

Federal Salary Council Meeting Minutes
Meeting Number 22-1
August 5, 2022

The [Federal Salary Council](#) met virtually through Microsoft Teams on August 5, 2022, hosted by the U.S. Office of Personnel Management (OPM). Council members who participated in the meeting are listed in the table below.

Council Member	Title
Dr. Stephen E. Condrey	Federal Salary Council Chair and Past President of the American Society for Public Administration
Ms. Janice R. Lachance	Expert Member and Chair, Federal Prevailing Rate Advisory Committee
Dr. Jared J. Llorens	Expert Member and Dean and E. J. Ourso Professor, E. J. Ourso College of Business, Louisiana State University
Ms. Jacqueline Simon	Employee Organization Representative, American Federation of Government Employees (AFGE)
Mr. Anthony M. Reardon	Employee Organization Representative, National President, National Treasury Employees Union (NTEU)
Mr. Randy Erwin	Employee Organization Representative, National President, National Federation of Federal Employees (NFFE)

About 140 members of the public also attended the meeting, including 2 representatives of the media and 1 Congressional staff member from the office of Representative Derek Kilmer.

Agenda Item 1: Introductions and Announcements / Minutes from Meeting Held on October 21, 2020

At 10:00 a.m. Eastern Daylight Time, Chairman Condrey asked Mr. Mark Allen, OPM Pay Systems Manager and Designated Federal Officer (DFO), to start the meeting.

DFO's Opening Remarks

Mr. Allen introduced himself as DFO for this meeting. He welcomed everyone and explained the Federal Salary Council's role as an advisory body operating under the Federal Advisory Committee Act. He said that OPM provides staff support to the Council members but does not itself hold membership on the Council or develop its recommendations.

Mr. Allen explained that the Council's purpose in meeting was to develop recommendations on locality pay for General Schedule (GS) employees for January 2023. He clarified that the Council's annual recommendations cover the establishment of pay localities; the coverage of salary surveys; the processes used for making comparisons between Federal and non-Federal pay, and the level of comparability payments for Federal employees. He noted that, once finalized, the Council recommendations would be sent to the President's Pay Agent (the Secretary of Labor and the Directors of the Office of Management and Budget (OMB) and OPM).

Addressing Chairman Condrey, Mr. Allen said approval of the minutes from Council's most recent previous meeting (held on October 21, 2020) was the next item on the agenda. After taking a few minutes for the Council members to introduce themselves briefly, the Council officially approved those minutes.

Chairman Condrey introduced the next agenda item, which was the report from the Bureau of Labor Statistics.

Agenda Item 2: Report of the Bureau of Labor Statistics

Ms. Jennifer Coleman of the U.S. Bureau of Labor Statistics, Office of Compensation and Working Conditions gave the following report.

I am Jennifer Coleman of the U.S. Bureau of Labor Statistics, Office of Compensation and Working Conditions. I am pleased to present the work that the Bureau of Labor Statistics does in support of the President's Pay Agent and the Federal Salary Council. The BLS provides estimates of annual wages for workers in private industry and state and local government to the Federal Salary Council for broad categories of professional, administrative, technical, clerical, and officer jobs, known as PATCO groups, at the various General Schedule (GS) work levels. These estimates are based on the combined data from the Bureau's National Compensation Survey (NCS) and the Occupational Employment and Wage Statistics (OEWS) programs.

The BLS uses a statistical process to combine the data from the NCS and OEWS programs to produce estimates of annual wages by area, occupation, and work level. The BLS aggregates these estimates across the occupations into broad categories of jobs according to Federal employment weights provided by the Office of Personnel Management (OPM). OPM then aggregates the resulting estimates to create a single estimate of non-Federal wages for each area for use in Federal pay comparisons.

For the 2021 delivery, the BLS produced PATCO estimates for 95 areas. This included estimates for both current locality pay areas and for research areas of interest to the Federal Salary Council. The PATCO estimates are based on OMB Core Based Statistical Area (CBSA) definitions and include any Areas of Application in the area's definition. At the request of the Working Group of the Federal Salary Council, the BLS also delivered 2021 PATCO estimates for ten additional areas of interest to the Council. The BLS has agreed to add these ten areas to the standard delivery of PATCO estimates beginning in 2022.

The PATCO estimates for the 2021 delivery used the Federal employment weight file based on the 2018 version of the Standard Occupational Classification (SOC) system. Also, as in prior years, BLS provided separate estimates including and excluding the effect of incentive payments to workers.

The BLS would like to remind the Federal Salary Council that, beginning with the 2022 delivery, the PATCO estimates will be based on data from the OEWS program's model-based estimation method. An article entitled "[Model-based estimates for the Occupational Employment Statistics program](#)" in the August 2019 Monthly Labor Review provides a summary of it. This model-based method improves the accuracy and reliability of the PATCO estimates for annual wages.

I will be happy to answer any questions you may have.

When Ms. Coleman concluded her presentation, Chairman Condrey asked if the Council had any questions. Ms. Simon asked whether the pandemic had impacted BLS's ability to gather these data. Ms. Coleman responded in the negative, and she added that BLS had adapted its collection process as necessary in order to continue to collect as much of the required data as possible.

Chairman Condrey turned to the next item of business, which was reading the report of the Council Working Group into the record.

Agenda Item 3: Recommendations of the Federal Salary Council Working Group

At the Chairman's request, Mr. Joe Ratcliffe, OPM Senior Compensation Analyst, read the Council Working Group report, which presented each decision point for the Council to consider and the Working Group's recommendation regarding each issue covered.

Mr. Ratcliffe stopped after reading each Working Group recommendation, and Chairman Condrey then asked the Council members to indicate whether they wanted to accept the Working Group recommendations. The Council unanimously accepted the Working Group's recommendation on every issue, as indicated in the list of decision points below.

- Council Decision Point 1: Should the Council recommend the locality pay rates for 2023 for current locality pay areas, using the NCS/OEWS model results shown in Attachment 2 [of the Working Group report]?

Working Group recommendation: Yes.

Council recommendation: Yes.

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

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

Council recommendation: Yes, as the Working Group recommends.

- Council Decision Point 3a: Should the locations listed in Attachment 4 [of the Working Group report] be established as new Rest of US research areas?

Working Group recommendation: Yes.

Council recommendation: Yes.¹

- Council Decision Point 3b: Should any of the locations listed in Attachment 4 [of the Working Group report] be established as new locality pay areas?

The Working Group recommends establishing Reno, NV, and Rochester, NY, as new locality pay areas.

¹ Based on recent inquiries from the public to OPM staff, it should be noted that establishment of Rest of US research areas has not been on a case-by-case basis in response to stakeholder requests. When the Council began using the NCS/OES (now NCS/OEWS) model in 2012, selection of Rest of US research areas was limited to MSAs and CSAs having 2,500 or more GS employees. The Council has now begun to request that BLS deliver NCS/OEWS estimates for areas with fewer than 2,500 GS employees, and so far BLS resources have allowed for delivery of NCS/OEWS estimates for 10 such statistical areas. In terms of GS employment, those statistical areas were the top 10. It should also be noted that BLS has said it is not feasible for the NCS/OEWS model to produce reliable salary estimates for micropolitan statistical areas or rural counties.

Council recommendation: Yes, as the Working Group recommends.

- Council Decision Point 3c: Should NCS/OEWS salary estimates be requested from BLS for additional areas with fewer than 2,500 GS employees?

Working Group recommendation: Yes.

Council recommendation: Yes.

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

Working Group recommendation: Yes.

Council recommendation: Yes.²

- Council Decision Point 5: Should changes be made in the criteria used to establish areas of application?

Working Group recommendation: Yes, as detailed in the Working Group Report.

Council recommendation: Yes.

- Council Decision Point 6: Should the following Rest of US locations be redesignated from the Rest of US to a separate locality pay area based on being completely or partially surrounded by higher locality pay, i.e. should—
 - Dukes and Nantucket Counties, MA, be included in the Boston locality pay area as areas of application;
 - Huron County, MI, be included in the Detroit locality pay area as an area of application; and
 - Pacific and San Juan Counties, WA, be included in the Seattle locality pay area as areas of application?

Working Group recommendation: Yes.

Council recommendation: Yes.

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

Working Group recommendation: No.

Council recommendation: No.

² Note that using MSAs and CSAs as in the past includes using entire MSAs and CSAs as the geographic boundaries of Rest of US research areas and precludes using a subset of an MSA or CSA in calculating the pay disparity for a Rest of US research area.

After a 10-minute break, Chairman Condrey turned to the next agenda item, which was testimony from various areas in the country requesting to be included in locality pay areas. That testimony is summarized below.

Agenda Item 4: Testimony Regarding Certain Locality Pay Area Designations

Mr. Ratcliffe reminded speakers that, due to the large volume of requests the Council had received from the public to provide testimony in this meeting, Chairman Condrey had asked that such testimony be limited to no more than 5 minutes per geographic area of concern. In addition, Chairman Condrey had recommended that each geographic area be covered by one primary speaker, though he did offer that a speaker would be able to call on others to answer questions the Council may have on the testimony.

The Chairman then asked that the testimony begin. The testimony is listed and summarized by geographic area or other topic below, in the order presented in the meeting.

Note: In each case, the Council heard the testimony, but in no case did the Council decide to make an exception to its recommendation to apply the same criteria for defining locality pay areas consistently to all locations throughout the country as the Council Working Group had recommended.

Lebanon, NH-VT Micropolitan Statistical Area

Note: This location would be added to the Boston locality pay area under the Council's recommendations because it meets the criteria the Council has recommended for areas of application. However, this change would require tentative approval by the President's Pay Agent and requires regulatory processes. Thus, changes in locality pay area designations recommended by the Council should not be expected to take effect until January 2024 at the earliest.

The first speaker gave his testimony:

Hi everyone. I'll be brief. Thank you for your time today as I know the Council is extremely busy. My name is Greg Hartford, and I'm the Chief of Business Operations at the VA Medical Center in White River Junction, VT. I'm a veteran of the war in Afghanistan and proud to be working with the VA hospital in this department....Our area is comprised of two Federal facilities: the U.S. Army's cold weather research laboratory in Hanover, NH, as well as the VA Medical Center in White River Junction, VT.

A few days ago Congress passed the largest expansion of VA healthcare benefits in over 30 years. The PACT Act will offer a pathway for millions of burn pit exposed veterans to receive life-saving healthcare, healthcare they've been waiting on for a very long time. The PACT Act also expands on benefits for Vietnam veterans exposed to Agent Orange. Our obligation here in White River Junction is to ensure we have the resources to meet that increased demand for healthcare. Currently, we serve over 50,000 veterans a year, covering both the State of Vermont and four counties in New Hampshire. Today, the Working Group has recommended the change of how CBSAs are evaluated regarding the employment interchange rate. Claremont-Lebanon is listed in that recommendation as an area of application. I simply wanted to thank the Working Group for your work and support throughout this process. It means a great deal to me and a great deal to our facility staff as well as all the veterans that we serve so thank you so much and I hope that everyone has a wonderful and safe weekend.

The Council had no questions for Mr. Hartford.

Nottoway County, VA

Note: This location would be added to the Richmond locality pay area under the Council's recommendations because it meets the criteria the Council has recommended for areas of application. However, this change would require tentative approval by the President's Pay Agent and requires regulatory processes. Thus, changes in locality pay area designations recommended by the Council should not be expected to take effect until January 2024 at the earliest.

The next speaker gave her testimony:

Good morning. Thank you very much for the opportunity to address the Council. My name is Julie Cabus, and I'm the Deputy Assistant Secretary and Assistant Director for the Bureau of Diplomatic Security, which is a law enforcement and security arm of the U.S. Department of State.

In Nottoway County, we are collocated at Fort Pickett, which is a Virginia Air National Guard facility. At Fort Pickett we have the Foreign Affairs Security Training Center known as FASTC. FASTC opened in 2019 and is designed to provide the most comprehensive, state-of-the-art training for the foreign affairs community as they deploy overseas alongside many of our colleagues in uniform in warzones like Iraq and formerly Afghanistan. So, our mission down there is very specific but very important. Currently, as the meeting progressed this morning, I'd like to thank the Council for approving Recommendation 5, which helps us in our cause in acknowledging Nottoway County as part of the Richmond differential area.

The U.S. Department of State is the largest employer in Nottoway County, with over 600 employees. Nearly two-thirds of them actually live outside of Nottoway County for reasons such as better housing opportunities, access to medical care, and school for dependents. Our current interchange rate is 42.53 percent.

FASTC requires high technical and skilled workforce and everything from curriculum developers to folks who have technical driving skills that cover 18 miles of high-speed driving track as we prepare people to serve in very difficult places overseas. It is a wide variety of staff that we need to fulfill these obligations at FASTC at Fort Pickett. We are again grateful for the recommendation approval of Recommendation 5. It helps us in our cause.

We still believe that Nottoway County and FASTC in particular with being only 2 miles away from the Richmond differential designated area would benefit, particularly as it relates to recruitment and retention to be a part of the Richmond designated area. I think I'm going to stop my comments there and allow the Council, if you do have any questions, to pose those questions to me now. And I would only close to say that the Department of State takes this issue very seriously; otherwise, I'm not sure that they would have designated a Deputy Assistant Secretary to spearhead the effort. We see this as an opportunity to invest in our staff, retain our staff, and take care of those who are helping to prepare people who serve all around the world in some pretty challenging environments. And again, thank you to the Council and I look forward to your questions.

The Council had no questions for Ms. Cabus.

Pine County, MN

Note: This location would be added to the Minneapolis locality pay area under the Council's recommendations because it meets the criteria the Council has recommended for areas of application. However, this change would require tentative approval by the President's Pay Agent and requires regulatory processes. Thus, changes in locality pay area designations recommended by the Council should not be expected to take effect until January 2024 at the earliest.

After confirming his understanding that Pine County, MN, would be added to the Minneapolis locality pay area should the proposed criteria be adopted by the Pay Agent, Mr. Bill Schoonmaker (President, AFGE Local 683) thanked the Council and yielded the balance of his 5 minutes.

Spokane, WA

Notes:

The Spokane-Spokane Valley-Coeur d'Alene, WA-ID CSA would be established as a basic locality pay area under the Working Group's recommendations because it is a Rest of US research area that meets the pay disparity criterion established by the Council. (The standard established by the Council to trigger a Council recommendation to establish a Rest of US research area as a new locality pay area is that its pay disparity be 10 or more percentage points above that for the Rest of US over the most recent 3-year period.)

However, this change would require tentative approval by the President's Pay Agent and requires regulatory processes. Thus, changes in locality pay area designations recommended by the Council should not be expected to take effect until January 2024 at the earliest.

Mr. Lloyd Easterling, Chief Border Patrol Agent (U.S. Customs and Border Protection) introduced himself and began his testimony by thanking the Council for its support of the Working Group recommendation to establish Spokane, WA, as a new locality pay area. He then asked which counties would be included in the Spokane locality pay area other than the Spokane CSA as defined in OMB Bulletin No. 20-01. The Chairman said Mr. Ratcliffe could look into those counties.

Mr. Ratcliffe responded, "I can say that the Spokane CSA includes the Counties of Kootenai, Spokane, and Stevens. Of course, the exact geographic definition would depend on what the Pay Agent does as far as regulations establishing the final outcome."³

The Council had no questions for Mr. Easterling.

³ Based on recent inquiries from the public to Council staff, it should be noted that the final definition of a new locality pay area depends on a number of factors, including whether the Pay Agent accepts the Council's recommendations to change the criteria for areas of application as discussed in these meeting minutes. Note that Council staff may be limited in its ability to respond to requests from employees to list the counties that would be included in a new locality pay area. Stakeholders interested in providing input related to the geographic definition of a proposed locality pay area can provide comment during the public comment period included in the regulatory process required for establishing a new locality pay area.

Wayne County, PA

Note: This location would be added to the New York locality pay area under the Council's recommendations because it meets the criteria the Council has recommended for areas of application. However, this change would require tentative approval by the President's Pay Agent and requires regulatory processes. Thus, changes in locality pay area designations recommended by the Council should not be expected to take effect until January 2024 at the earliest.

Ms. Courtney Hobbs, (AFGE CPL-33 Local 3003 Secretary) had been scheduled to speak, but under the circumstances thanked the Council and yielded the balance of her 5 minutes.

Ms. Simon then remarked, "I just wanted to tell everybody whose petition received a positive endorsement from this Council that unfortunately this is not a done deal. The recommendations of the Federal Salary Council go to the President's Pay Agent. The Director of OMB, the Director of OPM, and the Secretary of Labor. I have to say from bitter experience that some of our most important recommendations have been rejected in the past. So, please don't leave this meeting today thinking that it's signed, sealed, and delivered, because it isn't. Your advocacy needs to continue. The people who are going to be making the final decisions should probably hear from you as well. They will have heard from this Council, but we need to keep up the pressure so that they are persuaded to adopt our recommendations."

Chairman Condrey thanked Ms. Simon, and then asked Mr. Ratcliffe what would be next with respect to testimony. Mr. Ratcliffe responded, "Mr. Chairman, if you'd like to move to the next set of speakers, that's the end of those whose locality area designation would change under the Council's recommendations." Chairman Condrey agreed, and the remainder of testimony from the public regarding locality pay area boundaries is summarized below.

San Diego, CA

Note: Under the Council Working Group recommendation (adopted by the full Council) to continue longstanding past practice with respect to use of MSAs and CSAs without exception, the Los Angeles and San Diego locality pay areas will remain separate. Also, with regard to the Council Working Group recommendation (adopted by the full Council) regarding surrounded locations, those recommendations pertain to Rest of US locations and not to locations already in a separate locality pay area.

Mr. Ronald Peters, a Management and Program Analyst employed by the Department of Homeland Security, introduced himself and began his testimony, which follows.

Thank you. And thank you Mr. Chairman, and thank you Council. I also had a full speech prepared but I just wanted to go into some disparity that I do see within the San Diego locality pay area as compared to the Los Angeles-Long Beach, CA locality pay area. There is about 3 percent less pay for those Federal employees living in the San Diego pay area.

When we look at the actions taken today, San Diego County is completely surrounded by the Los Angeles locality pay area. The gentleman who spoke from Washington State mentioned El Centro, CA. El Centro, CA, is east of San Diego County, and yet it is included in the Los Angeles pay area. The Los Angeles pay area comprises everything from Santa Barbara to the Nevada and Arizona borders to the east and south to the Mexico border with the exception of San Diego County.

San Diego County was its own MSA and was excluded from the CSA of the Los Angeles-Long Beach area. Although there were other MSAs included in that, such as El Centro, Riverside County, and San Bernardino County.

Riverside and San Bernardino Counties are the number 1 and number 2 geographical largest counties within the State of California, and yet they have populations that are over 2 million people less than what San Diego County has.

Also, in today's decisions and actions, besides those areas that are completely surrounded there was the mention in Item Number 5 of employment interchange rate. Those employees who live in northern San Diego County have a large interchange rate into Orange County, which is part of the Los Angeles locality pay area. However, since San Diego County has a locality pay the employment interchange rate is not even considered for rural county areas already established even if they're surrounded by other areas. My point in the end is I discovered the criteria used in locality pay was first implemented in 1994 and it doesn't include a provision for combining locality pay areas or the CSAs or MSAs comprising them. But I could find no provision directly prohibiting the combining of those either.

So, at one point in 1994 the Federal Salary Council did combine El Centro, CA MSA in Imperial County, CA, to the Los Angeles locality pay area. There's no provision prohibiting this year's Federal Salary Council from correcting the inequality of nearly 3 percent less pay for Federal employees living in San Diego, CA. By including the San Diego-Chula Vista-Carlsbad, CA MSA in the Los Angeles-Long Beach locality pay area. Or at minimum, raise the San Diego-Carlsbad, CA locality pay to be equal to that of Los Angeles locality pay. And I thank you for consideration and ask if the Council has any questions.

The Council had no questions for Mr. Peters.

Asheville, NC

Note: While the Council agreed to establish Asheville, NC, as a Rest of US research area, it does not meet the pay disparity criterion established by the Council. (The standard established by the Council to trigger a Council recommendation to establish a Rest of US research area as a new locality pay area is that its pay disparity be 10 or more percentage points above that for the Rest of US over the most recent 3-year period.)

The next speaker began his testimony:

Good morning members of the FSC. My name is Tim Owen, and I'm the Executive Officer at NOAA's National Centers for Environmental Information.

I'm speaking for the Asheville, NC, locality pay study group. Our group is made up of Federal agencies including NOAA, VA, Blue Ridge Parkway, U.S. Air Force, Department of Justice, and others, representing over 2,000 Federal employees, and including many that are under AFGE local 446. Our group is advocating ultimate inclusion of Asheville as a locality pay area given cross-agency challenges that we have documented in both recruitment and retention of Federal employees.

From dental hygienists to Air Force IT specialists, local economic conditions are distorting what has been a historical ability and a very stable one here to keep and hire Federal employees. We very much appreciate

Asheville being 1 of the 10 areas studied in the Rest of US by BLS for 2019-2021, and we want to thank the FSC especially for the approval of Council Decision Point 3a this morning.

This helps move Asheville closer to ultimate approval as a locality pay area. We continue to provide advocacy and we thank you very much for your attention and your work and we thank [Council staff] as well.

The Council had no questions for Mr. Owen.

Nashville, TN

Notes:

Nashville, TN, does not meet the pay disparity criterion established by the Council. (The standard established by the Council to trigger a Council recommendation to establish a Rest of US research area as a new locality pay area is that its pay disparity be 10 or more percentage points above that for the Rest of US over the most recent 3-year period.)

The Council recommendation to use MSAs and CSAs as in the past includes consistently using entire MSAs and CSAs as the geographic boundaries of Rest of US research areas and precludes using a subset of an MSA or CSA in calculating the pay disparity for a Rest of US research area.

The next speaker began his testimony:

Hi, good morning. I'm Mike Renfrow, the Deputy Executive Director at VA's Tennessee Valley Healthcare System and like Mr. Hartford earlier, I'm an Iraq veteran and a 17-year VA employee. I am also very pleased to see the PACT Act passed.

At the November 2018 Federal Salary Council meeting, the Nashville MSA Federal employees presented a request for establishment of a new locality pay area. Since that time we've continued to explore ways to improve our case and would like the Council to reconsider the establishment of a new locality pay area for Nashville, TN. As part of that recommendation, we would also suggest using a more focused Nashville locality pay area with the reduction in some of the outlying counties currently included in the MSA to help give further credence to the case.

Over the past few years, we've considered information related to the previous Council's human capital indicators [(HCI) data] that reveal recruiting and or retention difficulties that may not otherwise be evident from the pay disparities alone.⁴ For example, in our area the Federal workforce is losing approximately 20 percent of its employees per year through voluntary separations or voluntary reassignments. In addition, Federal employers have struggled with recruitment due to a large percentage of prospective employees declining offers to work in Nashville, which has increased the time that critical positions sit vacant. This has also increased the overall cost of doing business and negatively impacted the efficiency of services provided to the public in Nashville. Offering incentives for recruitment and retaining employees for occupations in the medical, engineering, construction, and other STEM related job series has become quite routine over the last few years.

While the results of offering flexibilities such as recruitment and retention incentives have helped, offers are still being declined at a rate of almost 20 percent. This is particularly true for professional series positions. What our data is indicating is that recruitment incentives are helping with getting entry-level

⁴ In its December 2021 report, the Pay Agent wrote, "As explained in the December 2020 Pay Agent report, current law does not provide the authority to establish locality pay percentages based on HCI data. The law requires that locality pay percentages be based on pay comparisons using BLS surveys. However, the analysis required to prepare HCI data is not without value under current law because such analysis can help agencies identify and address significant recruitment and retention problems."

employees in the door but aren't successful with professional staff. We've also continued to utilize special salary rates where possible. There are currently employees in 17 occupational series on SSRs. While we have continued to pursue the lengthy process of adding new SSRs, they are not always an effective means of offsetting issues due to the resulting fracture in organizations. We have seen these results are often difficult to quantify, and the Nashville MSA has experienced concerns and complaints from employees and unions when they want adjustments to existing SSRs.

To improve the case for a new locality pay in Nashville, we recommend that the Council reduce the size of the geographic area for the purposes of evaluating the pay gap and establishing locality pay boundaries. The shifting 13 to 14 county boundary in the Nashville MSA encompasses an area much larger than the footprint where most Federal and private sector jobs are located.

The greatest hardship in recruiting and retaining employees amongst Federal agencies is in the center of the economic activity with a much smaller footprint where economic conditions have created a more substantial pay gap than the current evaluation methodology indicates. Adopting a new methodology would allow Federal employers to become more competitive in the job market and allow Federal employees to alleviate some of the pressures of increased cost of living.

The Nashville locality pay team respects that the Council does not typically consider cost of living in its analysis of the pay gap between Federal and private employees, but it is an important element to consider since an employee's salary determines their quality of life relative to the economic conditions where they live. Factors related to the increase of cost of living and population density have created as many difficulties in recruiting and retaining employees as any other factors.

These challenges are going to continue to grow as private sector employers in the Nashville area continue to increase salaries and the GSA has also shown that higher cost of living in Nashville with continued rapid rise in our per diem rate. For example, our per diem rate here has increased nearly 40 percent since 2018, leaving our per diem rate comparable to New York City, Washington, D.C., and Los Angeles. That 40 percent increase compares to a 1 percent cheaper maximum rate in New York City, and a 2 percent higher maximum rate in D.C. over that same period.

In summary, we believe the current Rest of US locality pay designation for Nashville is causing recruitment and retention problems for Federal agencies located within the core vicinity of Nashville's economic development. This problem will continue to exacerbate as many large corporations have recently announced intentions to establish headquarters in Nashville such as Amazon, Oracle, Mitsubishi, etc. These will increase competitiveness in the job market and drive private sector wages even higher. An increased locality pay rate for Nashville is critical for ensuring the Federal workforce in the area can continue to carry out their agencies' missions effectively. Therefore, it is our recommendation that the Council accept a more condensed locality pay area for Nashville than the traditional MSA footprint implementing this recommendation would support the creation of locality pay adjustment and would help Federal agencies offer salaries commensurate to their private sector counterparts. Thank you for your time.

The Council had no questions for Mr. Renfrow.

Central Florida

Notes:

The large geographic area of concern includes (but is not limited to) Rest of US areas Orlando, FL, and Tampa, FL, neither of which meets the pay disparity criteria. (The standard established by the Council to trigger a Council recommendation to establish a Rest of US research area as a new locality pay area is that its pay disparity be 10 or more percentage points above that for the Rest of US over the most recent 3-year period.)

The other locations of concern are not Rest of US research areas and also do not meet the criteria for establishment as areas of application.

The next speaker addressed the Council:

Good morning, and thank you Mr. Chairman and Council members. I appreciate the opportunity to speak with you today. My name is John Daly. I'm the Director of Corporate Operations for the Navy down in Orlando and President of the Federal Executive Association [(FEA)] of Central Florida. The FEA in central Florida covers the Gulf Coast to the Space Coast, which includes Tampa, Orlando, and the Melbourne-Titusville area of central Florida. We are about 50,000 Federal employees and military members and about 100,000 retirees in our area. We've been working the issue of locality pay with OPM since 2018 and testified before this Council in 2019 and 2020. We appreciate the work you do in order to be fair and consistent across all areas throughout the country. We appreciate that approach.

One of the things that we do have concerns with is something we raised in 2020 where we had several Salary Council members' commitment to take a look at the data provided by BLS for our region and see whether or not the hospitality and tourism industry is negatively impacting the analysis based on the traditionally lower pay offered in that particular industry, while giving their employees other benefits to offset the lower pay. At our last FEA quarterly meeting on March 30, 2022, the Federal agency heads here in central Florida validated once again that we continue to have problems with recruitment, hiring and retention of employees, and that the agencies are using their delegated and discretionary authorities to include relocation incentives, retention incentives, and recruitment incentives in addition to special salary rates for those skills that apply. Despite those efforts there continues to be challenges with attrition and challenges with getting people to actually come to central Florida to work.

Keep in mind that I did mention that Palm Bay, Melbourne, and Titusville are part of our central Florida region for the FEA. They do have a locality pay immediately adjacent to the Orlando statistical area. One of the things that really caught our attention back in 2018 that got us looking into this more closely as Federal agency heads in the FEA is the fact that of the top 35 large statistical areas in the country, top 35 cities in the country, there are only 2 that do not have a locality pay and are calculated under Rest of US and they are Orlando and Tampa, again both part of central Florida.

That led us to do our own analysis to see if there are some negative impacts from the hospitality industry and that data analysis by BLS. We ask for your support as the new FSC to follow through with commitments made by the previous FSC in 2020 to take a closer look at our data in conjunction with our field leaders here in Orlando and BLS and OPM to see if there is an anomaly that needs to be considered as we move forward on the issue.⁵ I mentioned the size of our workforce here in central Florida. Keep in mind that this effort for locality pay has been supported by two of the larger VA hospital and Medical Center Directors in the VA system here in Tampa and Orlando.

DOD has several components here in central Florida including the special forces SOCOM and the Space Force on the East Coast, which have been part of this effort. All of the DHS components in Central Florida, including some of the larger airports in the country being Orlando and Tampa, have been actively involved with this. And the Bureau of Prisons' Federal Correctional Complex up in Coleman, the largest Federal Correctional Complex in the country has also been actively involved with this. And all of these agency heads at our quarterly meeting again validated that there's an issue that needs to be addressed. That they

⁵ As documented on page 28 of the [minutes of the Council meeting held on October 21, 2020](#), regarding the idea of excluding certain sectors from NCS/OEWS data, BLS staff made the following statement: "The BLS believes that would not be consistent with the design of the PATCO estimation procedure to produce PATCO estimates for an area excluding a particular industry from their calculation. The PATCO estimation procedure is designed to apply the effects for grade levels to average rates by area and occupation uniformly for all areas. The effects for the grade levels are estimated nationally using data from all industries. Therefore, it would be inconsistent with the design of the method to exclude certain industries from the estimates for an area when data from these industries were included in the estimation of the level effects."

have used all of their discretionary budgets to the extent that they can, and we are looking for your support in taking one step closer to review the data to ensure that there's not an anomaly there.

When 35 of the top cities have a locality pay and the 2 that don't are Orlando and Tampa we think it's worth a little bit of investment of resources to investigate. Keep in mind that Orlando under the previous processes back before 2012 was a locality pay separate from the Rest of US. I'd like to thank everyone. I do want to call out [Council staff] as well. [Council staff] has been a tremendous asset to us over the last 4 years that we've been working with this. Very responsive and professional. Thank you publicly for the great work that you do. I'll stop there and offer any opportunity for questions.

Chairman Condrey asked for Mr. Daly to clarify his comment about Orlando prior to 2012. Mr. Daly said, "Sure, and Joe Ratcliffe can add more detail on this, but there was a change in processes of how locality pay was calculated. Under the old system, which was I think in the mid-2000s Orlando was a locality pay area along with two other locations. In the new calculating process the two other locations were brought forward and continued to have locality pay whereas Orlando was not. Joe, did I capture that accurately?"

Mr. Ratcliffe explained, "Under a prior salary survey methodology, the salary survey results for Kansas City, St. Louis, and Orlando fell below that for the Rest of US. Those three survey areas were replaced with Buffalo, Phoenix, and Raleigh. Subsequently, in 2012 the Council began using the current NCS/OEWS methodology."

Mr. Daly said, "And, Mr. Chairman again, the ask for us today is simply to have us work with BLS to see if we can figure out if there's an anomaly in our data related to the hospitality and tourism industry. Thank you."

The Council had no further questions for Mr. Daly.

Carlisle Barracks, PA

Note: Under the Council Working Group recommendation (adopted by the full Council) to continue longstanding past practice with respect to use of MSAs and CSAs without exception, locations in the Harrisburg CSA will remain in the Harrisburg locality pay area. Also, with regard to the Council Working Group recommendation (adopted by the full Council) regarding surrounded locations, those recommendations pertain to Rest of US locations and not to locations already in a separate locality pay area.

The next speaker addressed the Council:

Dr. Condrey and ladies and gentlemen of the Council, thank you for this opportunity to present this testimony. As Joe just said, I'm Colonel Kimo Gallahue. I'm the Deputy Commandant of the U.S. Army War College.

It's my honor to represent Major General Dave Hill who is the Commandant and Senior Commander of the War College. His previously scheduled travel restricts him from being able to attend this very important matter. Carlisle Barracks Army War College is the only active Army installation in the commonwealth of Pennsylvania. As such, we provide extensive services to support active military members and families, National Guard and Reserve, and a huge military retirement community. Our workforce provides these critical security safety and medical services and infrastructure support in the Army's mission here at the

War College, the primary mission, which is to educate our nation's strategic leaders for their continued service.

The basic request is that Carlisle Barracks is asking to be included in the D.C. locality pay area. I had the opportunity to listen to the Working Group's comments. We do seem to fit very, very nicely into one of the major items on the Working Group in terms of being surrounded or partially surround by higher locality pay areas.

The big issue with that is to our west is Letterkenny Army Depot, which is in the D.C. locality pay area. NSA and New Cumberland Naval Support Activity, and DLA the Defense Logistics Agency, Mechanicsburg those two installations are to our east. This request has been supported by the Army Staff. The Army War College is a direct reporting unit to the Army Staff.

Also, last night, we sent to [Council staff], and hopefully you all have that, a letter from the Pennsylvania Military Community Enhancement Commission. That's a Pennsylvania Governor's Commission...and is in support of this request to be included in the D.C. locality pay area. Essentially this difference in locality pay is a chronic challenge for Carlisle Barracks. It's a chronic challenge in attracting and retaining a professional and qualified workforce. This is my 5th year as a Deputy Commandant, so I have seen the history of this.

We're in effect an entry point and a training ground for Government service. And quickly I just want to highlight three areas where that occurs and they're critical areas. One of them is in our medical services personnel. Our small clinic here in Dunham has undergone a 100 percent changeover in less than 2 years. I'll touch briefly on our IT personnel as an example and our security personnel as the third example. All these are confirmed by exit interviews whereas when the workforce leaves they cite the fact that they can get better pay elsewhere for the same job. So again, in Dunham Clinic we service a large population of military retirees of over 50,000 people. In less than 2 years, a 100 percent changeover.

The second I'd like to cite again is our IT personnel. As you can imagine we believe we are on the cutting edge of education and education delivery. IT is very important to that. Another service that we provide, not only just to the Army but to the entire joint force in the Department of Defense is our distinct and world class war gaming capability heavily relying on IT personnel. Those well-trained folks enter service here at Carlisle Barracks, and most of them move to New Cumberland or DLA. Likewise, our security personnel for emergency services. That is one of our biggest areas of changeover. For example, right now we have closed one of our gates on the weekends because we can't support the gate with security personnel. It creates a significant and honestly critical challenge to us, and it's very chronic. I'd like to thank the Council for hearing our request...Thank you.

The Council had no questions for Colonel Gallahue.

Southern New Jersey

Note: Under the Council Working Group recommendation (adopted by the full Council) to continue longstanding past practice with respect to use of MSAs and CSAs without exception, locations in the Philadelphia, PA CSA will remain in the Philadelphia locality pay area.

The next speaker addressed the Council:

Good morning members of the Federal Salary Council. Thank you for allowing me the opportunity to speak on behalf of the Federal employees in Southern New Jersey. My name is Jessica Weisman, and I am the Supervisory Senior Resident Agent of the Federal Bureau of Investigation's [FBI's] Atlantic City Resident Agency [(RA)]. I am before you today representing the counties in New Jersey that are not under the New

York-Newark locality pay area. This is a truly unique situation, in the most densely populated state in our nation.

Federal employees in Southern New Jersey are currently facing significant burdens because of being classified in the Philadelphia locality pay area. Atlantic County, which houses most of the Federal agencies within this petition, contains multiple shore towns where the economy has outpaced the locality pay scale by several multiples. This application seeks to narrow this gap by requesting their inclusion into the New York-Newark locality area, which would address the current pay gap for our employees confronted with unique living costs and aid in the recruiting and retention of talent.

By way of background, I have been a Special Agent with the FBI for almost 25 years, all assigned to the Atlantic City RA, which makes me more than qualified to speak on the extreme hardships the inequality in pay has had on the Federal agencies in Southern New Jersey.

As you are aware, this is not our first application to the Federal Salary Council. We first petitioned in 2009 just for Atlantic County, which at the time the pay difference in rates was 6.7 percent. We were denied but asked to provide detailed data on hiring and retention issues, which we did, and in a subsequent application were asked to be part of a project to provide HCI data, which we did compiling detailed information from many Federal agencies in Southern New Jersey, which backed up our claims. Fast forward 12 years from the initial application to today, and not only has the pay difference grown to 8.11 percent, so did our hardships.

As stated, many times by heads of agencies in our application, we are unable to staff our offices with experienced personnel, as even multiple nationwide canvasses yield no applicants. Many of our offices are considered hard to staff offices, so we are forced to rely on new personnel who have no choice in their location. When I was assigned to Southern New Jersey in 1998, I was able to rent, then purchase, a home in Atlantic County in 2001. I was lucky. Now in 2022, it is nearly impossible for any new employee coming to work in Southern New Jersey to find affordable housing as the housing market is dire, and they are forced to reside in depressed areas with high crime rates, or ironically travel from areas in the north that receive the higher pay, as the housing market is more manageable. In addition, the metropolitan statistical analysis for commuter patterns which the Federal Salary Council has relied on in the past for Federal locality pay, is outdated. The COVID-19 pandemic has exacerbated this, as many non-governmental workers have moved out of cities, and work from home, causing further financial distress and a lack of affordable housing for our employees, as we do not have the ability to telework, as most of our petitioners work in Federal law enforcement and military.

The Council has previously stated they strongly endorse the approval of all appropriate pay flexibilities, incentives, and special pay rates for recruiting and retention to agencies in Southern New Jersey. In our application we highlight several agencies including FCI Fairton and the United States 177th Fighter Wing, which have used multiple pay flexibilities and incentives for hiring and retention, yet it has been met with failure. This is because employees who were hired with these incentives, then transfer to the higher pay areas, as they are so closely located within the State of New Jersey.

New Jersey is unique, as many Southern New Jersey offices are within such close proximity of the higher pay areas. The majority of the Atlantic County offices are within 3.72 to 10 miles of the adjacent area of Ocean County and Federal agencies in Camden County are located within 35 miles of the adjacent border. Within the Southern New Jersey area there are an estimated 1,601 GS employees who at the furthest office, is within 32.6 miles except for FCI Fairton which is 41.6 miles and the only location in this petition in Cumberland County.

We seek to additionally address several comments made by members of the Council at the last hearing, so that there is no doubt you will make the right decision for an immediate change. The data behind these points are laid out thoroughly in our application, but to be clear:

- The Council does not need to be concerned about employees “shopping” for better pay in this case—The area of Southern New Jersey is in the State of New Jersey and is adjacent to the higher locality pay area at multiple points. As outlined in our package multiple Federal offices are located less than 10 miles from the higher pay area.
- HCI data supports our application across all grades—It appeared from our last hearing, that several Council members had different interpretations of our HCI data. To be clear, our HCI data, and the written narrative that accompanies it, supports our case across all grades.

In the more than 12 years since the Council rejected our original request for a change, the problems with the current pay disparity have become undeniable, which the Federal Salary Council in recent petitions has acknowledged. We have dedicated countless hours to compiling the anecdotal, testimonial, and statistical data needed to support this application. The small geographic footprint of the area in question means that there are overlapping locality areas in New Jersey—and Federal employees sharing the same costs of living are paid less because they are assigned to an office in the Southern New Jersey area. Our employees are essential to our public safety and national security, and they should not be forced to endure financial and personal hardships just to be able to carry out their daily responsibilities. We are hopeful the members of the Federal Salary Council will take note, accept our application, and recommend the long-needed relief of an immediate change in locality pay for Southern New Jersey to the New York-Newark locality pay area.

Thank you to the Council for allowing Southern New Jersey to be heard.

The Council had no questions for Ms. Weisman.

Matters Pertaining to FBI Agents Nationally

Mr. Ratcliffe noted his understanding that the next speaker’s testimony would go beyond the issue of geographic boundaries and regard issues impacting FBI agents across the country, including pay levels. The next speaker then addressed the Council:

Hi, and thank you for your time. Understanding how long the meeting is, I’ll be respectful and be as short as possible.

I’m Josh Zive, and I’m outside general counsel for the FBI Agents Association (FBIAA)—a position I’ve been lucky to hold for nearly 2 decades. The FBI Agents Association is the only professional organization dedicated solely to representing special agents both in charitable advocacy and legal endeavors. I’m here today to voice the FBIAA support for broad reforms to the locality pay system as well as immediate relief for areas like Southern New Jersey.

There is an urgent need for structural reforms to the locality pay system, and we continue to be thankful for the Federal Salary Council’s voicing of issues related to that and are hopeful that the FSC and other voices will continue to strongly call for changes across the board.

As you are well familiar with, and has been repeated today, Federal workers make 23 percent less than their private sector counterparts by recent pay comparability standards. This is a unique problem for special agents because they are being compared often to state and local police and law enforcement who have

access to unlimited overtime and other benefits, which make the pay comparison even more disparate when you look at their situations.

At the same time that the disparity has increased locality pay has continued to lag. From 1994 through 2021 the effective locality pay increases have been less in every year than what the Pay Agent has called for. These combined factors when put in the current context with inflation and rising costs of living have become a crisis across the board with special agents, but particularly in high-cost areas. We desperately need the Federal Salary Council to speak clearly and unequivocally: There is a need to revise both the comparability processes and for realistic locality pay supplement changes to be adopted. We understand that this will require Congressional action in some cases, but we are hopeful that the Federal Salary Council will call on OPM and the Pay Agent to use all available authorities and discretion in situations where it can be.

One such situation in a specific case where help can be provided and where discretion exists—although we understand it would require you to change the processes—is for Southern New Jersey. As Jessica just spoke to, it is a situation where relief has been sought for over a decade. This Council has recognized the statistical case is clear, and efforts to seek the use of other authorities, which have again been tried for over a decade, have proven to be insufficient.

So, we are hopeful that you will use the discretion available to you to provide relief to a specific case like Southern New Jersey while you call for broader reform that could benefit all special agents and in fact all Federal employees. We appreciate your consideration of these views. We continue to appreciate you reaching out to and including the FBIAA in your deliberations and we're hopeful that we can provide relief to Federal employees who desperately need it. Thank you for your time. I'm happy to answer any questions.

The Council had no questions for Mr. Zive.

U.S. Penitentiary Hazelton/Morgantown, WV

Note: Under the Council Working Group recommendations (adopted by the full Council), the location of concern will remain in the Rest of US locality pay area. The Morgantown-Fairmont, WV CSA is adjacent to the Pittsburgh basic locality pay area. However, it does not meet the employment interchange criterion. Regarding the possibility for establishment as a separate locality pay area, the Morgantown-Fairmont, WV CSA has not been a Rest of US research area to date because GS employment upon initial NCS/OEWS area selection was below 2,500. (The Council agreed earlier in the meeting to request NCS/OEWS salary estimates from BLS for additional areas with fewer than 2,500 GS employees. The Council plans to continue to work with BLS to determine which additional areas can be studied and when.)

The next speaker addressed the Council:

Good morning. My name is Brandon Howard, and I'm the Vice President of AFGE local 420, located at the Federal Correctional Complex Hazelton, WV. We have made previous requests for Preston County, which is located in the Morgantown-Fairmont, WV CSA, to be considered on the Pittsburgh, PA, locality scale. According to the previous data, this area has met all criteria with the exception of the interchange rate requirement. We have fallen short of this requirement due to the geographic layout of the CSA. Due to the vast amount of rural area inside of the CSA, the 7.5 percent interchange rate is not possible to be met.

We're requesting an exception be made in the criteria specifically to the interchange rate. Geographical layout is the only thing that is holding us up. This CSA has three different counties located within its boundaries. The two furthest counties in the CSA are Preston and Marion Counties, WV. There are approximately 60 miles between the centers of the two counties, but air miles between the two points is only 30. That's a large difference. We are currently 57 officers short at Hazelton, WV. We have multiple [employees] leaving by years end, with retirements and transfers to areas that have [higher] locality pay. We have worse problems with recruiting and retention. We have tried to push our management to send up the retention and recruitment incentives, but ultimately they get shot down every single time. Also, we ask that if an exception cannot be made to criteria in Preston County, we would like to be recommended as an area of new study for a locality area. Thank you.

The Council had no questions for Mr. Howard.

Jefferson County, WA

Note: Under the Council Working Group recommendations (adopted by the full Council), the location of concern will remain in the Rest of US locality pay area. Jefferson County, WA, is adjacent to the Seattle basic locality pay area. However, it does not meet the employment interchange criterion for establishment as an area of application.

Mr. Brian Hicks read the following statement into the record.

Congratulations on your appointments to the Federal Salary Council last March. I hope the backlog of Council business isn't too overwhelming. My testimony today is intended to assist in a favorable recommendation for the Federal employees in Jefferson County, WA. I do apologize in advance for any redundant information in the packages submitted. Most of my testimony I am presenting is a summarization of the packages submitted before you. My intent of the packages is to inform the Council of how important the pay gap has become to the Government employees at Naval Magazine Indian Island (NAVMAG) and to show the support from other entities for a favorable outcome. I thank you for the opportunity for me to address the pay inequality before the Council.

I personally have over 32 years of Federal service and over 11 years at NAMAG. NAVMAG is located in Jefferson County, WA, near the town of Port Hadlock, and is under the Navy Region Northwest headquarters located at Naval Base Kitsap-Bangor (or NBK for short) in Silverdale, WA. Jefferson County is unique as it is split in half by the Olympic mountain range, and you have to drive through other counties to access the west side of the county. After NAVMAG was regionalized as part of Region Northwest for cost savings, NAVMAG was aligned such that NBK provides almost all of the support activities and services for NAVMAG, including the badging, civilian Supervision, union representation, housing, and medical care for its active duty military members. NAVMAG GS employees often work side by side with their colleagues from other Region Northwest installations. This occurs because of the nature of the regionalization and close proximity to all other Navy installations in Western Washington. A specific example are the GS-0081 firefighters. NBK firefighters have on occasion been the only personnel manning NAVMAG's fire station. Also, on many occasions NAVMAG firefighters are called upon to man the NBK fire stations due to manning shortages and training requirements.

NAVMAG, NBK Bangor, and Keyport are all in the same battalion. The firefighters at all three installations are part of one larger flexible work force to support each other but NAVMAG firefighters are the lone group experiencing a pay gap regardless of which fire station they may be assigned to work on any given day. Additionally, the NAVMAG Government firefighters also earn 30 percent less than the local Jefferson County fire department and work side by side on mutual aid calls. My IT department is another example, The Region's IT director gives all the regional installations the CNIC HQ instructions and tasks. We go to the same meetings. The IT department works together and travels within the NW region to

provide support to each installations work assignments. All the departments at NAVMAG experience similar situations of working with their counterparts from other Region Northwest installations or being called to other Region Northwest installations. But receiving less pay for identical work.

NAVMAG is the only DOD installation in Western Washington, which lies within the Puget Sound Basin between the Cascade Mountain Range and the Olympic mountain range that is not included in the Seattle-Tacoma locality pay area. Jefferson County borders three other counties (Island, Kitsap, and Mason), which are included in the Seattle-Tacoma pay area. Two of these counties we can visually see from the installation. The pay gap is currently at a 10.4 percent discrepancy between NAVMAG and the other five major military installations in Western Washington. I have enclosed a table of the difference between the Seattle-Tacoma locality and NAVMAG's Rest of US table to show the impact to NAVMAG employees over the years. Government GS pay was frozen from 2010 to 2013. The pay gap for my position stood at \$5,380 in 2013. In 2022, 9 years later, the pay gap is at \$9,626, representing an increase of \$4,246. During 6 of these 9 years the Rest of US percent increase has been substantially lower than the corresponding Seattle-Tacoma locality pay increase.

Another issue is the NAVMAG attrition rate for employees is much higher than the other Region Northwest installations at 32 percent, and there are several issues impacting the workforce and mission capability. Many NAVMAG employees who transferred in recent years cited locality pay as their primary reason for leaving. Also, recruitment is an issue and some positions have taken over a year to fill the selected positions. The top candidate selected will decline the tentative job offer realizing the locality pay is well below that of the neighboring installations. For example, between January 1, 2022, and May 1, 2022, 9 of 12 applicants for job vacancies at NAVMAG after initially accepting the position later declined the position after realizing the pay gap and cost of living in Jefferson County. The cost of living is higher in Jefferson County compared to Kitsap County due to lack of volume and competition. There are no high-volume businesses, no Walmarts, Costcos, or Home Depots in Jefferson County just to name a few. Gas prices today are or were approximately 44 cents per gallon higher in Jefferson County compared to Kitsap County prices. The International Association of Machinists and Aerospace Workers union package also states they found the median home prices in Jefferson County is about \$75,000 more than those in the neighboring Kitsap County.

Although there are different rules, the Non-Appropriated Fund (NAF) pay system petitioned OPM for the pay gap of wages. OPM on October 27, 2000, issued a final ruling, adding NAVMAG to the Kitsap County NAF wage area for two NAF employees assigned. The *Federal Register* (65 FR 64337) for October 27, 2000, is enclosed with the packages highlighted the pay disparities between Jefferson and Kitsap counties. Other pay series have allowed NAVMAG to be included in their area of application. One of the most recent decisions was to include NAVMAG Federal police officers into the Special Salary Rate Table 983Q that NBK Federal police officers were already part of. Retention pay has also been authorized for the NAVMAG firefighters. Although these strategies have been implemented to compensate for the pay disparity, these are not a permanent solution as the overall attrition rate for NAVMAG remains at 32 percent. For these reasons the command at NAVMAG would be better served if a permanent solution would be implemented to provide equal pay for the employees – this will assist the NAVMAG leadership in the future to hire and retain employees to carry out the installation's critical and strategic mission.

NAVMAG's pay inequity also negatively affects the GS Federal employee retirement, Thrift Savings Plan contributions and Social Security benefits by the wage gap.

In closing, NAVMAG is in a unique location and according to our research meets all the Council's criteria with the exception of having 400 GS employees to become an area of application to the Seattle-Tacoma locality. However, the Council has demonstrated on several occasions that the count of GS employees as a threshold required for review did not hinder the Council from determining to include that area in an established pay table. Based on these precedents, the employees of NAVMAG are appealing to the Council to consider exceptions for Jefferson County to be included in the Seattle-Tacoma locality pay area. NAVMAG employees have worked hard to take care of the Government. The employees now hope the Government will reciprocate and take care of them by being included in the FY23 pay cycle.

The Council had no questions for Mr. Hicks.

After confirming there were no more individuals who were scheduled to provide testimony, Chairman Condrey provided the opportunity for public comment.

Agenda Item 5: Public Comment

Chairman Condrey called on individuals who used the “raise hand” feature in Teams to indicate they wished to make comments. The names of those individuals and a record of their comments are provided below.

Mark Miller

Mr. Miller’s remarks were as follows:

My name is Mark Miller, and I’m a Lieutenant and Vice President of Puget Sound Federal Firefighters. Working for Navy Region Northwest on Indian Island, just to kind of piggyback off of what Mr. Hicks was trying to say, we’ve got a major retention problem on Indian Island. Speaking specifically for the firefighters, we have roughly an 80 percent turnover rate, and a lot of that, like Brian mentioned, is because of the locality pay rate. We’ve been trying for the better part of 12 years to go through a Congressional action in the NDAA to fix it, but since we are part of the labor movement and since this would be a broad fix for the island we would just ask that the Federal Salary Council submit to OPM and the President’s Pay Agent on behalf of Indian Island to take a second look at Seattle-based locality pay for Indian Island due to our geographic vicinity to not only with the island but our unique island type structure in the Pacific northwest. As Brian said, we’re partially surrounded by three counties. So, if we can get the Council’s recommendation to OPM and the Pay Agent we would really appreciate it so we could quit losing personnel. Thank you.

Tatum King

Mr. King’s remarks were as follows:

Tatum King—Good morning Council. Thank you very much for letting me speak. I’m with Homeland Security Investigations [HSI] ICE in San Francisco. Three things for the FSC. First, kudos to the FBI and Council for looking at Atlantic City. All Federal agencies in the San Francisco bay area are challenged with filling 1811 positions. HSI has been working on a special salary rate for 2 years beginning November 23, 2020. So, that’s something we’re obviously trying to do but we’re still struggling to get that through because of DHS. It’s not just an HSI problem, it’s FBI, DEA, ATF, and Postal Service. So, that’s one issue. The other thing that I’d like to mention is Redding, CA. We’d ask that you take a look at that for potential locality pay area. The thing about really anywhere in California is that they should not be on Rest of US locality pay. So, that’s point number 2. Point number 3 is looking at a special salary rate. I don’t know if this is legislative or what the response would be for that, but we really do need to figure out how it can automatically keep up with locality pay increases rather than having to redo the special salary rate package every couple of years. Especially this year if we get a higher locality pay rate we know that special salary rates fall behind. Actually, point number 4 is can we look at the San Francisco bay area? I know it’s the highest in the country though, but increasing it because, as some of the other folks mentioned, we cannot compete with the private sector even with the recent layoffs, none of us can compete. This is a frequent issue with the Federal Executive Board whether it’s VA or DHS at large or other DOL, etc. Even with the current locality pay rate, it’s not sufficient, so I just ask the Council to take that into consideration and I welcome any questions.

Katy Crabtree

Good morning, my name is Katy Crabtree. I work for Congressman Derek Kilmer’s Office. Chairman and Council thank you so much for your time today. I just wanted to voice our support for NAVMAG Indian Island. This is an issue the Congressman has been looking to address for several years through legislative means and it’s obviously an issue for us since we see our Naval partners here and employees. So, we appreciate your consideration. Thank you.

Ms. Crabtree was the last individual to provide public comment.

Mr. Allen expressed his appreciation for the Work Council staff had done in preparation for the meeting. He added, “I also appreciate everybody who was able to join this meeting virtually. I think it went very well from my perspective. I really appreciate everybody taking the time the last couple years to keep in contact with us and let us know what their concerns are so we can share them with the Council, so you’re fully informed about everything that we are hearing. I think we’ve almost heard from the four corners of the Continental U.S. in this meeting without anybody having to travel. That’s miraculous! I’d also like to acknowledge that AFGE National President Kelley was able to participate in this meeting. I know he’s been deeply involved in all of the issues affecting Federal employees and now focusing on the Council for the next meeting at the end of October.”

Agenda Item 6: Adjournment

Hearing no further public comments, Chairman Condrey asked for a motion to adjourn. The meeting was adjourned at 11:53 a.m.

CERTIFIED

SIGNED

Dr. Stephen E. Condrey
Chairman