CA	These two single-county locations are adjacent to each other. They do not meet the criteria to be established as areas of application to the locality pay areas they border, and they are not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Montana (Multiple Counties)	Received contacts from stakeholders regarding multiple locations in the State of Montana. No location in the state meets the criteria for areas of application. No OMB-defined MSA or CSA in Montana has been evaluated yet using the NCS/OEWS Model; no areas with comparable GS employment in any State have been selected yet for study using the Model. Council is working to study pay in more areas with GS employment of less than 2,500.

Area	Notes
Nashville, TN (Rest of US research area)	Does not meet the criteria for areas of application. Does not meet the pay disparity criterion.
New Orleans, LA (Rest of US research area)	Does not meet the criteria for areas of application. Does not meet the pay disparity criterion.
Panama City, FL, MSA (Council is evaluating as possible new research area but needs a full 3 years of NCS/OEWS data for this area)	Does not meet the criteria for areas of application. However, Council is evaluating the Panama City, FL, MSA as a possible Rest of US research area.
Penobscot County, ME (Bangor, ME, MSA)	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Peoria-Canton, IL, CSA	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Plumas County, CA	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Prescott Valley-Prescott, AZ, MSA	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Rutland County, VT (Rutland, VT, Micropolitan Statistical Area)	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Salt Lake City, UT (Rest of US research area)	Does not meet the criteria for areas of application. Does not meet the pay disparity criterion.
Scioto County, OH (Charleston-Huntington-Ashland WV-OH-KY, CSA, which is a Rest of US research area)	Does not meet the criteria for areas of application. Does not meet the pay disparity criterion.
Shasta County, CA (Redding-Red Bluff, CA, CSA)	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Steamboat Springs, CO, Micropolitan Statistical Area	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.

Area	Notes
Syracuse, NY, CSA (New Rest of US research area)	Does not meet the criteria for areas of application. This new Rest of US research area meets the pay disparity criterion over the period March 2022 to March 2024.
Taos, NM, Micropolitan Statistical Area	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.
Union County, PA (Bloomsburg-Berwick-Sunbury, PA, CSA; includes Allenwood facility in Bureau of Prisons)	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties. (Is in the Bloomsburg-Berwick-Sunbury, PA, CSA, which consists entirely of micropolitan areas).
Wilmington, NC, MSA	Does not meet the criteria for areas of application. Not yet evaluated using the NCS/OEWS Model. Council is working to study pay in more areas with GS employment of less than 2,500.
Zapata County, TX	Does not meet the criteria for areas of application. Not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties.