

Federal Salary Council

1900 E Street NW.

Washington, DC 20415-8200

November 7, 2014

**MEMORANDUM FOR: THE PRESIDENT'S PAY AGENT
HONORABLE THOMAS E. PEREZ
HONORABLE SHAUN DONOVAN
HONORABLE KATHERINE ARCHULETA**

**SUBJECT: Level of Comparability Payments for January 2016 and Other
Matters Pertaining to the Locality Pay Program**

As authorized by the Federal Employees Pay Comparability Act of 1990, we present our recommendations for the establishment or modification of pay localities, the coverage of salary surveys conducted by the Bureau of Labor Statistics (BLS) for use in the locality pay program, the process of comparing General Schedule (GS) pay to non-Federal pay, and the level of comparability payments for January 2016.

BLS Surveys and Pay Gap Methodology

The Federal Salary Council reviewed comparisons of GS and non-Federal pay based on data from two BLS surveys, the National Compensation Survey (NCS) and the Occupational Employment Statistics (OES) program. BLS uses NCS data to assess the impact of level of work on occupational earnings. BLS applies factors derived from the NCS data to occupational average salaries from OES to estimate occupational earnings by level of work in each locality pay area. We call this measurement process the *NCS/OES model*.

The pay gaps (i.e., percentage differences between base GS rates and non-Federal pay for the same levels of work) were calculated using the same general weighting and aggregation methods in use since 1994 and described in annual reports of the President's Pay Agent. The BLS survey data cover establishments of all employment sizes.

Recommended Locality Rates for 2016

Based on Office of Personnel Management (OPM) staff's calculations, taking a weighted average of the locality pay gaps as of March 2014 using the NCS/OES model, the overall gap between base GS average salaries (excluding any add-ons such as GS special rates and existing locality payments) and non-Federal average salaries as measured by BLS surveys in locality pay areas was 61.97 percent. The amount needed to reduce the pay disparity to 5 percent (the target gap) averages 54.26 percent. Taking into account existing locality pay rates averaging 19.82 percent, the overall remaining pay disparity is 35.18 percent. The recommended comparability payments for 2016 for current and recommended locality pay areas are shown in **Attachment 1**.

These locality rates would be in addition to the increase in GS base rates under 5 U.S.C. 5303(a). This provision calls for increases in basic pay equal to the percentage increase in the Employment Cost Index (ECI), wages and salaries, private industry workers, between September

2013 and September 2014, less half a percentage point. The ECI increased 2.3 percent in September 2014, so the GS base pay increase in 2016 would be 1.8 percent.

Defining Locality Pay Areas

A brief history of the establishment of locality pay area boundaries to date can be found in our January 23, 2014, recommendations on the locality pay program. Those recommendations and other Council materials can be found posted on the OPM website at <http://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/general-schedule/#url=Federal-Salary-Council>.

For this set of Council recommendations, we are focused on the following issues with respect to defining locality pay areas:

- Using February 2013 Core-Based Statistical Areas in the locality pay program,
- The twelve new locality pay areas previously recommended,
- Recommending Kansas City as a new locality pay area, and
- Evaluating areas in the vicinity of locality pay areas, including—
 - Eliminating the GS employment criterion and adjusting commuting criteria,
 - Micropolitan areas, and
 - New criteria for evaluating single-county locations adjacent to multiple locality pay areas.

Some of our recommendations for defining locality pay areas are resubmissions of recommendations we previously made that were not approved by the Pay Agent. However, after careful consideration, we believe all of our recommendations, including those we are resubmitting, are based on sound compensation analysis. We ask that the Pay Agent take a fresh look at the recommendations we are resubmitting.

Using February 2013 Core-Based Statistical Areas (CBSAs) in the Locality Pay Program

The President's Pay Agent has tentatively approved the Council's January 2014 recommendation to use February 2013 CBSAs defined by the Office of Management and Budget (OMB) as the basis of locality pay area boundaries. The Pay Agent has also tentatively approved the Council's recommendation not to change locality pay area coverage for locations that otherwise would be covered by a lower-paying locality pay area as a result of changes to OMB's metropolitan area definitions.

While the Pay Agent has tentatively approved the recommendation to use OMB's February 2013 CBSA definitions in the locality pay program, the Pay Agent has not completed the needed regulations. We recommend that the Pay Agent publish, as soon as possible, the regulations needed to propose adopting February 2013 CBSA definitions as core pay area definitions for the locality pay program.

Twelve New Locality Pay Areas Previously Recommended

In our November 2012 recommendations to the Pay Agent, the Council recommended that 12 new locality pay areas be established for 2014 (Albany, NY; Albuquerque, NM; Austin, TX; Charlotte, NC; Colorado Springs, CO; Davenport, IA; Harrisburg, PA; Laredo, TX; Las Vegas, NV; Palm Bay, FL; St. Louis, MO; and Tucson, AZ). In its May 2013 report, the Pay Agent tentatively approved establishment of the 12 new locality pay areas, but it still has not begun the regulatory process needed to implement this change. We recommend that the Pay Agent publish, as soon as possible, the regulations needed to propose the 12 new locality pay areas the Council recommended in 2012.

We realize that the President's issuance of alternative pay plans for 2014 and 2015, which hold locality pay percentages at 2013 levels, may have been a factor in the Pay Agent not yet taking action to establish the 12 new locality pay areas. Even if locality pay levels for the recommended 12 new locality pay areas must remain at "Rest of U.S." levels until increases to locality pay percentages are approved in the future, we believe it is best to establish the 12 new locality pay areas as soon as possible. This will ensure that locality pay reflecting NCS/OES model results can be implemented without delay once higher locality pay percentages are approved.

Recommending Kansas City as a New Locality Pay Area

We continue to monitor pay gaps for those areas for which the Pay Agent requested NCS/OES salary estimates in 2012 for "Rest of U.S." metropolitan areas that had 2,500 or more GS employees. The 12 new locality pay areas we have recommended thus far from that set of areas had pay gaps, using NCS/OES data, exceeding that for the "Rest of U.S." locality pay area by 10 percentage points or more, on average, over a 4-year period.

The 4 years of NCS/OES results used to select the 12 new areas were 2009 through 2012. This year, we have updated the 4-year period for "Rest of U.S." metropolitan areas we are monitoring to include pay gaps for 2011 through 2014, and the results are shown in **Attachment 2**.

We find that one additional area, Kansas City, now has pay gaps averaging more than 10 percentage points (i.e., 11.88 percentage points) above the pay gap for the "Rest of U.S." area over the 4-year period studied.

We recommend that the Pay Agent establish Kansas City as a separate locality pay area, in addition to the 12 other areas previously recommended. The Council will continue to monitor the pay gaps for other "Rest of U.S." areas for which BLS has provided salary estimates from the NCS/OES model.

Evaluating Areas in the Vicinity of Locality Pay Areas

As in 1992 and 2003, when the Council recommended that OMB-defined metropolitan areas be the basis for locality pay area boundaries, the Council believes that the new CBSA definitions should not be the sole basis for defining locality pay areas, and that a need remains to evaluate locations adjacent to existing locality pay areas.

Current Criteria

The current criteria for adding adjacent CBSAs or counties to locality pay areas are:

- For a multi-county CBSA adjacent to a locality pay area's main metropolitan area: 1,500 or more GS employees and an employment interchange rate with the locality pay area's main metropolitan area of at least 7.5 percent.
- For a single county that is not part of a multi-county, non-micropolitan CBSA and is adjacent to a locality pay area's main metropolitan area: 400 or more GS employees and an employment interchange rate with the locality pay area's main metropolitan area of at least 7.5 percent.

Regarding data used to measure the employment interchange rate (i.e., commuting), the Pay Agent has tentatively approved the Council's January 2014 recommendation to use the commuting patterns data collected under the American Community Survey between 2006 through 2010 as part of evaluation of "Rest of U.S." locations as possible areas of application. The Pay Agent says it will consider using the new commuting patterns data when it begins the regulatory process to propose the 12 new locality pay areas tentatively approved.

The locality pay program also uses criteria for evaluating Federal facilities that cross county lines into a separate locality pay area:

- For Federal facilities that cross locality pay area boundaries: To be included in an adjacent locality pay area, the whole facility must have at least 500 GS employees, with the majority of those employees in the higher-paying locality pay area, or that portion of a Federal facility outside of a higher-paying locality pay area must have at least 750 GS employees, the duty stations of the majority of those employees must be within 10 miles of the separate locality pay area, and a significant number of those employees must commute to work from the higher-paying locality pay area.

As we recommended in January 2014, the Council recommends leaving the criteria for Federal facilities unchanged. However, we recommend the changes discussed below to the criteria for evaluating "Rest of U.S." locations that are adjacent to separate locality pay areas.

Eliminating the GS Employment Criterion and Adjusting Commuting Criteria

For the last several years, the Council has recommended that the GS employment criterion be eliminated because GS employment is not an indicator of linkages among labor markets or other economic linkages among areas. The Council continues to believe defining areas of application based solely on commuting patterns is the more proper methodology. The Council has examined the economic literature on local labor markets and concludes that GS employment is not a useful criterion for establishing local labor markets.

Since the 1950s, labor economists (e.g., Wilcock and Sobel 1958; Tolbert and Sizer 1987; Casado-Diaz and Coombes 2011) have agreed on a definition of labor markets similar to that currently used by BLS. BLS (2014) describes labor markets as "an economically integrated geographic area within which individuals can reside and find employment within a reasonable

distance or can readily change employment without changing their place of residence” (p. iii). Further, BLS (2014) notes that “Regardless of population size, commuting flows are an indication of the degree of integration of labor markets among counties; commutation data show the extent that workers have been willing and able to commute to other counties” (p. 168). Economists generally agree with the BLS position. For example, Casado-Diaz and Coombes (2011) note that “one crucial advantage of commuting data as the basis for definitions of [local labor market areas] is that the ‘friction of distance’ which restricts people’s patterns of movement causes most of the strongest interactions to be between nearby areas” (p. 13). (See **Attachment 3**, which list sources we considered in assessing the relevance of the GS employment criterion).

Accordingly, we again recommend that the employment interchange measure for “Rest of U.S.” counties not in a metropolitan statistical area (MSA) or combined statistical area (CSA) be increased from 7.5 percent to 20 percent, thus indicating an even stronger economic linkage among areas.

Since adjacent CBSAs are more likely to have employment opportunities in the CBSA and thus less commuting to the pay area, the criterion for CBSAs should remain at 7.5 percent for both multi-county CBSAs and single-county, non-micropolitan CBSAs.

Our recommended revised criteria for evaluating CBSAs or counties that are adjacent to the main locality pay area, i.e. the OMB-defined metropolitan area on which the locality pay area is based, are as follows:

- For a CBSA (includes single-county CBSAs other than single-county micropolitan areas) adjacent to a locality pay area’s main metropolitan area: an employment interchange rate of at least 7.5 percent with the locality pay area’s main metropolitan area.
- For a county that is not part of a CBSA or comprises a single-county micropolitan area and is adjacent to a locality pay area’s main metropolitan area: an employment interchange rate of at least 20 percent with the locality pay area’s main metropolitan area.

Micropolitan Areas

We note there is some controversy about the use of micropolitan statistical areas for locality pay. Micropolitan areas are CBSAs where the largest population center has between 10,000 and 49,999 residents. Previously the Pay Agent has concluded it would not use micropolitan areas in the locality pay program except when included in a CSA with one or more MSAs based on the rationale that micropolitan areas are too small with too little economic activity to be considered separately. The Council, on the other hand, recommended in 2003 that micropolitan areas be used if part of any CSA, whether or not an MSA was included. For example, under the Council view, the Claremont, NH-VT, area—a four-county CSA in 2003 composed of two micropolitan areas, would have been considered as a unit. Under the Pay Agent’s view, the Claremont area would not have been considered as a unit but rather evaluated as four separate counties.

In February 2013, presumably due to increased commuting among the components, OMB redelineated the Claremont, NH-VT CSA into a four-county, stand-alone micropolitan area.

Under the locality pay program's current criteria, the Claremont area would no longer qualify to be considered as a unit because the same four counties are no longer combined as a CSA but rather into a single micropolitan area. To avoid this incongruous result, the Council recommends that the Pay Agent change its position to recognize multi-county micropolitan areas, not just those in CSAs. Note that under this recommendation the locality pay program would continue to treat single-county micropolitan areas as individual counties, not CBSAs.

Evaluating Single-County Locations Adjacent to Multiple Locality Pay Areas

We are making a new recommendation this year. The recommendation is to add criteria for evaluating single-county "Rest of U.S." locations that border multiple locality pay areas.

Our other recommendations presented so far would result in some single-county locations remaining in the "Rest of U.S." locality pay area while being adjacent to multiple separate locality pay areas. When mapped with our other recommendations for defining locality pay areas, such "Rest of U.S." locations often appear surrounded, or nearly surrounded, by higher-paying locality pay areas. We believe that, without some remedy, Federal employers in such locations could have staffing problems caused by higher locality pay nearby, so we are making a new recommendation to evaluate such locations for possible inclusion in one of the separate locality pay areas they border:

- For single counties adjacent to multiple locality pay areas and not qualifying under our other proposed criteria—
 - For a county comprising a single-county CBSA other than a micropolitan area, the sum of commuting rates to the separate locality pay areas' main metropolitan areas must be greater than or equal to 7.5 percent.
 - For a county that either is not in any CBSA or comprises a single-county micropolitan statistical area, the sum of commuting rates to the separate locality pay areas' main metropolitan areas must be greater than or equal to 20 percent.

Under this recommendation, counties with the required sum of commuting rates would be covered by the adjacent separate locality pay area with which the single-county location has the highest level of commuting. The locations that would be added to separate locality pay areas under this recommendation, if our other recommendations are approved, are shown in **Attachment 7**.

Impact of Applying Recommended Criteria for Evaluating Adjacent "Rest of U.S." Areas

Proposed areas of application are shown in **Attachments 4-7**:

- **Attachment 4** shows multi-county MSAs, CSAs, and micropolitan areas qualifying as areas of application under the proposed CBSA criteria;
- **Attachment 5** shows single-county CBSAs qualifying as areas of application under the proposed CBSA criteria (single-county metropolitan statistical areas, not micropolitan areas, with an employment interchange rate of 7.5 percent or more);

- **Attachment 6** shows counties qualifying as areas of application under the proposed criteria for adjacent counties that are not part of a CBSA or comprise a single-county micropolitan area; and
- **Attachment 7** shows counties qualifying as areas of application under the proposed criteria for single-county locations adjacent to multiple locality pay areas and not qualifying under other criteria as areas of application.

Under these recommendations, locality pay area coverage would change for about 20,811 GS employees who are now in the “Rest of U.S.” locality pay area and would be covered, under our recommendations, by separate locality pay areas.

Surrounded Areas

The Council has already recommended 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. We reiterate this recommendation.

Regarding partially surrounded areas, while we have made a new recommendation for single-county locations bordered by multiple locality pay areas, which addresses some surrounded or partially surrounded locations, we still believe it is unclear at what point being bordered by higher pay areas constitutes a problem. Hence, the Council continues to believe that the Pay Agent should evaluate additional partially surrounded locations on a case-by-case basis, considering such factors as the size of the area, distance to the pay area, transportation facilities among the areas, quit rates, retention rates, and similar factors.

Requests to be Included in Existing Pay Areas or to Establish New Locality Pay Areas

OPM staff had contacts from employees in 58 locations, listed in the table in **Attachment 8**, by email, telephone, or letter since the previous Federal Salary Council Meeting on December 17, 2013.

In addition to simple contacts, we also received more detailed petitions from employees or groups representing Berkshire County, MA; Burlington, VT; and Bakken region oil and gas production areas in North Dakota and Montana. Employees from several of these locations provided oral testimony at prior Council meetings. In summary, employees in Berkshire County request it be included in the Albany or Hartford locality pay area, employees in Burlington request it be reviewed as a potential separate locality pay area, and employees in the Bakken region request higher locality pay in consideration of increased living costs and high pay in the region.

Some of the areas that contacted OPM staff would benefit from our other recommendations. For others that do not meet our criteria, the Council recommends that OPM continue to encourage agencies to use other pay flexibilities such as recruitment, retention, and relocation payments, and special salary rates to address any significant staffing problems in these areas.

New Research Areas

The first set of “Rest of U.S.” metropolitan areas to study with the NCS/OES model were selected in March 2012, and the selection criterion was metropolitan areas having 2,500 or more GS employees. (See pages 17-18 of the March 2012 annual report of the President’s Pay Agent.)

Since the first set of “Rest of U.S.” metropolitan areas was chosen for study with the NCS-OES model, GS employment has grown in metropolitan areas. Also, the Pay Agent has tentatively approved use of February 2013 metropolitan area definitions in the locality pay program, and some newly delineated metropolitan areas now include more counties.

The February 2013 OMB-defined metropolitan areas shown in **Attachment 9** have 2,500 or more GS employees. We recommend the Pay Agent ask BLS to deliver, if feasible, salary estimates for these additional areas in its summer 2015 deliveries.

We note that some of these locations may have relatively small local labor markets. The Council would work with BLS to evaluate how the NCS/OES model performs in smaller locations. We recommend that BLS should perform its normal evaluation of the data for each area and inform OPM staff if it is not feasible to produce reliable NCS/OES salary estimates for any of the metropolitan areas shown in **Attachment 9**.

BLS Proposal for Pay Inversions

The Council has carefully considered the BLS proposal to make adjustments for pay inversions that might appear in salary data used in the locality pay program. We believe the locality pay program should use salary data as produced by the current NCS/OES model and without the BLS proposal to address pay inversions. We see no reason to modify the current pay comparability process based on expectations about what salaries we should find at one grade level compared to another. In addition, we have no evidence that pay inversions are common enough in the data to be regarded as a significant concern.

Summary of Major Recommendations

In summary, our major recommendations for 2016 include the following:

- We recommend using the 2016 locality rates shown in **Attachment 1**.
- We recommend that the Pay Agent publish, as soon as possible, the regulations needed to propose adopting February 2013 CBSA definitions as core pay area definitions for the locality pay program (with no movement of locations to lower-paying locality pay areas based on changes in CBSA definitions).
- We recommend that the Pay Agent publish, as soon as possible, the regulations needed to propose the 12 new locality pay areas we recommended in 2012.
- We recommend that Kansas City be established as a separate locality pay area, and that the Council continue to monitor the pay gaps for other “Rest of U.S.” areas for which BLS has provided salary estimates from the NCS/OES model.

- We recommend modifying the criteria for new areas of application as stated above.
- We recommend requesting NCS/OES salary estimates from BLS for the locations shown in **Attachment 9**.

By direction of the Council:

SIGNED

Stephen E. Condrey, Ph.D.
Chairman

Attachments

Attachment 1

Locality Pay Rates for 2016			
Area	March 2014 Base GS Payroll	Pay Gap	Locality rate (target pay gap)
Alaska	\$451,116,261	77.86%	69.39%
Albany	\$165,447,874	53.32%	46.02%
Albuquerque	\$493,886,954	41.24%	34.51%
Atlanta	\$1,744,220,482	54.40%	47.05%
Austin	\$375,478,743	54.84%	47.47%
Boston	\$1,649,086,974	70.24%	62.13%
Buffalo	\$308,540,337	56.19%	48.75%
Charlotte	\$181,821,145	48.05%	41.00%
Chicago	\$1,358,811,841	64.90%	57.05%
Cincinnati	\$442,505,788	45.13%	38.22%
Cleveland	\$634,535,921	44.02%	37.16%
Colorado Springs	\$553,156,804	55.61%	48.20%
Columbus	\$549,576,987	48.33%	41.27%
Dallas	\$1,277,889,811	63.78%	55.98%
Davenport	\$247,720,237	47.15%	40.14%
Dayton	\$744,411,953	47.86%	40.82%
Denver	\$1,257,672,333	69.50%	61.43%
Detroit	\$867,992,665	60.81%	53.15%
Harrisburg	\$400,377,293	50.95%	43.76%
Hartford	\$294,275,248	70.54%	62.42%
Hawaii	\$966,232,957	51.90%	44.67%
Houston	\$902,784,759	74.70%	66.38%
Huntsville	\$826,691,967	56.96%	49.49%
Indianapolis	\$564,803,795	44.43%	37.55%
Laredo	\$178,999,501	62.48%	54.74%
Las Vegas	\$289,408,003	58.96%	51.39%
Los Angeles	\$2,270,001,966	82.06%	73.39%
Miami	\$899,602,033	52.92%	45.64%
Milwaukee	\$227,575,394	53.00%	45.71%
Minneapolis	\$493,601,591	61.29%	53.61%
New York	\$3,033,397,817	83.62%	74.88%
Palm Bay	\$308,082,762	45.83%	38.89%
Philadelphia	\$1,686,834,879	70.41%	62.30%
Phoenix	\$563,606,243	58.61%	51.06%
Pittsburgh	\$435,259,249	53.28%	45.98%
Portland, OR	\$647,337,153	60.26%	52.63%
Raleigh	\$959,121,925	53.16%	45.87%
Rest of U.S.	\$29,488,717,170	38.86%	32.25%
Richmond	\$618,763,060	51.41%	44.20%
Sacramento	\$474,914,091	69.11%	61.06%
San Diego	\$1,461,907,712	84.63%	75.84%
San Francisco	\$1,627,524,484	102.02%	92.40%
Seattle	\$1,632,174,847	72.97%	64.73%
St. Louis	\$793,554,839	52.49%	45.23%
Tucson	\$520,401,348	54.84%	47.47%
Washington, DC	\$22,045,090,200	86.46%	77.58%
All Pay Areas	\$87,914,915,396	61.97%	54.26%

Attachment 2
NCS/OES Model Pay Gaps 2011-2014 in Current Council “Rest of U.S.” Research Areas

Area	2011	2012	2013	2014	Area Pay Gap Compared to “Rest of U.S. Pay Gap				
					2011	2012	2013	2014	Average
Augusta, GA	28.83%	27.59%	28.76%	25.02%	-6.71%	-12.54%	-11.05%	-13.84%	-11.04%
Birmingham, AL	41.08%	46.18%	47.04%	48.00%	5.54%	6.05%	7.23%	9.14%	6.99%
Boise, ID	31.32%	34.37%	38.17%	40.83%	-4.22%	-5.76%	-1.64%	1.97%	-2.41%
Charleston, SC	35.46%	35.59%	34.71%	33.73%	-0.08%	-4.54%	-5.10%	-5.13%	-3.71%
Clarksville, TN	21.09%	23.56%	22.65%	20.93%	-14.45%	-16.57%	-17.16%	-17.93%	-16.53%
Columbia, SC	26.15%	30.71%	28.38%	25.52%	-9.39%	-9.42%	-11.43%	-13.34%	-10.90%
Columbus, GA	23.45%	25.19%	30.62%	25.70%	-12.09%	-14.94%	-9.19%	-13.16%	-12.34%
Corpus Christi, TX	37.21%	46.60%	50.21%	46.80%	1.67%	6.47%	10.40%	7.94%	6.62%
Crestview, FL	40.45%	44.03%	48.65%	42.65%	4.91%	3.90%	8.84%	3.79%	5.36%
El Paso, TX	36.05%	35.61%	39.86%	41.20%	0.51%	-4.52%	0.05%	2.34%	-0.40%
Fresno, CA	38.23%	40.78%	40.57%	38.53%	2.69%	0.65%	0.76%	-0.33%	0.94%
Gulfport, MS	21.00%	23.54%	33.65%	32.96%	-14.54%	-16.59%	-6.16%	-5.90%	-10.80%
Jackson, MS	20.66%	25.18%	26.21%	23.25%	-14.88%	-14.95%	-13.60%	-15.61%	-14.76%
Jacksonville, FL	37.76%	40.95%	42.37%	40.53%	2.22%	0.82%	2.56%	1.67%	1.82%
Jacksonville, NC	25.40%	31.29%	35.55%	28.77%	-10.14%	-8.84%	-4.26%	-10.09%	-8.33%
Kansas City, MO	44.91%	50.03%	54.23%	52.71%	9.37%	9.90%	14.42%	13.85%	11.88%
Killeen-Temple, TX	22.47%	33.02%	32.75%	33.43%	-13.07%	-7.11%	-7.06%	-5.43%	-8.17%
Lawton, OK	10.20%	19.34%	16.89%	15.91%	-25.34%	-20.79%	-22.92%	-22.95%	-23.00%
Lexington, KY	22.37%	25.70%	26.74%	25.79%	-13.17%	-14.43%	-13.07%	-13.07%	-13.43%
Little Rock, AR	23.22%	25.95%	27.59%	27.14%	-12.32%	-14.18%	-12.22%	-11.72%	-12.61%
Louisville, KY	32.94%	35.41%	35.01%	33.09%	-2.60%	-4.72%	-4.80%	-5.77%	-4.47%
Macon, GA	34.25%	41.34%	39.97%	38.97%	-1.29%	1.21%	0.16%	0.11%	0.05%
Madison, WI	39.81%	40.99%	43.01%	43.82%	4.27%	0.86%	3.20%	4.96%	3.32%
Manhattan, KS	24.68%	26.33%	35.17%	33.53%	-10.86%	-13.80%	-4.64%	-5.33%	-8.66%
Memphis, TN	36.67%	39.81%	40.09%	36.57%	1.13%	-0.32%	0.28%	-2.29%	-0.30%
Montgomery, AL	34.08%	36.70%	36.34%	36.04%	-1.46%	-3.43%	-3.47%	-2.82%	-2.80%
Nashville, TN	31.85%	38.24%	39.48%	37.49%	-3.69%	-1.89%	-0.33%	-1.37%	-1.82%
New Orleans, LA	37.20%	44.96%	44.38%	41.31%	1.66%	4.83%	4.57%	2.45%	3.38%
Oklahoma City, OK	36.22%	37.49%	37.36%	35.53%	0.68%	-2.64%	-2.45%	-3.33%	-1.94%
Omaha, NE	41.72%	48.88%	49.50%	46.89%	6.18%	8.75%	9.69%	8.03%	8.16%
Orlando, FL	33.28%	36.76%	40.38%	39.15%	-2.26%	-3.37%	0.57%	0.29%	-1.19%
Pensacola, FL	21.50%	26.00%	29.79%	29.76%	-14.04%	-14.13%	-10.02%	-9.10%	-11.82%
Portland, ME	36.80%	40.53%	46.52%	50.77%	1.26%	0.40%	6.71%	11.91%	5.07%
Salt Lake City, UT	39.08%	42.86%	45.74%	45.11%	3.54%	2.73%	5.93%	6.25%	4.61%
San Antonio, TX	44.12%	48.73%	50.04%	47.75%	8.58%	8.60%	10.23%	8.89%	9.08%
Savannah, GA	35.80%	44.29%	48.12%	41.84%	0.26%	4.16%	8.31%	2.98%	3.93%
Tampa, FL	41.67%	42.96%	44.75%	43.70%	6.13%	2.83%	4.94%	4.84%	4.69%
Virginia Beach, VA	41.53%	47.23%	50.07%	49.92%	5.99%	7.10%	10.26%	11.06%	8.60%
Yuma, AZ	37.27%	38.73%	45.82%	42.82%	1.73%	-1.40%	6.01%	3.96%	2.57%
Rest of US	35.54%	40.13%	39.81%	38.86%	0.00%	0.00%	0.00%	0.00%	0.00%

Attachment 3

Sources Considered in Assessing the Relevance of the GS Employment Criterion

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Casado-Díaz, J.M. y Coombes, M. (2011) "The delineation of 21st Century local labour market areas: A critical review and a research agenda," *Boletín de la Asociación de Geógrafos Españoles*, 57, 7-32.

Attachment 4

Adjacent Multi-County Metropolitan Areas with 7.5 Percent or Higher Commuting

Pay Area	Metropolitan Area	Employment Interchange	GS Empl	New Area of Application or Retained?
ATLANTA	Rome-Summersville, GA CSA	27.12%	79	New
BOSTON	Claremont-Lebanon, NH-VT Micropolitan Statistical Area	9.98%	938	New
BOSTON	Portland-Lewiston-South Portland, ME CSA	8.42%	3,636	Retains the portions of York County, ME, that are already in the Boston CSA and adds the remainder of the Portland CSA. Making the rest of the Portland CSA an area of application would add about 820 employees to the Boston locality pay area.
CHARLOTTE	Hickory-Lenoir, NC CSA	13.00%	146	New
CHICAGO	Rockford-Freeport-Rochelle, IL CSA	11.96%	206	New
CLEVELAND	Youngstown-Warren, OH-PA CSA	10.92%	986	New
COLORADO SPRINGS	Pueblo-Cañon City, CO CSA	9.20%	1,561	New
COLUMBUS	Mansfield-Ashland-Bucyrus, OH CSA	11.56%	218	New
DAVENPORT	Dixon-Sterling, IL CSA	12.77%	34	New
DAYTON	Lima-Van Wert-Celina, OH CSA	9.79%	173	New
DETROIT	Lansing-East Lansing-Owosso, MI CSA	10.00%	797	New
DETROIT	Saginaw-Midland-Bay City, MI CSA	7.76%	699	New
DETROIT	Toledo-Port Clinton, OH CSA	9.01%	736	New
HARTFORD	Springfield-Greenfield Town, MA CSA	10.17%	1,754	Retained (Now a CSA, but still consists of the same three counties: Franklin, Hampden, and Hampshire, MA)
HUNTSVILLE	Florence-Muscle Shoals, AL MSA	11.49%	118	New
INDIANAPOLIS	Bloomington-Bedford, IN CSA	11.35%	113	New
INDIANAPOLIS	Lafayette-West Lafayette-Frankfort, IN CSA	8.67%	194	New
INDIANAPOLIS	Richmond-Connersville, IN CSA	10.81%	38	New
MINNEAPOLIS	Mankato-New Ulm-North Mankato, MN CSA	12.35%	67	New
PHILADELPHIA	Salisbury, MD-DE MSA	9.94%	353	New
PITTSBURGH	Johnstown-Somerset, PA CSA	10.41%	482	New
PITTSBURGH	Wheeling, WV-OH MSA	14.69%	226	New
RALEIGH	Fayetteville-Lumberton-Laurinburg, NC CSA	7.78%	9,152	Retained, but conversion to CSA adds two counties, Scotland and Robeson Counties, NC, which would add about 112 GS employees to the Raleigh locality pay area.
RALEIGH	Rocky Mount-Wilson-Roanoke Rapids, NC CSA	10.58%	87	New
SAN FRANCISCO	Modesto-Merced, CA CSA	18.91%	703	New
WASHINGTON, DC	Cumberland, MD-WV MSA	9.95%	359	New

Attachment 5

Adjacent Single-County MSAs with 7.5 Percent or Higher Commuting

Pay Area	Place Name	Employment Interchange	GS Empl	Adjacent CBSA	New Area of Application or Retained?
LOS ANGELES	Kern Co. CA	7.95%	1,698	Bakersfield, CA Metropolitan Statistical Area	New (Except the Edwards AFB portion). Adding the remainder of Kern County to the Los Angeles locality pay area would add about 927 employees to that locality pay area.
SEATTLE	Whatcom Co. WA	12.58%	1,016	Bellingham, WA Metropolitan Statistical Area	Retained
MILWAUKEE	Fond du Lac Co. WI	22.92%	35	Fond du Lac, WI Metropolitan Statistical Area	New
DENVER	Larimer Co. CO	26.71%	1,890	Fort Collins, CO Metropolitan Statistical Area	Retained
HUNTSVILLE	Etowah Co. AL	11.01%	121	Gadsden, AL Metropolitan Statistical Area	New
RALEIGH	Wayne Co. NC	10.26%	583	Goldsboro, NC Metropolitan Statistical Area	Retained
DETROIT	Jackson Co. MI	21.93%	46	Jackson, MI Metropolitan Statistical Area	New
HARRISBURG	Lancaster Co. PA	13.65%	149	Lancaster, PA Metropolitan Statistical Area	New
SAN FRANCISCO	Monterey Co. CA	15.87%	2,416	Salinas, CA Metropolitan Statistical Area	Retained
LOS ANGELES	Santa Barbara Co. CA	9.03%	1,884	Santa Maria-Santa Barbara, CA Metropolitan Statistical Area	Retained
MILWAUKEE	Sheboygan Co. WI	13.62%	19	Sheboygan, WI Metropolitan Statistical Area	New
TUCSON	Cochise Co. AZ	8.16%	3,967	Sierra Vista-Douglas, AZ Metropolitan Statistical Area	New

Attachment 6

Adjacent Single Counties with 20 Percent or Higher Commuting					
Pay Area	Place Name	Employment Interchange	GS Empl	Feb 2013 Metro Status	New Area of Application or Retained?
ALBANY	Greene Co. NY	49.84%	3	Not in a metro area	New
ALBANY	Hamilton Co. NY	35.44%	3	Not in a metro area	New
ALBUQUERQUE	Mora Co. NM	49.32%	15	Not in a metro area	New
ALBUQUERQUE	Socorro Co. NM	21.41%	115	Not in a metro area	New
ATLANTA	Banks Co. GA	78.97%	1	Not in a metro area	New
ATLANTA	Cleburne Co. AL	35.09%	19	Not in a metro area	New
ATLANTA	Franklin Co. GA	25.87%	0	Not in a metro area	New
ATLANTA	Gilmer Co. GA	27.53%	33	Not in a metro area	New
ATLANTA	Greene Co. GA	36.49%	4	Not in a metro area	New
ATLANTA	Habersham Co. GA	22.78%	34	Cornelia, GA Single County Metropolitan Statistical Area	New
ATLANTA	Lumpkin Co. GA	66.59%	32	Not in a metro area	New
ATLANTA	Putnam Co. GA	24.03%	28	Not in a metro area	New
ATLANTA	Randolph Co. AL	25.94%	5	Not in a metro area	New
ATLANTA	Talbot Co. GA	37.18%	0	Not in a metro area	New
ATLANTA	Taliaferro Co. GA	25.81%	0	Not in a metro area	New
ATLANTA	White Co. GA	38.88%	0	Not in a metro area	New
AUSTIN	Blanco Co. TX	26.16%	34	Not in a metro area	New
AUSTIN	Burnet Co. TX	21.70%	23	Not in a metro area	New
AUSTIN	Lee Co. TX	29.18%	1	Not in a metro area	New
BOSTON	Carroll Co. NH	25.68%	47	Not in a metro area	New
BOSTON	Cheshire Co. NH	20.23%	30	Keene, NH Single County Metropolitan Statistical Area	New

Attachment 6

Adjacent Single Counties with 20 Percent or Higher Commuting					
Pay Area	Place Name	Employment Interchange	GS Empl	Feb 2013 Metro Status	New Area of Application or Retained?
BUFFALO	Wyoming Co. NY	43.43%	6	Not in a metro area	New
CHARLOTTE	Anson Co. NC	40.49%	4	Not in a metro area	New
CHARLOTTE	Chesterfield Co. SC	22.22%	16	Not in a metro area	New
CHICAGO	Iroquois Co. IL	34.28%	4	Not in a metro area	New
CHICAGO	Starke Co. IN	31.19%	7	Not in a metro area	New
CINCINNATI	Adams Co. OH	33.24%	2	Not in a metro area	New
CINCINNATI	Fleming Co. KY	24.45%	8	Not in a metro area	New
CINCINNATI	Franklin Co. IN	38.10%	5	Not in a metro area	Retained
CINCINNATI	Highland Co. OH	38.65%	14	Not in a metro area	New
CINCINNATI	Lewis Co. KY	21.70%	1	Not in a metro area	New
CINCINNATI	Owen Co. KY	34.26%	4	Not in a metro area	New
CINCINNATI	Ripley Co. IN	35.58%	8	Not in a metro area	New
CINCINNATI	Robertson Co. KY	41.90%	0	Not in a metro area	New
CINCINNATI	Switzerland Co. IN	48.70%	4	Not in a metro area	New
CLEVELAND	Harrison Co. OH	32.01%	7	Not in a metro area	New
CLEVELAND	Wayne Co. OH	35.51%	68	Wooster, OH Single County Metropolitan Statistical Area	New
COLUMBUS	Coshocton Co. OH	20.80%	6	Coshocton, OH Single County Metropolitan Statistical Area	New
COLUMBUS	Hardin Co. OH	22.92%	6	Not in a metro area	New
COLUMBUS	Morgan Co. OH	34.49%	2	Not in a metro area	New
COLUMBUS	Noble Co. OH	43.65%	0	Not in a metro area	New

Attachment 6

Adjacent Single Counties with 20 Percent or Higher Commuting					
Pay Area	Place Name	Employment Interchange	GS Empl	Feb 2013 Metro Status	New Area of Application or Retained?
COLUMBUS	Pike Co. OH	35.41%	28	Not in a metro area	New
COLUMBUS	Vinton Co. OH	35.30%	2	Not in a metro area	New
DALLAS	Atoka Co. OK	22.09%	13	Not in a metro area	New
DALLAS	Bosque Co. TX	22.98%	22	Not in a metro area	New
DALLAS	Delta Co. TX	49.31%	2	Not in a metro area	Retained
DALLAS	Fannin Co. TX	59.02%	443	Not in a metro area	Retained
DALLAS	Franklin Co. TX	24.38%	2	Not in a metro area	New
DALLAS	Hill Co. TX	34.42%	17	Not in a metro area	New
DALLAS	Jack Co. TX	40.87%	3	Not in a metro area	New
DALLAS	Love Co. OK	42.88%	4	Not in a metro area	New
DALLAS	Montague Co. TX	40.64%	5	Not in a metro area	New
DALLAS	Rains Co. TX	60.24%	0	Not in a metro area	New
DALLAS	Van Zandt Co. TX	44.75%	7	Not in a metro area	New
DAVENPORT	Cedar Co. IA	33.40%	48	Not in a metro area	New
DAVENPORT	Jackson Co. IA	25.88%	10	Not in a metro area	New
DAVENPORT	Louisa Co. IA	37.26%	23	Not in a metro area	New
DAYTON	Preble Co. OH	38.66%	7	Not in a metro area	Retained
DETROIT	Sanilac Co. MI	40.48%	6	Not in a metro area	New
DETROIT	Tuscola Co. MI	25.43%	19	Not in a metro area	New
HARRISBURG	Juniata Co. PA	31.04%	19	Not in a metro area	New
HOUSTON	Colorado Co. TX	37.28%	9	Not in a metro area	New

Attachment 6

Adjacent Single Counties with 20 Percent or Higher Commuting					
Pay Area	Place Name	Employment Interchange	GS Empl	Feb 2013 Metro Status	New Area of Application or Retained?
HOUSTON	Grimes Co. TX	39.90%	4	Not in a metro area	New
HOUSTON	Polk Co. TX	24.34%	26	Not in a metro area	New
HOUSTON	San Jacinto Co. TX	71.14%	2	Not in a metro area	Retained
HUNTSVILLE	Lincoln Co. TN	31.04%	5	Not in a metro area	New
INDIANAPOLIS	Blackford Co. IN	31.03%	1	Not in a metro area	New
INDIANAPOLIS	Fountain Co. IN	26.59%	2	Not in a metro area	New
INDIANAPOLIS	Parke Co. IN	23.11%	9	Not in a metro area	New
INDIANAPOLIS	Randolph Co. IN	28.33%	1	Not in a metro area	New
INDIANAPOLIS	Rush Co. IN	71.71%	1	Not in a metro area	New
INDIANAPOLIS	Tipton Co. IN	41.34%	0	Not in a metro area	New
MIAMI	Glades Co. FL	32.30%	10	Not in a metro area	New
MINNEAPOLIS	Kanabec Co. MN	47.01%	8	Not in a metro area	New
MINNEAPOLIS	Meeker Co. MN	59.92%	15	Not in a metro area	New
MINNEAPOLIS	Morrison Co. MN	34.80%	163	Not in a metro area	New
MINNEAPOLIS	Pepin Co. WI	20.22%	2	Not in a metro area	New
MINNEAPOLIS	Pine Co. MN	31.52%	202	Not in a metro area	New
MINNEAPOLIS	Polk Co. WI	40.90%	35	Not in a metro area	New
MINNEAPOLIS	Steele Co. MN	21.01%	3	Owatonna, MN Single County Micropolitan Statistical Area	New
NEW YORK	Sullivan Co. NY	37.72%	32	Not in a metro area	New
NEW YORK	Wayne Co. PA	23.29%	360	Not in a metro area	New
PITTSBURGH	Greene Co. PA	47.24%	34	Not in a metro area	New

Attachment 6

Adjacent Single Counties with 20 Percent or Higher Commuting					
Pay Area	Place Name	Employment Interchange	GS Empl	Feb 2013 Metro Status	New Area of Application or Retained?
PORTLAND	Wahkiakum Co. WA	41.47%	3	Not in a metro area	New
RALEIGH	Caswell Co. NC	22.56%	0	Not in a metro area	New
RALEIGH	Warren Co. NC	54.84%	2	Not in a metro area	New
RICHMOND	Cumberland Co. VA	42.08%	0	Not in a metro area	Retained
RICHMOND	Essex Co. VA	29.45%	3	Not in a metro area	New
RICHMOND	Greensville Co. VA	26.60%	0	Not in a metro area	New
RICHMOND	King and Queen Co. VA	61.95%	1	Not in a metro area	Retained
RICHMOND	Louisa Co. VA	38.98%	11	Not in a metro area	Retained
RICHMOND	Nottoway Co. VA	41.63%	159	Not in a metro area	New
RICHMOND	Surry Co. VA	37.26%	1	Not in a metro area	New
SACRAMENTO	Alpine Co. CA	23.95%	10	Not in a metro area	New
SACRAMENTO	Amador Co. CA	27.67%	39	Not in a metro area	New
SACRAMENTO	Colusa Co. CA	29.31%	39	Not in a metro area	New
SACRAMENTO	Sierra Co. CA	22.54%	44	Not in a metro area	New
SAN FRANCISCO	Calaveras Co. CA	27.38%	56	Not in a metro area	New
SEATTLE	Grays Harbor Co. WA	22.97%	40	Aberdeen, WA Single County Micropolitan Statistical Area	New
ST. LOUIS	Gasconade Co. MO	33.97%	1	Not in a metro area	New
ST. LOUIS	Greene Co. IL	32.10%	3	Not in a metro area	New
ST. LOUIS	Iron County, MO	37.54%	0	Not in a metro area	New
ST. LOUIS	Madison Co. MO	35.36%	1	Not in a metro area	New

Attachment 6

Adjacent Single Counties with 20 Percent or Higher Commuting					
Pay Area	Place Name	Employment Interchange	GS Empl	Feb 2013 Metro Status	New Area of Application or Retained?
ST. LOUIS	Montgomery Co. IL	32.81%	24	Not in a metro area	New
ST. LOUIS	Montgomery Co. MO	38.95%	4	Not in a metro area	New
ST. LOUIS	Pike Co. MO	21.75%	10	Not in a metro area	New
ST. LOUIS	Randolph Co. IL	34.63%	15	Not in a metro area	New
ST. LOUIS	Ste. Genevieve Co. MO	50.27%	2	Not in a metro area	New
ST. LOUIS	Washington Co. IL	47.32%	7	Not in a metro area	New
ST. LOUIS	Washington Co. MO	63.99%	22	Not in a metro area	New
WASHINGTON, DC	Caroline Co. MD	67.01%	9	Not in a metro area	New
WASHINGTON, DC	Fulton Co. PA	51.64%	3	Not in a metro area	New
WASHINGTON, DC	Kent Co. MD	32.85%	9	Not in a metro area	New
WASHINGTON, DC	King George Co. VA	76.39%	1,158	Not in a metro area	Retained
WASHINGTON, DC	Madison Co. VA	38.46%	20	Not in a metro area	New
WASHINGTON, DC	Morgan Co. WV	59.36%	2	Not in a metro area	Retained
WASHINGTON, DC	Orange Co. VA	58.33%	9	Not in a metro area	New
WASHINGTON, DC	Page Co. VA	24.26%	108	Not in a metro area	New
WASHINGTON, DC	Shenandoah Co. VA	40.48%	45	Not in a metro area	New

Attachment 7
Single-County “Rest of U.S.” Locations Adjacent to Multiple Locality Pay Areas

Location	Single-County Metropolitan Area (If Applicable)	Adjacent Locality Pay Areas	Commuting	Recommended Locality Pay Area	GS Empl
La Paz County, AZ	N/A	Las Vegas, Los Angeles, and Phoenix	Las Vegas 7.85% Los Angeles 14.68%; Phoenix 1.11%;	Los Angeles	215
Imperial County, CA	EI Centro, CA Metropolitan Statistical Area	Los Angeles and San Diego	Los Angeles 4.74% San Diego 3.18%;	Los Angeles	2,125
Lake County, CA	Clearlake, CA Micropolitan Statistical Area	Sacramento and San Francisco	Sacramento 0.69% San Francisco 19.99%;	San Francisco	85
Lincoln County, CO	N/A	Colorado Springs and Denver	Colorado Springs 7.81%; Denver 16.35%	Denver	4
Berkshire County, MA	Pittsfield, MA Metropolitan Statistical Area	Albany, Hartford, and New York	Albany 4.97%; Hartford 0.36% New York 2.85%;	Albany	99
Holmes County, OH	N/A	Cleveland and Columbus	Cleveland 19.85%; Columbus 2.67%	Cleveland	12
Schuylkill County, PA	Pottsville, PA Micropolitan Statistical Area	Harrisburg, New York, and Philadelphia	Harrisburg 9.15%; Philadelphia 11.21%; New York 10.43%	Philadelphia	304
Fayette County, TX	N/A	Austin and Houston	Austin 11.53%; Houston 12.95%	Houston	7
Westmoreland County, VA	N/A	Richmond and Washington	Richmond 6.31% Washington 27.69%;	Washington, DC	19

Attachment 8

Areas that Contacted OPM Seeking Higher Locality Pay
Allentown, PA, MSA
Asheville-Brevard, NC, CSA
Bakken Area
Beaumont-Port Arthur, TX, MSA
Bend-Redmond-Prineville, OR, CSA
Benton County, OR
Berkshire County, MA
Burlington-South Burlington, VT, MSA
Butte County, CA
Cape Coral-Fort Myers-Naples, FL, CSA
Charleston-North Charleston, SC, MSA
Clallam, Jefferson, and San Juan Counties, WA
Claremont-Lebanon, NH-VT, Micropolitan Area (Including White River Junction)
Columbus-Auburn-Opelika, GA-AL, CSA
Corpus Christi-Kingsville-Alice, TX, CSA
Grand Rapids-Wyoming-Muskegon, MI, CSA
Granville County, NC (portions other than Butner Federal Prison)
Kern County, CA (AKA Bakersfield)
Lansing-East Lansing-Owosso, MI, CSA
Le Seur, MN, CSA
Lubbock, TX, CSA
Madison-Janesville-Beloit, WI, CSA
Midland-Odessa, TX, CSA
Mono County, CA
Morgantown-Fairmont, WV, CSA
New Orleans-Metairie-Hammond, LA-MS, CSA
Northern White Sands Missile Range (Stallion Range)
Orlando-Deltona-Daytona Beach, FL, CSA
Pine County, MN
Portions of WV in "Rest of U.S." locality pay area
Reno-Carson City-Fernley, NV, CSA
Rochester-Austin, MN, CSA
Rochester-Batavia-Seneca Falls, NY, CSA
San Angelo, TX, MSA
San Antonio-New Braunfels, TX, MSA
San Luis Obispo County, CA
Scranton--Wilkes-Barre--Hazleton, PA, MSA
Sierra-Nevada Region
Southeastern New Mexico (Artesia City/ Eddy County)
Tampa-St. Petersburg-Clearwater, FL, MSA
Twelve New Locality Pay Areas (tentatively approved)
Tyler-Jacksonville, TX, CSA
Virginia Beach-Norfolk, VA-NC, CSA
Wilmington, NC, MSA
Yuma, AZ, MSA

Attachment 9

February 2013 CBSA	GS Empl
Burlington-South Burlington, VT Metropolitan Statistical Area	2,833
Charleston-Huntington-Ashland, WV-OH-KY Combined Statistical Area	2,670
Clarksburg, WV Micropolitan Statistical Area	3,300
Des Moines-Ames-West Des Moines, IA Combined Statistical Area	3,057
Fort Leonard Wood, MO Micropolitan Statistical Area	2,820
Gainesville-Lake City, FL Combined Statistical Area	3,105
McAllen-Edinburg, TX Combined Statistical Area	3,326
New Bern-Morehead City, NC Combined Statistical Area	2,601
Sierra Vista-Douglas, AZ Metropolitan Statistical Area	3,967
Spokane-Spokane Valley-Coeur d'Alene, WA-ID Combined Statistical Area	2,544
Tulsa-Muskogee-Bartlesville, OK Combined Statistical Area	4,282