

Congress of the United States

Washington, DC 20515

November 16, 2022

The Honorable Kiran Ahuja
Director
U.S. Office of Personnel Management
1900 E Street NW
Washington, D.C. 20415

The Honorable Martin J. Walsh
Secretary of Labor
U.S. Department of Labor
200 Constitution Avenue NW
Washington, D.C. 20210

The Honorable Shalanda D. Young
Director
Office of Management and Budget
725 17th Street NW
Washington, D.C. 20503

Dear Director Ahuja, Secretary Walsh, and Director Young:

We write to you in your capacity as the President's Pay Agent to request you approve the Federal Salary Council's recommendations for 2023. If implemented, the changes endorsed by the Federal Salary Council would add approximately 33,000 federal employees across 32 states to General Schedule (GS) locality pay areas and increase their pay. In New Hampshire and Vermont, approximately 1,260 federal employees would be included in locality pay areas and receive a locality pay rate that more accurately reflects the region's cost of living increases.

At its August 5, 2022 meeting, the Federal Salary Council referenced the Report of the Federal Salary Council Working Group, which notes that GS salaries and locality pay rates left federal employees' pay 22.47% below comparable private sector pay in 2021.¹ This disparity is not only unfair to federal employees who are committed to continuing their careers in public service, but it also hurts agencies' ability to recruit and retain qualified, dedicated, and talented workers. While the Federal Salary Council's recommendations to the President's Pay Agent will not entirely close this significant pay gap, they will make strides toward improving GS pay so that it is closer to non-federal pay in several regions of the country.

For federal workers who live and work in the states we represent, the Federal Salary Council's recommendation to use OMB Bulletin No. 20-01's criteria for Metropolitan Statistical Areas and Combined Statistical Areas in the locality pay program (Council Decision Point 4) and the

¹ Office of Personnel Management, *Report of the Federal Salary Council Working Group* (Aug. 2022), <https://federalnewsnetwork.com/wp-content/uploads/2022/08/FSC-WG-Report-for-2023-Loc-Pay.pdf>.

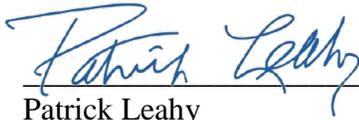
recommendation to change the criteria used to establish areas of application (Council Decision Point 5) would address prevailing wage issues and help federal employees and their families weather recent and long-term cost of living increases. Our offices have heard from early career federal employees who are struggling to afford to live in the region, delaying starting families and putting down roots, and commuting long distances from more affordable areas. Alarming, we have also heard about talented federal employees leaving the civil service for higher compensation in the private sector or transferring to federal employment in other localities that provide wage increases that keep up with the cost of living. This leaves federal employers in our states at a disadvantage when competing with the private sector and neighboring counties for workers.

These recommendations have the support of the major federal agencies in our states and the unions representing the federal workers at those federal workplaces. During the August 5 meeting, Gregory Hartford, Chief of Business Operations at the White River Junction VA Medical Center, testified in support of the Council's recommendation to use the employment interchange rate and to eliminate the GS employee criterion to establish areas of application.² Locality pay would help the Department of Veterans Affairs (VA) recruit and retain health care workers, support staff, and administrators so that this facility can provide quality care to veterans in the Claremont-Lebanon area, particularly as the VA begins implementing the expanded care for veterans under the recently enacted Honoring Our PACT Act. At the Army's Cold Regions Research and Engineering Laboratory, closing the pay gap between federal and private sector salaries would help retain mid-career employees and attract new hires to support the lab's mission of investigating pressing environmental science problems, including climate change, for the national defense and the public good.

As our nation renews its investment in the uniformed services, advanced domestic manufacturing and R&D, clean energy, infrastructure, economic resilience, and equity, we must also make sure that the federal agencies that support these endeavors have the ability to attract talented and dedicated public servants. Implementing these recommendations will help ensure that critical federal services throughout the country are performed to the highest standards by experienced federal employees and these federal activities continue to support the regional and national economy, national security, and the American public.

Thank you for your consideration of this matter.

Sincerely,



Patrick Leahy
U.S. Senator



Jeanne Shaheen
U.S. Senator

² Office of Personnel Management, *Federal Salary Council Meeting Minutes (Meeting No. 22-1)*, at 5 (Aug. 5, 2022), <https://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/general-schedule/minutes/22-01-fsc-minutes-08-05-2022.pdf>.



Bernard Sanders
U.S. Senator



Margaret Wood Hassan
U.S. Senator



Peter Welch
U.S. Representative



Ann McLane Kuster
U.S. Representative



Chris Pappas
U.S. Representative