REPORT ON LOCALITY-BASED COMPARABILITY PAYMENTS FOR THE GENERAL SCHEDULE

ANNUAL REPORT
OF
THE PRESIDENT'S PAY AGENT
FOR LOCALITY PAY IN 2021

The President's Pay Agent

Washington, DC
December 17, 2020

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Annual Report on General Schedule Locality-Based Comparability Payments

Section 5304 of title 5, United States Code, requires the President's Pay Agent, composed of the Secretary of Labor, Director of the Office of Management and Budget, and Director of the Office of Personnel Management, to submit a report each year showing the locality-based comparability payments we would recommend for General Schedule (GS) employees *if the adjustments were to be made as specified in the statute*. To fulfill this obligation, this report shows the adjustments that would be required in January 2021 under section 5304, had you not issued an alternative pay plan for January 2021 increases. The alternative plan limits the across-the-board base GS increase to 1.0 percent and holds 2021 locality pay percentages at their 2020 levels. However, we also note that the underlying methodology for locality pay, which relies on a singular locality rate to cover a locality pay area, has lacked credibility since the beginning of locality pay in 1994—to such a degree that the statutory formula for closing pay gaps has been overridden either by Congress or by successive Presidents each and every year since that first year.

We appreciate the contributions of the Federal Salary Council, composed of experts in labor relations and pay policy and of employee organizations representing large numbers of GS employees, to the administration of the locality pay program, including the Council's recommendations for locality pay in 2021, which are included in Appendix I of this report.

We reiterate our appreciation for the recommendation submitted to the Pay Agent in May 2019 by the Chairman and members of the Federal Salary Council, who advised that when the Federal Government administers pay and benefits systems for its dedicated employees, total rewards rather than only base pay should be considered. As noted in our November 2018 report, a Congressional Budget Office (CBO) report issued in April 2017 echoes the findings of many labor economists in identifying a significant overall compensation gap in favor of Federal employees relative to the private sector. CBO identified a 17 percent average compensation premium for Federal workers—with Federal employees receiving on average 47 percent higher benefits and 3 percent higher wages than counterparts in the private sector. While we recognize that the methodologies used by CBO and the Federal Salary Council differ, and that the current locality pay methodology allows the Pay Agent to make distinctions in GS pay levels on a singular geographic basis for each locality pay area, we find that the overall scale of the pay disparities presented to us each year using the current locality pay methodology lacks credibility.

The existing GS classification and pay system rewards longevity over performance and fails to appropriately compensate employees based on mission needs and labor market dynamics. In recognition of this problem, the President's Budget for Fiscal Year 2021 proposes realigning incentives by enhancing performance-based pay and slowing the frequency of tenure-based step increases. However, the Administration cannot achieve sufficient reforms without Congressional action.

Ultimately, we believe there is a need for fundamental legislative reforms of the Federal compensation system. We believe it is imperative to develop performance-sensitive compensation systems that make the Government more citizen-centered, results-oriented, and market-based. We need to empower Federal agencies to better manage, develop, and reward employees in order to better serve the American people.

The President's Pay Agent:

SIGNED

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INTRODUCTION

The Federal Employees Pay Comparability Act of 1990 (FEPCA) replaced the nationwide General Schedule (GS) with a method for setting pay for white-collar employees that uses a combination of across-the-board and location-based pay adjustments. The policy contained in 5 U.S.C. 5301 for setting GS pay is that—

(1) there be equal pay for substantially equal work within each local pay area;

(2) within each local pay area, pay distinctions be maintained in keeping with work and performance distinctions;

(3) Federal pay rates be comparable with non-Federal pay rates for the same levels of work within the same local pay area; and

(4) any existing pay disparities between Federal and non-Federal employees should be completely eliminated.

The across-the-board pay adjustment provides the same percentage increase to the statutory pay systems (as defined in 5 U.S.C. 5302(1)) in all locations. This pay adjustment is linked to changes in the wage and salary component, private industry workers, of the Employment Cost Index (ECI), minus 0.5 percentage points. Locality-based comparability payments for GS employees, which are in addition to the across-the-board increase, are mandated for each locality having a pay disparity between Federal and non-Federal pay of greater than 5 percent. However, the schedule for reducing pay disparities by establishing locality pay adjustments under FEPCA has not been followed through successive Administrations since 1994.

As part of the annual locality pay adjustment process, the Pay Agent prepares and submits a report to the President which—

(1) Compares rates of pay under the General Schedule with rates of pay for non-Federal workers for the same levels of work within each locality pay area, based on surveys conducted by the U.S. Bureau of Labor Statistics;

(2) Identifies each locality in which a pay disparity exists and specifies the size of each pay disparity;

(3) Recommends appropriate comparability payments; and

(4) Includes the views and recommendations of the Federal Salary Council, individual members of the Council, and employee organizations.

The President's Pay Agent consists of the Secretary of Labor and the respective Directors of the Office of Management and Budget (OMB) and Office of Personnel Management (OPM). This report fulfills the Pay Agent's responsibility under 5 U.S.C. 5304(d) and recommends locality pay adjustments that would occur for 2021 only if such adjustments were to be made as specified under 5 U.S.C. 5304. That formula for pay gap closure has not been followed since 1994.

ACROSS-THE-BOARD AND LOCALITY ADJUSTMENTS

Under FEPCA, GS salary adjustments, as of January 1994, consist of two components: (1) a general increase linked to the ECI and applicable to the General Schedule, Foreign Service pay schedules, and certain pay schedules established under title 38, United States Code, for Veterans Health Administration employees; and (2) a GS locality adjustment that applies only to specific areas of the U.S. where non-Federal pay exceeds Federal pay by more than 5 percent.

The formula for the general increase (defined in section 5303 of title 5, United States Code) provides that the pay rates for each statutory pay system be increased by a percentage equal to the 12-month percentage increase in the ECI minus one-half of one percentage point. The
12-month reference period ends with the September preceding the effective date of the adjustment by 15 months.

The ECI reference period for the January 2021 increase is the 12-month period ending September 2019. During that period, the ECI wage and salary component, private industry workers, increased by 3.0 percent. Therefore, the January 2021 general increase would be 2.5 percent (3.0 percent minus 0.5 percentage points).

The locality component of the pay adjustment under FEPCA was to be phased in over a nine-year period. In 1994, the minimum comparability increase was two tenths of the “target” pay disparity (i.e., the amount needed to reduce the pay disparity to 5 percent). For each successive year, the comparability increase was scheduled to be at least an additional one tenth of the target pay disparity. For 2002 and thereafter, the underlying law authorized the full amount necessary to reduce the pay disparity in each locality pay area to 5 percent. However, as stated above, the schedule for reducing pay disparities by establishing locality pay adjustments under FEPCA has not been followed through successive Administrations since 1994.

LOCALITY PAY SURVEYS

FEPCA requires the use of non-Federal salary survey data collected by the U.S. Bureau of Labor Statistics (BLS) to set locality pay. BLS uses information from two of its programs to provide the data. Data from the National Compensation Survey (NCS) are used to estimate how salaries vary by level of work from the occupational average, and Occupational Employment Statistics (OES) data are used to estimate average salaries by occupation in each locality pay area. The process used to combine the data from the two sources is referred to as the *NCS/OES model*.

BLS surveys used for locality pay include collection of salary data from establishments of all employment sizes in private industry and State and local governments. The NCS provides comprehensive measures of employer costs for employee compensation, compensation trends, the incidence of employer-provided benefits among workers, and the provisions of selected employer-provided benefits plans. These statistics are available for selected metropolitan areas, regions, and the Nation. An important component of the NCS is an evaluation of jobs to determine a "work level" or grade for the NCS/OES model. The NCS collects data from a total of 11,400 establishments.

The OES survey measures occupational employment and wage rates of wage and salary workers in non-farm establishments in the 50 States and the District of Columbia. Guam, Puerto Rico, and the U.S. Virgin Islands are also surveyed. About 7.7 million in-scope establishments are stratified within their respective States by sub-state area, size, and industry. Sub-state areas include all officially defined metropolitan statistical areas and, for each State, one or more residual balance-of-State areas. The North American Industry Classification System is used to stratify establishments by industry.

For OES, BLS selects semiannual probability samples, referred to as panels, of approximately 180,000 to 200,000 business establishments, and pools those samples across three years (or six panels) for a total sample of 1.2 million business establishments, in order to have sufficient sample sizes to produce estimates for small estimation cells. Responses are obtained by mail, Internet or other electronic means, email, telephone, or personal visit. For most establishments, OES survey data are placed into 12 wage intervals. The Standard Occupational Classification system (SOC) is used to define occupations. Estimates of occupational employment and occupational wage rates are based on a rolling six-panel (or three-year) cycle.

The industry scope of the data provided to the Pay Agent includes private goods-producing industries (mining, construction, and manufacturing); private service-providing industries (trade; transportation and utilities; information; financial activities; professional and business services; education and health services; leisure and hospitality; and other services); and State and local governments. The Federal Government, private households, and most of the agriculture, forestry, fishing, and hunting sectors were excluded.

Occupational Coverage

BLS surveys all jobs in establishments for the OES program and selects a sample of jobs within establishments for the NCS program. The jobs from the NCS and OES samples are weighted to represent all non-Federal occupations in the location and, based on the crosswalk published in

Appendix VII of the 2002 Pay Agent's report, also represent virtually all GS employees. OPM provided the crosswalk between GS occupational series and the SOC system used by BLS to group non-Federal survey jobs. OPM also provided March 2018 GS employment counts for use in weighting survey job data to higher aggregates.

Regarding the OPM-provided crosswalk between GS occupational series and the SOC system used by BLS to group non-Federal survey jobs, in its April 2020 recommendations the Federal Salary Council recommended that an updated version of the crosswalk based on SOC 2018 be used. We approve that recommendation. The updated crosswalk is provided in Attachment 4 of the Council's April 2020 recommendations and will be reflected in deliveries of BLS data beginning in 2020.

Matching Level of Work

BLS collects information on level of work in the NCS program. In the NCS surveys, BLS field economists cannot use a set list of survey job descriptions because BLS uses a random sampling method and any non-Federal job can be selected in an establishment for leveling (i.e., grading). In addition, it is not feasible for BLS field economists to consult and use the entire GS position classification system to level survey jobs because it would take too long to gather all the information needed and would place an undue burden on survey participants.

To conduct work leveling under the NCS program, OPM developed a simplified four-factor leveling system with job family guides. These guides were designed to provide occupational-specific leveling instructions for the BLS field economists. The four factors were derived and validated by combining the nine factors under the existing GS Factor Evaluation System. The four factors are knowledge, job controls and complexity, contacts, and physical environment. The factors were validated against a wide variety of GS positions and proved to replicate grade levels expressed in written GS position classification standards. We find the work level comparison aspect of the current methodology to be a critically important area for further examination.

The job family guides cover the complete spectrum of white-collar work found in the Government. Appendix VI of the 2002 Pay Agent's report contains the job family leveling guides. BLS does not collect level of work in the OES program. Rather, the impact of grade level on salary is derived from the NCS/OES model.

Combining OES and NCS Data for Locality Pay

In 2008, the Federal Salary Council asked BLS to explore the use of additional sources of pay data so that the Council could better evaluate the need for establishing additional pay localities, especially in areas where the NCS program could not provide estimates of non-Federal pay. In response, a team of BLS research economists investigated the use of data from the OES program in conjunction with NCS data. After careful investigation, the team recommended a regression method combining NCS and OES data as the best approach to producing the non-Federal pay estimates required to compute area pay gaps with OES data. The President's Fiscal Year (FY) 2011 budget proposed replacing the NCS with the NCS/OES model for measuring pay gaps, the Federal Salary Council recommended using the new method in 2012, and the President's Pay Agent adopted the new approach in its May 2013 report for locality pay in 2014.

Regression Method

This section provides a non-technical description of the NCS/OES model. Appendix II of this report contains a BLS paper that provides technical details.

To calculate estimates of pay gaps, the Pay Agent asks BLS to calculate annual wage estimates by area, occupation, and grade level. These estimates are then weighted by National Federal employment to arrive at wage estimates by broad occupation group and grade for each pay area.

There are five broad occupational groups collectively referred to as "PATCO" categories: Professional (P), Administrative (A), Technical (T), Clerical (C), and Officer (O).

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

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

COMPARING GENERAL SCHEDULE AND NON-FEDERAL PAY

How Local Pay Disparities Are Measured

Locality-based comparability payments are a function of local disparities between Federal and non-Federal pay. Pay disparities are measured for each locality pay area by comparing the base GS pay rates of workers paid under the General Schedule pay plan in a geographic area to the annual rates generally paid to non-Federal workers for the same levels of work in the same geographic area. Under the NCS/OES model, BLS models salaries for most non-Federal jobs deemed to match GS positions, as shown in the crosswalk in Appendix VII to the 2002 Pay Agent's report.

Non-Federal pay rates are estimated on a sample basis by BLS area surveys. The pay rate for each non-Federal job is an estimate of the mean straight-time earnings of full-time, non-Federal workers in the job, based on the BLS survey sample. GS rates are determined from Federal personnel records for the relevant populations of GS workers. Each GS rate is the mean scheduled annual rate of pay of all full-time, permanent, year-round GS workers in the relevant group.

The reference dates of OES data vary over the survey cycle for non-Federal salaries. To ensure that local pay disparities are measured as of one common date, it is necessary to "age" the OES survey data to a common reference date before comparing it to GS pay data of the same date. March 2019 is the common reference and comparison date used in this report for 2021 pay adjustments. For the calculation of the salary estimates delivered to the Pay Agent, BLS used appropriate ECI factors to adjust OES salary data from past survey reference periods to March 2019.

Each non-Federal rate is estimated by BLS using the OES mean salary for the occupation/location and factors for level of work derived from the NCS/OES model as shown in the following example:

Table 1

Example of NCS/OES Model Estimates—Procurement Clerks—Washington, DC

	OES Average	GS-4 model estimate	GS-5 model estimate	GS-6 model estimate	GS-7 model estimate	GS-8 model estimate	GS-9 model estimate
Hourly Wage	$25.50	$21.40	$23.70	$26.10	$30.70	$33.90	$37.40
Ratio to OES Average	100%	84%	93%	102%	120%	133%	147%

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.

We use a three-stage weighted average in the pay disparity calculations. In the first stage, job rates from the NCS/OES model are averaged within PATCO category by grade level. The NCS/OES model covers virtually all GS jobs. The model produces occupational wage information for jobs found only in the OES sample for an area. For averaging within PATCO category, each job rate is weighted by the nationwide full-time, permanent, year-round employment[1] in GS positions that match the job. BLS combines the individual occupations within PATCO-grade cells and sends OPM average non-Federal salaries by PATCO-grade categories. The reason for National weighting in the first stage is explained below.

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

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

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

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

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

Finally, the pay disparity is the percentage by which the overall average non-Federal rate exceeds the overall average GS rate.[2] See Appendix III for more detail on pay gaps using the NCS/OES model.

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

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

[2] An equivalent procedure for computing the pay disparity compares aggregate pay rather than average pay, where aggregate pay is defined as the sum across grades of the grade level rate times the GS employment by grade level. In fact, the law defines a pay disparity in terms of a comparison of pay aggregates rather than pay averages (5 U.S.C. 5302(6)). Algebraically, however, the percentage difference between sector aggregates (as defined) is exactly the same as the percentage difference between sector averages.

LOCALITY PAY AREAS

Federal Salary Council Recommendations Regarding Locality Pay Areas

The Council made six recommendations related to locality pay area boundaries for 2021:

1. Chairman Sanders and Council Member Bullock recommended use of updated commuting patterns data in the locality pay program—i.e., commuting patterns data collected by the U.S. Census Bureau between 2011 and 2015 as part of the American Community Survey. Council Members Erwin, Reardon, and Simon supported that recommendation on the condition that the revised Office of Management and Budget (OMB) definitions of Metropolitan Statistical Areas and Combined Statistical Areas contained in OMB Bulletin No. 18-04 (issued September 14, 2018) be used in the locality pay program.

2. The Council recommended continuing to use a three-year measurement period to evaluate Rest of U.S. research areas for possible establishment as new locality pay areas.

3. The Council recommended that no additional Rest of U.S. locations be established as separate locality pay areas for 2021 based on the results of the NCS/OES Model, since no additional Rest of U.S. locations met the statistical test for such establishment. However, several Council Members have noted that the Council has the discretion to recommend additional areas based on information other than (or in addition to) the NCS/OES Model.

4. Chairman Sanders and Council Member Bullock recommended further Council study in Calendar Year 2020 on the question of whether the Pay Agent should adopt the metropolitan statistical areas (MSAs) and combined statistical areas (CSAs) delineated in OMB Bulletin No. 18-04, issued September 14, 2018, for use in the locality pay program. Council Members Erwin, Reardon, and Simon recommended that the Pay Agent adopt those MSAs and CSAs as soon as possible for use in the locality pay program, but with the understanding that in cases where those revised MSAs and CSAs would exclude counties that are otherwise receiving locality pay higher than for Rest of U.S. today, those counties would continue to receive that higher locality pay indefinitely. The Council noted that it would issue an addendum to this report in 2020 on the results of the Council's further study of this issue, with recommendations to the President's Pay Agent, as appropriate.

5. Chairman Sanders and Member Bullock recommended that requests to establish Rest of U.S. areas that do not meet existing criteria for establishment as new locality pay areas or areas of application hereafter be supported with detailed Human Capital Indicator (HCI) data covering Federal agencies in the location of concern. Council Members Erwin, Reardon, and Simon were open to considering HCI data but did not support a requirement that such data be provided. Council Members Erwin, Reardon, and Simon further recommended that the Pay Agent eliminate the GS employment criteria for areas of application.

6. Based on the information currently available to the Council, the Council recommended that none of the geographic areas that contacted Council staff regarding locality pay (listed in Attachment 8 of the Council's April 2, 2020 recommendations) be established as new

locality pay areas or areas of application to existing locality pay areas, with the exception of Wayne County, PA; Olmsted County, MN; and Pine County, MN. As explained below, the Council was not in full agreement regarding what to recommend for those three counties. Regarding those three counties—

- Based on the testimony presented in the Council meeting held on November 5, 2019, Council Members Erwin, Reardon, and Simon recommended waiving the GS employment criterion for Wayne County, PA; Olmsted County, MN; and Pine County, MN (and establishing Wayne County as an area of application to the New York locality pay area and Olmsted and Pine Counties as areas of application to the Minneapolis locality pay area).
- Chairman Sanders and Council Member Bullock supported that recommendation with regard to Wayne County, since it reportedly would meet the GS employment threshold if all of its authorized and funded vacancies were filled. However, for Olmsted and Pine Counties, Chairman Sanders and Member Bullock recommended that the Pay Agent provide the Council the opportunity to study any HCI data Federal agencies in these locations may submit in 2020.
- The Council Members were in agreement that they would continue to study other locations that (a) have petitioned the Council to become a new locality pay area or area of application, but (b) do not meet the current statistical criteria for such establishment, to include consideration of witness testimony and other qualitative and quantitative evidence, during the Council's CY 2020 deliberations.

The Pay Agent addresses this set of six recommendations below.

1. *For analytic purposes, we support the use of commuting patterns data collected by the U.S. Census Bureau between 2011 and 2015 as part of the American Community Survey. However, any changes in the boundaries of locality pay areas that would result from the use of such data in the future must be subject to appropriate rulemaking.*

   Since December 2016, the Council's recommendations for establishing areas of application have been based on employment interchange rates calculated using commuting patterns data collected by the U.S. Census Bureau between 2009 and 2013 as part of the American Community Survey (ACS). The Census Bureau has since issued updated commuting patterns data collected as part of the ACS between 2011 and 2015.

   We agree with Chairman Sanders and Council Member Bullock that it is appropriate to use the updated commuting patterns data in the locality pay program. However, as with any potential changes in locality pay area boundaries, any future changes in locality pay area boundaries that would result from the use of such data will be subject to appropriate rulemaking.

2. *We agree with the Council that it should continue to use a 3-year measurement period to evaluate "Rest of U.S." research areas for possible establishment as new locality pay areas.*

We approve this Council recommendation and appreciate the Council's thorough consideration and the BLS research that supported the Council on this issue.

3. *We agree with the Council that NCS/OES Model results do not indicate that any additional Rest of U.S. research areas should be approved at this time for establishment as new locality pay areas.*

The Council is now monitoring pay disparities in 38 research areas not approved for establishment as separate locality pay areas. The Council compared the pay disparities for those areas to the Rest of U.S. pay disparity over the three-year period 2017-2019. None of the pay disparities for the 38 research areas exceeded that for the Rest of U.S. locality pay area by 10 percentage points or more on average over the three-year period studied, which in recent years has been the threshold for triggering a recommendation from the Council to the Pay Agent to establish a research area as a new locality pay area.

We also note that the Council plans further study in Calendar Year 2020 on the question of whether the GS employment threshold (2,500 or more GS employees) should change for studying Rest of U.S. research areas with the NCS/OES Model. We look forward to seeing the Council's recommendations on that issue.

4. *We appreciate the Council's careful consideration of the issue of whether updated OMB-defined MSAs and CSAs should be used in the locality pay program. Pending further Council study of this issue, the geographic definitions of locality pay area boundaries will continue to be based on the MSAs and CSAs delineated in OMB Bulletin No. 18-03.*

OMB-defined metropolitan areas have been the basis for locality pay area boundaries since locality pay was implemented in 1994. However, OMB does not delineate MSAs and CSAs specifically for use in the locality pay program or any other non-statistical program and has cautioned other agencies to review MSA and CSA delineations carefully before using them for non-statistical purposes—such as administering the locality pay program.

The impact that use of the latest MSA/CSA delineations would have on the Columbus-Auburn-Opelika, GA-AL CSA serves as a good example of why those delineations should not be used without careful consideration. Due to changes in the geographic boundaries of the Atlanta and Columbus CSAs, the Columbus CSA would now meet both the employment interchange criterion and the GS employment criterion to be included in the Atlanta locality pay area as an area of application. However, the Columbus CSA is a Rest of U.S. research area, and its pay disparity was below the pay disparity for the Rest of U.S. over the three-year period 2017-2019. With the current pay comparison process and salary data it uses showing a lesser pay disparity for Columbus than for the Rest of U.S., in the absence of additional data we see no reason for adding the Columbus CSA to the Atlanta locality pay area.

The example of the Columbus CSA shows it is possible for the current salary survey/pay comparison methodology to produce a pay disparity that is at odds with the results of using updated MSAs/CSAs and employment interchange data. Regarding locations for which we do not have data to calculate pay disparities, the current absence of such data is not a good

reason in our view to treat such areas differently from the Columbus CSA with respect to applying updated MSA and CSA definitions. On the contrary, the absence of pay disparity data or other data beyond commuting patterns data or MSA and CSA definitions may be a good reason *not* to make changes in locality pay area designations based on those data. However, as further discussed below, we regard the use of HCI data as proposed by some members of the Council as a promising new avenue of research. Such data could be useful in defining pay areas in the future.

5. *We regard the use of HCI data proposed by the Council's Expert members as a promising new avenue of research for purposes of evaluating the current salary survey and pay comparison methodology. To the extent agencies have the resources available to provide data to support such research, we encourage the Council to continue testing the use of HCIs and the data collection tool proposed in the Council's recommendations. However, we note that current law does not provide the authority to establish locality pay percentages based on HCI data.*

In our December 2019 report, we agreed that requests to establish new locality pay areas or areas of application for locations not meeting the locality pay program's current criteria should be supported by human capital data collected and compiled in a consistent manner. We added that such data should—

- Cover all Federal agencies in the location of concern and having positions receiving GS locality pay;
- Be compiled by and coordinated among those agencies, using a process similar to that used for title 5 GS special rate requests; and
- Include the extent to which pay and leave flexibilities have been used and the results of such use.

In response, some members of the Council developed the draft instrument in Attachment 7 of the Council's April 2020 recommendations.

We appreciate the Council's continuing efforts with regard to the possible use of HCIs in the locality pay program. We understand that the Council Chairman has asked that groups from certain areas submit HCI data to the Council as a test of the Council's proposed HCI tool. We regard this as a promising new avenue of research and look forward to the Council presenting further analyses of HCIs to determine if such indicators could be beneficial. For example, perhaps HCIs could supplement or replace the longstanding practice of using OMB-defined metropolitan areas as the basis for locality pay area boundaries.

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. Federal agencies have considerable discretionary authority to provide pay and leave flexibilities to address such problems. Information on these flexibilities is posted on the OPM website at http://www.opm.gov/policy-data-

oversight/pay-leave/pay-and-leave-flexibilitiesfor-recruitment-and-retention. The extent of recruitment and retention problems in a geographic area can vary significantly by occupation and work level. These flexibilities provide agencies with the opportunity to apply targeted solutions to significant recruitment and retention problems. Locality pay, by contrast, is designed to provide a single percentage of base GS rates for all occupations and work levels.

6. *We do not approve waiving the GS employment criterion for Wayne County, PA; Olmsted County, MN; or Pine County, MN.*

The Pay Agent has used a GS employment criterion since locality pay began in 1994. While the Council under the previous Administration recommended for several years that the criterion be eliminated, the GS employment criterion is useful in that it identifies whether there is a major Federal employer in a location under consideration to become an area of application, which in turn may indicate that the location has a substantial employment base sufficient to draw significant numbers of candidates for employment who reside in the adjacent locality pay area. In the past, the Pay Agent has suggested that the Council consider recommending other criteria that could be used if the GS employment criterion were to be eliminated or reduced.

While we understand the point that an area's GS employment could be below the GS employment threshold due to vacancies and that such may be the case with respect to Wayne County, PA, we do not know how many similarly situated locations there may be, or if agencies actually intend to fill vacant positions. It has been the practice in the locality pay program to apply criteria consistently for all locations in the country. We therefore ask that the Council revisit its recommendation through further analysis of the potential impact of including vacant positions in addition to encumbered positions to meet the established GS employment threshold.

Perhaps the use of HCIs could also be considered for use in supporting any future Council recommendations to waive the GS employment criterion. However, we note that some locality pay areas are already very large, and a number of commenters on past proposed regulations defining locality pay areas have opposed the creation of areas of application. As with any further changes in locality pay area boundaries based on updates to MSA and CSA definitions, the impact of creating additional areas of application would need to be considered carefully.

Locality Pay Areas for 2021

In our December 2019 report we tentatively approved establishment of a new Des Moines, IA, locality pay area and addition of Imperial County, CA, to the Los Angeles locality pay area as an area of application. However, until appropriate rulemaking procedures are finalized to make those changes, locality pay areas for 2021 will continue to be defined as follows:

(1) Alaska—consisting of the State of Alaska;

(2) Albany-Schenectady, NY-MA—consisting of the Albany-Schenectady, NY CSA and also including Berkshire County, MA;

(3) Albuquerque-Santa Fe-Las Vegas, NM—consisting of the Albuquerque-Santa Fe-Las Vegas, NM CSA and also including McKinley County, NM;

(4) Atlanta—Athens-Clarke County—Sandy Springs, GA-AL—consisting of the Atlanta—Athens-Clarke County—Sandy Springs, GA CSA and also including Chambers County, AL;

(5) Austin-Round Rock, TX—consisting of the Austin-Round Rock, TX MSA;

(6) Birmingham-Hoover-Talladega, AL—consisting of the Birmingham-Hoover-Talladega, AL CSA and also including Calhoun County, AL;

(7) Boston-Worcester-Providence, MA-RI-NH-ME—consisting of the Boston-Worcester-Providence, MA-RI-NH-CT CSA, except for Windham County, CT, and also including Androscoggin County, ME, Cumberland County, ME, Sagadahoc County, ME, and York County, ME;

(8) Buffalo-Cheektowaga, NY—consisting of the Buffalo-Cheektowaga, NY CSA;

(9) Burlington-South Burlington, VT—consisting of the Burlington-South Burlington, VT MSA;

(10) Charlotte-Concord, NC-SC—consisting of the Charlotte-Concord, NC-SC CSA;

(11) Chicago-Naperville, IL-IN-WI—consisting of the Chicago-Naperville, IL-IN-WI CSA;

(12) Cincinnati-Wilmington-Maysville, OH-KY-IN—consisting of the Cincinnati-Wilmington-Maysville, OH-KY-IN CSA and also including Franklin County, IN;

(13) Cleveland-Akron-Canton, OH—consisting of the Cleveland-Akron-Canton, OH CSA and also including Harrison County, OH;

(14) Colorado Springs, CO—consisting of the Colorado Springs, CO MSA and also including Fremont County, CO, and Pueblo County, CO;

(15) Columbus-Marion-Zanesville, OH—consisting of the Columbus-Marion-Zanesville, OH CSA;

(16) Corpus Christi-Kingsville-Alice, TX—consisting of the Corpus Christi-Kingsville-Alice, TX CSA;

(17) Dallas-Fort Worth, TX-OK—consisting of the Dallas-Fort Worth, TX-OK CSA and also including Delta County, TX;

(18) Davenport-Moline, IA-IL—consisting of the Davenport-Moline, IA-IL CSA;

(19) Dayton-Springfield-Sidney, OH—consisting of the Dayton-Springfield-Sidney, OH CSA and also including Preble County, OH;

(20) Denver-Aurora, CO—consisting of the Denver-Aurora, CO CSA and also including Larimer County, CO;

(21) Detroit-Warren-Ann Arbor, MI—consisting of the Detroit-Warren-Ann Arbor, MI CSA;

(22) Harrisburg-Lebanon, PA—consisting of the Harrisburg-York-Lebanon, PA CSA, except for Adams County, PA, and York County, PA, and also including Lancaster County, PA;

(23) Hartford-West Hartford, CT-MA—consisting of the Hartford-West Hartford, CT CSA and also including Windham County, CT, Franklin County, MA, Hampden County, MA, and Hampshire County, MA;

(24) Hawaii—consisting of the State of Hawaii;

(25) Houston-The Woodlands, TX—consisting of the Houston-The Woodlands, TX CSA and also including San Jacinto County, TX;

(26) Huntsville-Decatur-Albertville, AL—consisting of the Huntsville-Decatur-Albertville, AL CSA;

(27) Indianapolis-Carmel-Muncie, IN—consisting of the Indianapolis-Carmel-Muncie, IN CSA and also including Grant County, IN;

(28) Kansas City-Overland Park-Kansas City, MO-KS—consisting of the Kansas City-Overland Park-Kansas City, MO-KS CSA and also including Jackson County, KS, Jefferson County, KS, Osage County, KS, Shawnee County, KS, and Wabaunsee County, KS;

(29) Laredo, TX—consisting of the Laredo, TX MSA;

(30) Las Vegas-Henderson, NV-AZ—consisting of the Las Vegas-Henderson, NV-AZ CSA;

(31) Los Angeles-Long Beach, CA—consisting of the Los Angeles-Long Beach, CA CSA and also including Kern County, CA, San Luis Obispo County, CA, and Santa Barbara County, CA;

(32) Miami-Fort Lauderdale-Port St. Lucie, FL—consisting of the Miami-Fort Lauderdale-Port St. Lucie, FL CSA and also including Monroe County, FL;

(33) Milwaukee-Racine-Waukesha, WI—consisting of the Milwaukee-Racine-Waukesha, WI CSA;

(34) Minneapolis-St. Paul, MN-WI—consisting of the Minneapolis-St. Paul, MN-WI CSA;

(35) New York-Newark, NY-NJ-CT-PA—consisting of the New York-Newark, NY-NJ-CT-PA CSA and also including all of Joint Base McGuire-Dix-Lakehurst;

(36) Omaha-Council Bluffs-Fremont, NE-IA—consisting of the Omaha-Council Bluffs-Fremont, NE-IA CSA;

(37) Palm Bay-Melbourne-Titusville, FL—consisting of the Palm Bay-Melbourne-Titusville, FL MSA;

(38) Philadelphia-Reading-Camden, PA-NJ-DE-MD—consisting of the Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA, except for Joint Base McGuire-Dix-Lakehurst;

(39) Phoenix-Mesa-Scottsdale, AZ—consisting of the Phoenix-Mesa-Scottsdale, AZ MSA;

(40) Pittsburgh-New Castle-Weirton, PA-OH-WV—consisting of the Pittsburgh-New Castle-Weirton, PA-OH-WV CSA;

(41) Portland-Vancouver-Salem, OR-WA—consisting of the Portland-Vancouver-Salem, OR-WA CSA;

(42) Raleigh-Durham-Chapel Hill, NC—consisting of the Raleigh-Durham-Chapel Hill, NC CSA and also including Cumberland County, NC, Hoke County, NC, Robeson County, NC, Scotland County, NC, and Wayne County, NC;

(43) Richmond, VA—consisting of the Richmond, VA MSA and also including Cumberland County, VA, King and Queen County, VA, and Louisa County, VA;

(44) Sacramento-Roseville, CA-NV—consisting of the Sacramento-Roseville, CA CSA and also including Carson City, NV, and Douglas County, NV;

(45) San Antonio-New Braunfels-Pearsall, TX—consisting of the San Antonio-New Braunfels-Pearsall, TX CSA;

(46) San Diego-Carlsbad, CA—consisting of the San Diego-Carlsbad, CA MSA;

(47) San Jose-San Francisco-Oakland, CA—consisting of the San Jose-San Francisco-Oakland, CA CSA and also including Monterey County, CA;

(48) Seattle-Tacoma, WA—consisting of the Seattle-Tacoma, WA CSA and also including Whatcom County, WA;

(49) St. Louis-St. Charles-Farmington, MO-IL—consisting of the St. Louis-St. Charles-Farmington, MO-IL CSA;

(50) Tucson-Nogales, AZ—consisting of the Tucson-Nogales, AZ CSA and also including Cochise County, AZ;

(51) Virginia Beach-Norfolk, VA-NC—consisting of the Virginia Beach-Norfolk, VA-NC CSA;

(52) Washington-Baltimore-Arlington, DC-MD-VA-WV-PA—consisting of the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA CSA and also including Kent County, MD, Adams County, PA, York County, PA, King George County, VA, and Morgan County, WV; and

(53) Rest of U.S.—consisting of those portions of the United States and its territories and possessions as listed in 5 CFR 591.205 not located within another locality pay area.

Component counties of the MSAs and CSAs comprising basic locality pay areas are listed in OMB Bulletin No. 18-03, which can be found at https://www.whitehouse.gov/wp-content/uploads/2018/04/OMB-BULLETIN-NO.-18-03-Final.pdf.

PAY DISPARITIES AND COMPARABILITY PAYMENTS

It is important to emphasize that the underlying methodology for locality pay of relying on one singular locality rate covering a locality pay area has lacked credibility since the beginning of locality pay in 1994 to such a degree that the statutory formula for closing pay gaps has been overridden either by Congress or by successive Presidents each and every year since that first year. However, the pay disparities listed below fulfill the statutory requirement to submit a report each year showing the locality-based comparability payments the Pay Agent would recommend for GS employees if the adjustments were to be made as specified in the statute.

Table 2, below, lists the pay disparity based on the current NCS/OES model for each current pay locality and Des Moines, IA, a tentatively planned locality pay area, as mentioned above. Table 2 also derives the recommended local comparability payments under 5 U.S.C. 5304(a)(3)(I) for 2021 based on the pay disparities, and it shows the disparities that would remain if the recommended payments were adopted.

The law requires comparability payments only in localities where the pay disparity exceeds 5 percent. The goal in 5 U.S.C 5304(a)(3)(I) was to reduce local pay disparities to no more than 5 percent over a nine-year period. The "Disparity to Close" shown in Table 2 represents the pay disparity to be closed in each area based on the 5 percent remaining disparity threshold. The "Locality Payment" shown in the table represents 100 percent of the disparity to close. The last column shows the pay disparity that would remain in each area if the indicated payments were made. For example, in Atlanta, the 47.89 percent pay disparity would be reduced to 5.00 percent if the locality rate were increased to 40.85 percent (147.89 / 140.85 - 1 rounds to 5 percent).

Table 2
Local Pay Disparities and 2021 Comparability Payments

Locality	1-Pay Disparity	2-Disparity to Close and Locality Payment	3-Remaining Disparity	Locality	1-Pay Disparity	2-Disparity to Close and Locality Payment	3-Remaining Disparity
Alaska	67.24%	59.28%	5.00%	Indianapolis	37.73%	31.17%	5.00%
Albany	52.26%	45.01%	5.00%	Kansas City	42.24%	35.47%	5.00%
Albuquerque	42.57%	35.78%	5.00%	Laredo	79.21%	70.68%	5.00%
Atlanta	47.89%	40.85%	5.00%	Las Vegas	48.19%	41.13%	5.00%
Austin	48.93%	41.84%	5.00%	Los Angeles	78.87%	70.35%	5.00%
Birmingham	41.97%	35.21%	5.00%	Miami	42.86%	36.06%	5.00%
Boston	69.73%	61.65%	5.00%	Milwaukee	37.75%	31.19%	5.00%
Buffalo	46.52%	39.54%	5.00%	Minneapolis	58.57%	51.02%	5.00%
Burlington	50.42%	43.26%	5.00%	New York	77.39%	68.94%	5.00%
Charlotte	47.62%	40.59%	5.00%	Omaha	40.45%	33.76%	5.00%
Chicago	54.56%	47.20%	5.00%	Palm Bay	35.96%	29.49%	5.00%
Cincinnati	41.53%	34.79%	5.00%	Philadelphia	62.16%	54.44%	5.00%
Cleveland	40.75%	34.05%	5.00%	Phoenix	49.89%	42.75%	5.00%
Colorado Springs	47.22%	40.21%	5.00%	Pittsburgh	45.09%	38.18%	5.00%
Columbus	49.72%	42.59%	5.00%	Portland	51.43%	44.22%	5.00%
Corpus Christi	35.51%	29.06%	5.00%	Raleigh	45.26%	38.34%	5.00%
Dallas	57.70%	50.19%	5.00%	Rest of U.S.	32.43%	26.12%	5.00%
Davenport	45.06%	38.15%	5.00%	Richmond	48.76%	41.68%	5.00%

Locality	1-Pay Disparity	2-Disparity to Close and Locality Payment	3-Remaining Disparity	Locality	1-Pay Disparity	2-Disparity to Close and Locality Payment	3-Remaining Disparity
Dayton	48.31%	41.25%	5.00%	Sacramento	63.78%	55.98%	5.00%
Denver	65.94%	58.04%	5.00%	St. Louis	47.76%	40.72%	5.00%
Des Moines	43.23%	36.41%	5.00%	San Antonio	47.03%	40.03%	5.00%
Detroit	54.08%	46.74%	5.00%	San Diego	76.97%	68.54%	5.00%
Harrisburg	48.61%	41.53%	5.00%	San Jose	92.67%	83.50%	5.00%
Hartford	60.73%	53.08%	5.00%	Seattle	74.63%	66.31%	5.00%
Hawaii	53.53%	46.22%	5.00%	Tucson	39.63%	32.98%	5.00%
Houston	66.37%	58.45%	5.00%	Virginia Beach	45.45%	38.52%	5.00%
Huntsville	50.05%	42.90%	5.00%	Washington, DC	77.07%	68.64%	5.00%

Average Locality Rate

The average locality comparability rate in 2021, using the basic GS payroll as of March 2019 to weight the individual rates, would be 48.39 percent under the methodology used for this report (based on the disparity to close). The average rate authorized in 2019 was 22.97 percent using 2019 payroll weights. The locality rates included in this report would represent a 20.67 percent average pay increase over 2019 locality rates.

Overall Remaining Pay Disparities

The full pay disparities contained in this report average 55.81 percent using the basic GS payroll to weight the local pay disparities. However, this calculation excludes existing locality payments. When the existing locality payments (i.e., those paid in 2019) are included in the comparison, the overall remaining pay disparity as of March 2019 was (155.81/122.97-1), or 26.71 percent. Table 3, below, shows the overall remaining pay disparity in each of the 53 current and 1 tentatively planned locality pay areas as of March 2019.

Table 3
Remaining Pay Disparities in 2019

Locality Pay Area	Remaining Disparity (Percent)	Locality Pay Area	Remaining Disparity (Percent)
Alaska	29.75%	Kansas City	21.99%
Albany	29.93%	Laredo	51.59%
Albuquerque	22.69%	Las Vegas	26.61%
Atlanta	21.58%	Los Angeles	36.05%
Austin	26.79%	Miami	16.03%
Birmingham	22.63%	Milwaukee	14.24%
Boston	32.32%	Minneapolis	27.88%
Buffalo	22.44%	New York	33.32%
Burlington	29.47%	Omaha	21.21%
Charlotte	26.40%	Palm Bay	16.87%
Chicago	20.70%	Philadelphia	29.42%
Cincinnati	17.74%	Phoenix	25.33%
Cleveland	16.85%	Pittsburgh	22.07%
Colorado Springs	25.63%	Portland	22.98%
Columbus	25.32%	Raleigh	21.06%

Locality Pay Area	Remaining Disparity (Percent)	Locality Pay Area	Remaining Disparity (Percent)
Corpus Christi	16.81%	Rest of U.S.	14.49%
Dallas	26.96%	Richmond	24.61%
Davenport	24.53%	Sacramento	30.41%
Dayton	25.04%	St. Louis	26.24%
Denver	31.39%	San Antonio	26.67%
Des Moines	23.83%	San Diego	37.40%
Detroit	21.50%	San Jose	37.28%
Harrisburg	27.40%	Seattle	38.55%
Hartford	24.72%	Tucson	19.67%
Hawaii	29.04%	Virginia Beach	25.49%
Houston	25.52%	Washington, DC	36.92%
Huntsville	25.90%	**Average**	**26.71%**
Indianapolis	18.15%		

COST OF LOCALITY PAYMENTS

Estimating the Cost of Locality Payments

We estimate the cost of locality payments using OPM records of Federal employees in locality pay areas as of March 2019 who are covered by the General Schedule or other pay plan to which locality pay has been extended, together with the percentage locality payments from Table 2 above. The estimate assumes that the average number and distribution of employees (by locality, grade, and step) in 2021 will not differ substantially from the number and distribution in March 2019. The estimate does not include increases in premium pay costs or Government contributions for retirement, life insurance, or other employee benefits that may be attributed to locality payments. It also accounts for cost offsets in the non-foreign areas where cost-of-living allowance payments are reduced as locality pay is phased in and for the impact of statutory pay caps on payable rates.

Cost estimates are derived as follows. First, we determine either the regular GS base rate or any applicable special rate as of 2019 for each employee. These rates were adjusted for the 2.6-percent across-the-board base GS increase in January 2020, plus a 1.0 percent across-the-board base GS increase that would take effect in January 2021 absent another provision of law. Annual rates are converted to expected annual earnings by multiplying each annual salary by an appropriate work schedule factor.[3] The "gross locality payment" is computed by multiplying expected annual earnings from the GS base rate by the proposed locality payment percentage for the employee's locality pay area and applying the applicable locality pay cap if necessary. The sum of these gross locality payments is the cost of locality pay before offset by special rates.

For employees receiving a special rate, the gross locality payment is compared to the amount by which the special rate exceeds the regular rate. This amount is the "cost" of any special rate. If the gross locality payment is less than or equal to the cost of any special rate, the net locality payment is zero. In this case, the locality payment is completely offset by an existing special rate. If the gross locality payment is greater than the cost of any special rate, the net locality payment is equal to the gross locality payment minus the special rate. In this case, the locality payment is partially offset. The sum of the net locality payments is the estimated cost of local comparability payments.

Estimated Cost of Locality Payments in 2021

Table 4, below, compares the cost of estimated baseline 2020 locality pay rates to those that would be authorized in 2021 under 5 U.S.C. 5304(a)(3)(I), as identified above in Table 2. The "2020 Baseline" cost would be the cost of locality pay rates in 2021 if the locality percentages were not to be increased.

The "2021 Locality Pay" columns show what the total locality payments would be and the net increase in 2021. The "2021 Increase" column shows the 2021 total payment minus the 2020 baseline—i.e., the increase in locality payments in 2021 attributable to higher locality pay

[3] The work schedule factor equals 1 for full-time employees and one of several values less than 1 for the several categories of non-full-time employees.

percentages. Based on the assumptions outlined above, we estimate the total cost attributable to the locality rates shown in Table 2 over rates currently in effect to be about $20.894 billion on an annual basis. This amount does not include the cost of benefits affected by locality pay raises.

This cost estimate excludes 2,056 records (out of 1.4 million) of white-collar workers which were unusable because of errors. Many of these employees may receive locality payments. Including these records would add about $31 million to the net cost of locality payments. The cost estimate also excludes a locality pay cost of about $442 million net of cost-of-living allowance offsets for white-collar employees in Alaska, Hawaii, and the other non-foreign areas under the Non-Foreign Area Retirement Equity Assurance Act of 2009 that extended locality pay to employees in the non-foreign areas.

The cost estimate covers only GS employees and employees covered by pay plans that receive locality pay by action of the Pay Agent. However, the cost estimate excludes members of the Foreign Service because the U.S. Department of State no longer reports these employees to OPM. The estimate also excludes the cost of pay raises for employees under other pay systems that may be linked in some fashion to locality pay increases. These other pay systems include the Federal Wage System for blue-collar workers, under which pay raises often are capped or otherwise affected by increases in locality rates for white-collar workers; pay raises for employees of the Federal Aviation Administration, and other agencies that have independent authority to set pay; and pay raises for employees covered by various demonstration projects. The cost estimate also excludes the cost of benefits affected by pay raises.

Table 4
Cost of Local Comparability Payments in 2021 (in billions of dollars)

Cost Component	2020 Baseline	2021 Locality Pay	
		Total Payments	2021 Increase
Gross locality payments	$21.877	$43.310	$21.433
Special rates offsets	$1.036	$1.575	$0.539
Net locality payments	$20.841	$41.735	$20.894

RECOMMENDATIONS OF THE FEDERAL SALARY COUNCIL AND EMPLOYEE ORGANIZATIONS

The Federal Salary Council's deliberations and recommendations have had an important and constructive influence on the findings and recommendations of the Pay Agent. The Council's recommendations developed in the November 5, 2019, Council meeting appear in Appendix I of this report. The members of the Council at that meeting were:

Dr. Ronald P. Sanders, DPA	Chairman, Federal Salary Council Director and Clinical Professor School of Public Affairs University of South Florida
Ms. Katja Bullock	Expert
Mr. Randy Erwin	National President National Federation of Federal Employees
Mr. Anthony M. Reardon	National President National Treasury Employees Union
Ms. Jacqueline Simon	Public Policy Director American Federation of Government Employees

The Council's recommendations were provided to a selection of organizations not represented on the Council. Those organizations were asked to send comments for inclusion in this report. Comments received appear in Appendix IV of this report.