

Federal Salary Council Meeting Minutes
Meeting Number 23-1
November 14, 2023

The [Federal Salary Council](#) held a meeting hosted by the U.S. Office of Personnel Management (OPM) on November 14, 2023, after providing [advance notice](#) of the meeting in the *Federal Register*. 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
Dr. Everett Kelley	Employee Organization Representative, National President, American Federation of Government Employees
Ms. Jacqueline Simon	Employee Organization Representative, American Federation of Government Employees
Mr. Patrick J. Yoes	Employee Organization Representative, National President, Fraternal Order of Police
Mr. David J. Holway	Employee Organization Representative, National President, National Association of Government Employees
Mr. Randy Erwin	Employee Organization Representative, National President, National Federation of Federal Employees

About 100 members of the public also attended the meeting, including 5 representatives of the media and 1 staff member from the office of Senator Lindsey Graham.

Agenda Item 1: Introductions and Announcements / Minutes from Previous Meeting

At 10:01 a.m. Eastern Standard Time, Chairman Condrey asked Mr. Mark Allen, OPM Pay Systems Manager, to start the meeting.

Designated Federal Officer's Opening Remarks

Mr. Allen introduced himself as Designated Federal Officer 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 noted that OPM provides staff support to the Council members but does not itself hold membership on the Council or develop the Council's 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 2025. 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 the Council recommendations would be sent to the [President's Pay Agent](#) once finalized.

Mr. Allen noted that documenting approval of the minutes from the Council's most recent previous meeting (held on October 28, 2022) was the next item on the agenda. After taking a few minutes for its members to introduce themselves briefly, the Council officially approved those minutes.

Mr. Allen noted that the National Treasury Employees Union (NTEU) did not currently have representation on the Council but had continued its support of the Council Working Group pending a new appointment to the Council. He added that Ms. Doreen Greenwald, National President, attended in a non-voting capacity and was accompanied by Mr. Steve Keller, NTEU Senior Counsel for Compensation. He then turned the floor over to Chairman Condrey. Chairman Condrey then 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

Mr. Michael Lettau of the U.S. Bureau of Labor Statistics, Office of Compensation and Working Conditions provided the following report.

I am Michael Lettau 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 [BLS] 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 [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 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 2023 delivery, the BLS produced PATCO estimates for 115 areas. This included estimates for both current locality pay areas and for research areas of interest to the Federal Salary Council. The research areas included ten areas that have now been added to the standard delivery of PATCO estimates. The PATCO estimates are based on OMB Core Based Statistical Area definitions and include any Areas of Application in the area's definition.

The PATCO estimates for the 2023 delivery also continued to use the Federal employment weight file based on the 2018 version of the Standard Occupational Classification system. As in prior years, BLS provided separate estimates including and excluding the effect of workers who receive incentive payments.

Beginning with last year's delivery, the PATCO estimates are 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 describes the benefits of the new procedure, and a Survey Methods and Reliability Statement, available on the BLS web site, gives the technical details for the procedure. This model-based

method improves both the accuracy and reliability of the PATCO estimates for annual wages.

Also, BLS delivered two sets of estimates for the 2023 delivery. The second set of estimates uses NCS sample weights that better represent the number of workers in each occupation that BLS samples. The BLS recommends these estimates as an improvement to the PATCO estimation methodology.

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

Chairman Condrey asked if the Council had any questions on Mr. Lettau's presentation. Hearing none, 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, Issues 1-5

At the Chairman's request, Mr. Joe Ratcliffe, OPM Senior Compensation Analyst, read the Council Working Group report. The reading was divided so that Mr. Ratcliffe paused in his reading after reading up through Issue 5 from the report, and then the Council heard previously scheduled testimony from the public (Agenda Item 4). Once that testimony concluded, Mr. Ratcliffe resumed his reading of the report (Agenda Item 5).

Mr. Ratcliffe stopped after reading each Working Group recommendation, and Chairman Condrey then asked the Council members to indicate whether they wanted to adopt the Working Group recommendation. The Council unanimously accepted the Working Group's recommendations on Council Decision Points 1-5, as indicated below.

- Council Decision Point 1: Should the Council recommend the locality pay rates for 2025 for current locality pay areas, using the NCS/OEWS Model results shown in Attachment 1 of the Working Group report?
 - ◇ Working Group recommends doing so.
 - ◇ Council recommendation? Agreed with Working Group.
- 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 not doing so. Further, we recommend the Council work with BLS in 2024 to identify options for addressing anomalous non-Federal salary estimates.
- ◇ Council recommendation? Agreed with Working Group.
- Council Decision Point 3: Should any new locations listed in Attachment 4 be established as new Rest of US research areas, and—
 - a. Should any of them be established as new locality pay areas?
 - b. Should NCS/OEWS salary estimates be requested from the Bureau of Labor Statistics (BLS) for additional areas with fewer than 2,500 GS employees?
 - ◇ The Working Group recommends—
 - These areas should continue to be considered as potential Rest of US research areas, and the Council should evaluate 3 consecutive years of pay disparity data for these areas as soon as possible;
 - None of them should be recommended for establishment as new locality pay areas at this time; and
 - The Council should continue its work to study pay in as many additional locations as resources allow.
 - ◇ Council recommendation? Agreed with Working Group.
- Council Decision Point 4: Should the Council recommend that—
 - a. In defining locality pay areas geographically the Pay Agent apply the updates to the delineations of the metropolitan statistical areas and combined statistical areas reflected in Office of Management and Budget (OMB) Bulletin No. 23-01 as such updates were applied with adoption of OMB Bulletin 20-01, and
 - b. Updated commuting patterns data be used in the locality pay program—i.e., commuting patterns data collected by the U.S. Census Bureau between 2016 and 2020 as part of the American Community Survey?
 - ◇ Working Group recommends doing so.
 - ◇ Council recommendation? Agreed with Working Group.
- Council Decision Point 5: Should the Council recommend that the Pay Agent add Wyandot County, OH, to the Columbus, OH, locality pay area and Yuma County, AZ, to the Phoenix, AZ, locality pay area?
 - ◇ Working Group recommends doing so.

- ◇ Council recommendation? Agreed with Working Group.

Agenda Item 4: Testimony Regarding Certain Locality Pay Area Designations or Other Issues

At the Chairman's request, Mr. Ratcliffe called on individuals one by one who had arranged in advance to speak to the Council members in the meeting. Speakers were reminded that the Chairman had set a time limit of 5 minutes per speaker.

The testimony is documented and presented by geographic area below, in the order presented in the meeting. Information on relevant criteria as they apply to each geographic area is provided at the beginning of the summary for each area. Where applicable, questions or other input from the Council on the testimony is included in the documentation below.

Charleston, SC

* Note on relevant criteria: Charleston, SC, is 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 covered by pay disparities the Council has approved for use in the locality pay program.) *

My name is Scott Isaacks, Director and CEO of the Ralph H. Johnson VA Health Care System, and I will be speaking today on behalf of the Federal Executive Association of the greater Charleston area. For 8 years now, we have submitted proposals and made presentations to convey the recruitment, relocation, and retention problems facing Federal agencies in the Charleston-North Charleston Metropolitan Statistical Area. This region is home to nearly 12,000 Federal employees executing the missions of 40 different Federal agencies, which struggle year after year to recruit and retain talented staff.

Today we once again implore the Federal Salary Council to incorporate economic factors such as cost of living into the methodology for determining locality pay areas. Our region's steady population growth rate, consistently more than double the nation's overall growth rate, is putting tremendous upward pressure on housing prices that strain nearly a third of all households in the region.

Additionally, I draw your attention to the following statistics that further underscore the reasons for our position. According to a recent article published by Livingcost.org, Charleston, SC, is in the top 9 percent of the most expensive cities in the world. The Charleston area is 12 percent above the national average for cost of living, 25.4 percent higher than the South Carolina average, and up to 16 percent above the national average in the surrounding areas where many of our employees reside. Yet, with the massive cost of living in the Charleston area, locality pay is set to the Rest of US at 16.50 percent. In comparison, cost of living estimates in the following cities are Atlanta, GA, is 0.3 percent above the national average with locality pay set at 23.02 percent; Dallas, TX, is 2 percent below the national average with locality pay set at 26.37 percent; Charlotte-Concord, NC, is at the national average with locality pay set at 18.63 percent; and lastly Birmingham, AL, is 1.6 percent below the national average with locality pay set to 17.41 percent. So, Federal employees who leave a relatively inexpensive city and move to Charleston, SC, will take a significant pay cut while moving to an area that will cost their families up to 17 percent more for cost of living.

The numbers that historically have been used to determine whether an area needs its own locality pay rate are trending in the correct direction in the past 8 years for Charleston due to strong wage growth in the private sector. We know we'll eventually reach the threshold for a special rate, but we ask that our agencies not be made to wait as this continues to make it harder to complete our critical missions. We urge you to grant our request for a separate locality designation now.

Charleston began tracking human capital indicators close to 5 years ago. Although we don't meet the current pay gap test yet, we have provided quantitative evidence that supports our petition and paints a clear picture of the situation Federal agencies in Charleston are facing. Our problem is not going away, and with each year that passes, our important missions on behalf of this nation suffer. While I can demonstrate the impact of this issue on every Federal agency in Charleston, I will highlight the impact it is having on the care of our nation's veterans. The Ralph H. Johnson VA Health Care System is the third fastest growing VA medical center in the U.S., and the VA's top-rated, high-complexity, facility. And it is critical that we retain our current employees

and are able to recruit an ever-increasing number of highly qualified staff to meet the growing patient population's needs.

Our growth is projected to continue for the next 20 years as evidenced by our Congressionally suggested \$1.1 billion in capital expansions for our health system. Between 2019 and 2020 our medical center has grown 6 percent in total patient encounters and a 13 percent drop in total workforce. The facility has lost, and continues to lose, many highly trained medical professionals throughout the organization. Last year we closed 22 of our 155 beds, reducing services offered to our veterans, all due to staffing shortages. To this Council, I have to stress that collectively we are failing our veterans.

In conclusion, we strongly urge the Federal Salary Council to recommend designation for the Charleston-North Charleston Metropolitan Statistical Area now. Further delay of an inevitable outcome will only further erode agencies' capacity and jeopardize important Federal missions. As always, we appreciate your time and reconsideration for establishing a specialized locality pay rate for our area. Americans that our Federal agencies serve, the dedicated Federal employees that we are all privileged to lead, and the missions we provide for our nation, are worth it. Thank you.

Ms. Simon asked Mr. Isaacks if he knew what kind of pay increases title 38 employees in the VA hospital have gotten over the last 3 years. Mr. Isaacks responded that he didn't have the exact number, but he acknowledged that VA does have some flexibility with title 38 for physicians and nurses but that their base pay was based on locality pay. He said that many of the other disciplines outside of title 38, which are just as critical to healthcare, do not have flexibilities under title 38. He said if VA had flexibilities across all employees, it would be different. He concluded by saying that the base pay that the GS pay scale defines is critically important for positions for which VA does not have flexibilities.

Asheville, NC

* Note on relevant criteria: Asheville is a Rest of US research area that 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.) *

My name is Tim Owen, and I'm the Executive Officer at [the National Centers for Environmental Information within the National Oceanic and Atmospheric Administration].

I'm speaking for the Asheville, NC, locality pay study group. Our group is composed of multiple Federal agencies representing over 2,000 Federal employees in the Asheville area, and including many under AFGE local 446. Our group is advocating for the ultimate designation of the Asheville area as a locality pay area given cross-agency challenges in both recruitment and retention of Federal employees.

Local economic conditions, particularly housing costs, which are the highest in North Carolina, continue to impact our ability to hire and keep Federal employees.

We appreciate very much that Asheville, NC, was one of the Rest of US research areas studied by BLS for the second year running. Continuing these studies will ensure that Asheville is appropriately designated as a locality pay area in the future. We look forward to continuing to advocate to this end.

Tampa, FL

* Note on relevant criteria: Rest of US area Tampa, FL, does not meet 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.) *

I am Dr. Bob Rohrlack, President and CEO at the Tampa Bay Chamber of Commerce located in Tampa, FL, and I am also the father of a Captain in the U.S. Army. Our community is home to MacDill Air Force Base (AFB)....

Our region has experienced rapid, sustained growth, which has transformed its economic base into a diverse, highly-skilled workforce, which was once considered primarily tourism, but has now developed into a more robust economic system with a mature technology segment that competes with the rest of the nation to recruit, hire, and retain, a highly-skilled workforce. Despite this, the Tampa-St. Petersburg-Clearwater MSA is not considered to be eligible for a pay adjustment for Federal employees who reside in the area

simply because it includes surrounding counties, which are largely rural, and are disproportionately more affordable when compared to where Federal employees live and work in this region.

Units across MacDill AFB are experiencing difficulties recruiting and retaining staff, with some reporting as high as 30-percent vacancy rates, which has a direct, negative impact on the mission readiness for the Department of Defense. The blended average of statistical wage data for the four-county MSA and Tampa Bay area is not reflective of the workforce realities in Tampa and Hillsborough Counties, where MacDill AFB is located, and where most of the area's civilian Federal employees live and work.

The Tampa Bay Chamber strongly supports the reevaluation of the MSA to only include a 45-minute drive time to MacDill AFB. This approach will provide more accurate wage data and improve recruitment and retention efforts for MacDill AFB, and ultimately will be enhancing the mission readiness for matters of national security.

As currently applied, the pay comparison methodology used in the locality pay program ignores the fact that non-Federal pay in the local labor market may be very different between different occupational groups. We support addressing the mission critical occupations that military agencies need and are not applicable to the local labor market. Recognizing that the Department of Defense represents approximately 35 percent of the Federal civilian workforce, we also urge the FSC to recommend adding the Secretary of Defense to the President's Pay Agent.

We look forward to continuing to work with the FSC, our elected officials, and Federal employment advocacy organizations, as we work together to correct these pay disparities for Federal employees in Tampa in 2025. Thank you for your time and consideration.

Cumberland and Dauphin Counties, PA— Carlisle Barracks

* Note on relevant criteria/situation: Cumberland and Dauphin Counties, PA, are in the Harrisburg locality pay area due to application of standard criteria. The two petitioners whose testimony is summarized below expressed concern about the proximity of these counties to portions of the Washington-Baltimore locality pay area. *

Lieutenant Colonel Priscella Nohle

My name is Lieutenant Colonel Priscella Nohle. Currently, I serve as the Garrison Commander of Carlisle Barracks. Thank you for the opportunity to speak to you today about an issue that disadvantages our community that you have the power to change.

As the Post Commander, today I represent the community of Carlisle with over 4,800 civilians. We rely heavily on our civilian workforce for security, critical lifesaving support, and safety.

Due to the locality pay difference that is gained with a 10-15 minute drive to Letterkenny or York from Carlisle, we cannot keep a full workforce. We have a constant exodus of crucial employees.

[Displaying photo of Carlisle Barracks entry gate:] This is the gate I cannot keep open on a post that supports strategic infrastructure and power projection of the U.S. Army with over 80 international military fellows. We only can open one gate fulltime, which causes large backups outside the installation, and makes screening more difficult for those moving through. The typical guard that serves at our gates is on the job less than a year before transitioning. My police forces regularly depart to go to higher paying positions within that 15-minute drive.

[Displaying photo of Carlisle Barracks pharmacy:] This is the pharmacy we cannot keep open due to the 100-percent turnover our healthcare facility has experienced in the past year. This has forced us to consolidate to fewer facilities to at least keep others open. Due to this personnel shortage we have massive delays in treatment and appointments for active military, DA civilians, and retirees, of approximately 50,000 in the surrounding area that utilize Carlisle Barracks.

This has cost over \$1.2 million to our Dunham Health Clinic on Carlisle Barracks thus far. Lack of one primary care provider generates a cost of over \$29,000 per month. Referrals provided due to lack of staff are estimated at over \$52,000 per month.

[Displaying photo of a former Carlisle Barracks employee:] This is Carlisle Barracks firefighter Micah Owens. Micah is married and a father of two

children. He is a GS-07, step 6 firefighter who works a 72-hour week. While at Carlisle Barracks, he earned a salary of \$85,268. Micah left Carlisle Barracks to work at Raven Rock Mountain. He did not move, and his commute only increased by 10 minutes. His salary at Raven Rock at the same pay grade is now \$95,270. He earns over \$10,000 more a year, which is almost 12 percent more.

[Displaying photo of another former Carlisle Barracks employee:] Thomas is also married and a father of two. He is a GS-07, step 5 firefighter. While at Carlisle Barracks, he earned a salary of \$82,857. Thomas also left Carlisle Barracks to work at Raven Rock Mountain. He did not move, and his commute also only increased by 10 minutes. His salary at raven rock as a GS-07, step 5 firefighter is now \$92,557. He earns \$9,700 a year to commute 10 more minutes, also 12 percent more. In total, we have lost 7 firefighters in the last 18 months and 5 police officers. In a force that is roughly 20, that is huge turnover.

We are not alone. Every Federal agency in this area encounters the same issue. In our packet, we have letters from several that bear witness to the same exodus we encounter. Their work covers a vast area in the middle of PA, investigations, social services, and law enforcement. We are asking for your assistance in making our communities, our workforce, and the team, safer and stronger through adjusting our competitive wage for Federal workers.

In closing, on behalf of the 4,800 Federal civilian employees in Cumberland and Dauphin Counties within the Harrisburg and Lebanon locality pay area, we are asking for an exception to the practice of establishing locality pay using major and combined statistical areas. Please consider adjustment to DC locality pay or a rate that is more competitive than our current situation. Thank you for your consideration.

Dr. Thomas M. Easterly

My name is Dr. Thomas Easterly, and I serve as the Director of the Plans, Analysis, and Integration Office at the U.S. Army Garrison Carlisle Barracks.

Mr. Chairman and Council members, today, I represent approximately 4,800 Federal civilian employees in Cumberland and Dauphin Counties within the Harrisburg and Lebanon Pennsylvania locality pay area.

Today, I seek an exception to the longstanding practice of determining locality pay. These practices were developed between 1992 and 1993 and were enacted in 1994. These practices are based on major and combined statistical areas.

Our request is for an adjustment to the Harrisburg and Lebanon locality pay area to a level that aligns with the DC locality pay or to a level that adequately addresses the economic realities of our pay area.

Please allow me to address the topic of surrounded areas; it was previously recommended by the Federal Salary Council that any location that would be completely surrounded by higher paying areas “if our recommendations were adopted” be added to the pay area with which it has the highest employment interchange – and that partially surrounded areas be evaluated on a case-by-case basis.

Mr. Chairman, it is my belief that Cumberland and Dauphin Counties fit the definition of “surrounded areas,” as did Wyandot County, OH, as previously mentioned this morning. We would ask the Council to consider this while reviewing our request.

Carlisle Barracks is 122 miles from Washington, DC. The Defense Distribution Center in New Cumberland is 115 miles from DC, and Letterkenny Army Depot is 114 miles from DC. Both New Cumberland and Letterkenny are included in the DC locality pay area by a difference of just 7 miles.

The Federal agencies of Dauphin County are approximately 117 miles from Washington, DC, and only 3.9 miles from York County, yet the Federal agencies in York County receive the DC locality pay.

Carlisle Barracks' recruitment of potential employees and retention of current employees is an ongoing concern.

This difference within the locality areas is a chronic challenge for Carlisle Barracks, to the point it creates the potential for a critical mission failure as it is challenging to attract and retain qualified and talented professionals to work on our installation. We are in effect an entry point and training ground for Government service. As of August 2022, the areas surrounding Carlisle Barracks, Cumberland, and Dauphin County receive anywhere from a 13-percent to 17-percent higher locality pay adjustment than the Harrisburg and

Lebanon locality pay band in which Carlisle Barracks resides. This equates to a 10-to-12 thousand dollar average increase in salary for the same grade and step.

For example-information technology specialists are a challenge to recruit and retain within Federal service, especially when competing with the private sector. Higher pay bands in the area surrounding Harrisburg and Lebanon compound this recruitment and retention problem. Information technology is a critical function in today's digital working environment and is the foundation of communication in any productive organization. When information technology is understaffed, the entire organization suffers.

In support of this bipartisan request, we have included letters from numerous Federal agencies....

In closing, I am requesting an exception to the "long-standing practice" of establishing locality pay based solely on major and combined statistical areas.

I implore the Council to find merit in our request and adjust the Harrisburg and Lebanon locality pay area to a level commensurate to the DC locality pay area or to a level that adequately addresses the economic realities of our pay area and allows Harrisburg and Lebanon to compete with the DC locality pay area.

It has been an honor and a privilege to provide testimony today. Thank you for your time.

Ms. Simon asked Mr. Ratcliffe if Cumberland and Dauphin Counties, PA, were also considered at the same time that Adams and York Counties, PA, were added to the DC locality pay area. Mr. Ratcliffe responded in the negative and noted that Adams and York Counties were part of the York-Hanover-Gettysburg, PA CSA that existed at that time, and they met the criteria that were in effect at that time.

Yolo County, CA

* Note on relevant criteria: Yolo County, CA, is part of the Sacramento basic locality pay area—i.e., it is one of the counties comprising the Sacramento-Roseville, CA CSA. The petitioner whose testimony is summarized below expressed concern about the proximity of this county to portions of the San Jose locality pay area and the difference in pay between the two locality pay areas. *

Mr. Jonathan Groveman of the U.S. Department of Agriculture (USDA) addressed the Council:

Thank you to this Council for allowing me to speak on behalf of Federal employees in Yolo County, CA, city of Davis in particular. When I began to write these remarks I was unsure which direction to take. Should it be about the inability of Federal employees to put down roots in this county due to the extreme cost of living here? Should I focus on how during my 3-mile drive to work in Davis from my house in Davis the road takes me from Yolo County into Solano County and back into Yolo County all while never leaving the city of Davis? Yes, you heard me right; two counties in the same small city. Maybe instead I should focus on the fact that more than 30 percent of Federal employees in Davis commute in from Solano, San Joaquin, and Stanislaus Counties, due to the cheaper cost of living in those counties. Or the fact that more than one third of Federal employees in Davis work second jobs and even a third job to cover the extreme cost of living to be able to work here. But I was advised that those hardships are not what this Council is looking for. So I've chosen instead to demonstrate why the six USDA state offices housed in Davis are becoming unable to backfill positions with qualified candidates. In 2024, more than half of all counties in California will have higher overall Federal employee salaries than Davis, which is home to USDA state offices for those agencies.

I challenge this Council to demonstrate anywhere else in the country where that happens. This is important because your Council is effectively ending the career ladder for Federal employees of USDA agencies in California. I have a list of job applicant counts that proves this is a fact. But first it is important for you to recognize why a career ladder is so important to Federal employees. When I started in Davis 14 years ago, there was stiff competition for GS-12 or above here. I saw first-hand 20 or more applicants from across the country applying for any position available here, but those days are over. The addition of Stanislaus, Merced, and Calaveras Counties to the San Jose locality pay area was the nail in the coffin for Davis. Who would want to lose money to get promoted to Davis? Would you lose money to get promoted in your own careers? With more than half of all counties in California making more than

Davis we might as well lock the doors and turn off the lights. And we're already seeing it.

Over the past 2 years for Davis positions, a GS-15 position, second highest for a USDA state agency: two applicants. A GS-14 Engineering Lead, one that would previously draw a dozen: three applicants. A GS-14 Programs Lead, the third highest position in the state for one agency: one applicant. I repeat, one applicant. A GS-13 Public Affairs Director, the highest paid agency 1035 position outside of DC: three applicants. A GS-13 Program Specialist had two applicants, and it took a repost to get any applicants at all. A GS-13 Civil Engineer: one applicant. A GS-13 [unintelligible]: two applicants. A GS-12 Urban Planner: two applicants. A GS-12 Watershed Engineer: one applicant. A GS-12 Business Tools Coordinator: two applicants. Finally, both the GS-12 [unintelligible] and GS-12 Geologist: zero applicants. Not even a hiring bonus is working here because applicants care more about long-term affordability than quick cash. And this is not all of them.

If I researched everything over the past 2 years I'm sure it's much higher. I myself hired a GS-12 earlier this year to Davis. I received a cert of five applicants. When I emailed the five for interviews, three responded they were dropping out. Two of those said they did the research on the cost of living in Davis and said they couldn't afford it here. How do you expect the Davis state offices to survive with this? New people who walk in the door are met with stories of lack of affordability, coworkers advising them where to find second jobs, and an overall disheartened outlook about this county.

The [USDA] Risk Management Agency recently went fully remote. All but one employee stayed living in Yolo County. The rest moved to Solano County or out of state. This alone should demonstrate to you the sinking ship this Council has created for Yolo County. Over the past few years, the Davis state office has primarily been attracting applicants from the Rest of US counties in California central valley. But with the addition of the new Fresno locality pay area, those applicants will stop being attracted to Davis regardless of a promotion, regardless of hiring incentives—it is just too expensive to live here.

In closing, I assume this Council operates with the directive that one cost-of-living decision should not negatively impact another. Well, you've done just

this for the Davis state offices. You are creating a hard ceiling for every USDA employee in California by not giving parity to the Davis state offices and not treating Federal employees here equitably. The economy is hard and inflation is harder. Stop making Federal employees choose between getting promoted or losing salary by taking leadership positions in Davis. Applicants are applying elsewhere and this most stop immediately. Thank you for your time.

Mono County, CA—Marine Corps Mountain Warfare Training Center

* Note on relevant criteria: Mono County, CA, is adjacent to the Fresno and Reno basic locality pay areas, but its respective employment interchange rates with those areas are below the 20-percent threshold. They do not meet the criteria to be established as areas of application to the locality pay areas they border, and they are not evaluated using the NCS/OEWS Model, which BLS has said cannot produce reliable salary estimates for micropolitan areas or rural counties. *

Mr. Brandon Schroeder, Deputy Director of the Marine Corps Mountain Warfare Training Center in Mono County, CA, addressed the Council:

Thanks for the time this morning. I'm going to keep this brief. We submitted a package. I think it's our third time around the track. Bottom line up front, we've got remarkably similar challenges to things you've heard this morning. I'm not going to try to educate you on the information you provide us. You guys know better than us. Hiring challenges and effects of decisions you make.

We totally applaud you moving forward with looking at smaller areas such as Mono County. We've got less than 2,500 individuals. Our commute interchange is different. The map is kind of different here. We're glad that you guys are moving in the direction to lower the barrier to entry to research communities like us—everything everybody said this morning.

We reap the negative impacts of cost of labor, cost of living, inflation, [and] everything like that. We're just grateful for people like you to put in the effort, find the data, and see if we're worthy of an increase in salary to match the challenges we see here.

We'll continue to advocate and provide data upon request. We'd love to be a part of the study or anything like that. If any questions or comments, that's all we've got from Mono County this morning.

Grand Rapids, MI

* Note on relevant criteria: Not adjacent to the Detroit basic locality pay area, though it is adjacent to an area of application, so does not meet area-of-application criteria. Not yet evaluated using the NCS/OEWS Model; no areas with comparable GS employment have been selected yet for study using the Model. *

I'm Peter Ellis, Resident Agent in Charge of the Federal Bureau of Investigation's Grand Rapids office, and I'm speaking on behalf of the Federal agencies in the Grand Rapids area. I'm respectfully asking the Council to have Grand Rapids reevaluated to show the pay disparity. At this time we don't know the pay disparity since it has not been evaluated.

I do recognize that... the Council is limited in personnel and resources. I know this could cause a great strain on the Government if every single location gets evaluated and given a cost of living increase as well. One thing my team does, and all the agencies know, being reevaluated doesn't guarantee that the cost of living will be increased at any point. We all very well understand that.

For me, I'm looking at it from a long-term look ahead at 5 years what it looks like to both hire and retain employees here. What we're starting to see is a lot of employees that are coming in are leaving Government within 1 to 3 years here are going to get higher paying jobs. We have a lot of Senior Agents are hitting the minimum retirement requirement especially agents are going out to get higher paying jobs or other paying jobs as well. We are having a hard time both retaining and hiring. We are starting to fill those gaps with newer personnel especially newer agents coming out of the academy.

Now we are starting to see is a lot of experience that is not being transferred. We have a lot of agents in one of my offices that have three agents that are brand new (less than 1 year) and we even have a majority of staff that have less than 5 years of experience. So, we're having a very difficult time trying to get that knowledge and experience. For someone like me I'm 21 months out from retirement. I'm planning to retire, and I'm concerned that the Grand Rapids area someone like me is going to become a civilian.

Making sure that our Federal agencies are flush with the right employees bringing outside employees from other offices. I've tried to recruit from other

offices as well. I appreciate the time to speak to you and also time to be able to be reevaluated hopefully within the next year or so. Thank you so much.

Chairman Condrey asked Mr. Ratcliffe if Grand Rapids, MI, is a research area.

Mr. Ratcliffe responded in the negative and noted that Grand Rapids has about 1,099 GS employees and it has not been selected yet because no areas of that GS employment size have been selected and that BLS is limited with respect to the number of additional areas it can deliver each year. He added that it could be selected in the future as the Council continues the work it is doing with BLS to obtain non-Federal salary estimates for geographic areas with fewer than 2,500 GS employees.

Western Colorado

* Note on relevant criteria: The petitioner expressed concerns about five counties now in the Rest of US. None of the counties met the criteria for a change in locality pay area designation. The counties were Mesa County, CO; Montrose County, CO; Pitkin County, CO; Rio Blanco County, CO; and Grand County, UT. The petitioner did not request a change in locality pay area designation for these counties but instead requested a higher locality pay percentage for the Rest of US locality pay area. *

I'm Shannon Knecht, local President of the National Association of Government Employees at the Department of Veterans Affairs (VA) located in Grand Junction, CO, and that's located in Mesa County.

Respectfully, I'm not asking for short-term improvements but rather looking at the long-term implications of the rates of the Rest of US not keeping up with the wages of the private sector for locations that are ineligible for their own locality pay rate.

It is my understanding that if the locality pay rates were implemented as FEPCA envisioned, then the 16.50 percent Rest of US locality pay percentage would be 25.14 percent in 2023, rather than 16.50 percent. As a result of this discrepancy, the VA applied for 54 special salary rates last year due to retention and recruitment difficulties. These are being resubmitted annually in a failing effort to stay competitive with the private sector.

The average SSR that has been approved is 20 percent above the Rest of US pay table highlighting the deficit caused by the current pay rate. Many of these

have been accompanied with retention incentives to maintain adequate staffing for the veterans in western Colorado.

The three hospitals in Mesa County offer compensation packages that even with SSRs we struggle to stay competitive with. Just over a year ago, the compensation deficit of the Rest of US pay table became apparent in Mesa County, when the vacancy rate of 60 percent in one department at the VA transpired overnight. They all left for higher paying jobs in the same county. This resulted in a partial shutdown of the hospital impacting veteran care to the veterans in the 18-county area serviced by our facility for 10 months.

While Mesa County, CO, is an MSA, the exclusion for locality pay is justified by not meeting the GS employee threshold, or neighboring a county with an established locality pay. As I previously stated, the VA provides services to veterans in 18 counties in western Colorado and eastern Utah. This is also the area that supports the labor market.

The distance between all VA facilities in western Colorado is a roundtrip of just under 600 miles, making the commute to work have great variables. The locations of the outlying VA clinics are in counties with higher cost of living than where the main hospital is located. Employees in these areas commute around 100 miles a day because the compensation they receive is not adequate to live in the same county where they work.

We are asking that the Rest of US pay rate be increased to appropriately support the workforce in areas that are excluded from having their own locality pay, and additionally that Mesa County be granted an exception for the GS employee threshold to be deemed eligible for locality pay as the deficit in pay is an ongoing battle impacting veteran care.

Ms. Simon asked which department closed down due to inability to hire and retain employees in the VA hospital. Ms. Knecht responded that was her organization's lab. She added the lab could not be open 24 hours a day and that inpatient units had to be closed. She said that only a few units could remain open, that surgeries had to be canceled, and that the emergency room could only remain open during the day because only 10 of 30 authorized positions were filled.

Hazelton/Morgantown, WV—Preston County, WV

* Note on relevant criteria: Preston County, WV, would be added to the Pittsburgh locality pay area under the Working Group’s recommendation because it is included in the Morgantown, WV MSA, which based on updated commuting data now meets the relevant criteria for areas of application. *

My name is Brandon Howard, I’m the Vice President of AFGE local 420 (Federal Bureau of Prisons, FCC Hazelton, WV). We’re a Federal prison comprised of over 600 staff members.

We have made previous requests of Preston County located in the Morgantown-Fairmont area to be considered for the Pittsburgh, PA locality scale. In the past, we have met all criteria except for the interchange rate of 7.5 percent. With the new locations adopted by the Council we would be able to meet that requirement now. It is much needed.

FCC Hazelton currently has over 85 correctional officer vacancies with a projection of 10 more leaving over December. When I last spoke to you in 2022, FCC Hazelton had a vacancy rate of 53 correctional officers, with 9 more leaving at the end of 2022. Staff at FCC Hazelton are being forced to work mandatory overtime 4 to 5 days a week.

Hazelton currently receives incentives to recruit, attract, and retain qualified staff but unfortunately they have not done such. We are struggling, our staff are tired, and we need some type of relief. It is believed that gaining a recommendation for the locality pay would greatly help us attract and retain qualified staff to be at FCC Hazelton. Thank you.

Dr. Kelley thanked Mr. Howard for his testimony and encouraged him to continue to fight. He said that AFGE would do whatever it could to help. Ms. Simon pointed out that Preston County would be added to the Pittsburgh locality pay area under the recommendations the Council had agreed to make today with respect to defining locality pay areas.

Tuolumne County, CA

* Note on relevant criteria: Tuolumne County would be added to the San Jose-San Francisco locality pay area under the Working Group’s recommendation because with the Council’s recommended use of updated MSAs, CSAs, and commuting data, it now

meets the employment interchange criterion for adjacent single-county locations evaluated as potential areas of application. *

My name is Kathryn Wilkinson. I've spent my entire Federal career at the USDA as a Stanislaus National Forest employee residing and working in Tuolumne County, CA.

Although I and many of my fellow Stanislaus National Forest colleagues were regretful that Tuolumne County didn't meet the area-of-application criteria based on the data used to calculate interchange rates in the General Schedule locality pay area proposed rule for 2024, I'm encouraged that the Working Group has recommended [applying] the updated commuting pattern data collected by the US Census Bureau between 2016 and 2020. As the Working Group indicates, based on the 2016-2020 5-year commuting flows data, Tuolumne County now meets the area of application criteria to be added to the San Jose locality pay area.

I understand that prior to Tuolumne County being recognized as meeting area of application criteria and being added to the San Jose locality pay area in 2025 the Council must agree to use the 2016-2020 5-year ACS commuting flows data set in their annual report to the Pay Agent in 2025. I was prepared to respectfully urge the Council to do so, but I heard the Council this morning agree with the Working Group recommendation, and I thank you for that.

After confirming there were no more individuals who were scheduled to provide testimony, Chairman Condrey asked Mr. Ratcliffe to continue to the next agenda item.

Agenda Item 5: Recommendations of the Federal Salary Council Working Group, Issues 6-9

Mr. Ratcliffe resumed his reading of the Working Group report. As with his previous reading of the report, he stopped after reading each Working Group recommendation, and Chairman Condrey then asked the Council members to indicate whether they wanted to adopt the Working Group recommendations. The Council unanimously accepted the Working Group's recommendation on Council Decision Points 6-9:

- Council Decision Point 6: Should any exceptions be made to the policy of defining locality pay areas based on standard criteria?

- ◇ The Working Group recommends not doing so.
- ◇ Council recommendation? Agreed with Working Group.
- Council Decision Point 7: Should the Council go on record in support of increased funding of January pay adjustments for the base General Schedule and locality pay increases?
 - ◇ The Working Group recommends doing so.
 - ◇ Council recommendation? Agreed with Working Group.
- Council Decision Point 8: Should the Council ask BLS to collect data for a sample of NCS/OEWS observations to show the prevailing policy on salary ranges and waiting periods for progression through those ranges?
 - ◇ The Working Group recommends doing so.
 - ◇ Council recommendation? Agreed with Working Group.
- Council Decision Point 9: Should the Council go on record to point out the increasingly significant impact on locality pay rates being limited to the EX-IV rate?
 - ◇ The Working Group recommends doing so.
 - ◇ Council recommendation? Agreed with Working Group.

Agenda Item 6: Public Comment

Chairman Condrey asked Mr. Allen to call on persons that may have additional commentary to present to the Council. There were no public comments in response.

Agenda Item 7: Adjournment

Since there were no public comments, Chairman Condrey asked for a motion to adjourn, and the meeting was adjourned at 11:29 a.m.

Certified

Signed

Dr. Stephen E. Condrey

Chairman