Dear Representative Jones:

Thank you for your letter, dated March 5, 2018, requesting that the U.S. Office of Personnel Management (OPM) initiate the regulatory process required to establish the Virginia Beach-Norfolk, VA-NC Combined Statistical Area as a new locality pay area.

I am pleased to inform you that OPM is moving forward with regulations to establish Virginia Beach, VA, and three other locations as new locality pay areas on behalf of the President’s Pay Agent. The Pay Agent consists of the Director of the Office of Management and Budget, the Director of OPM, and the Secretary of Labor and is responsible for administering the locality pay program based on recommendations from the Federal Salary Council. OPM received approval from the Pay Agent on December 20, 2017, to move forward with the regulatory process, which takes several months to complete due to the appropriate notice and comment period required by the Administrative Procedure Act. Our goal is to have both proposed and final regulations issued in conjunction with the next pay adjustment cycle, which is January 2019.

Further, Federal agencies have considerable discretionary authority to provide pay and leave flexibilities to address significant recruitment and retention problems. If needed, agencies may strategically use these flexibilities in the Virginia Beach-Norfolk, VA-NC Combined Statistical Area. Agency headquarters staff may contact OPM for assistance with understanding and implementing these flexibilities when appropriate. Information on pay and leave flexibilities is available on the OPM website at http://www.opm.gov/policy-data-oversight/pay-leave/pay-and-leave-flexibilities-for-recruitment-and-retention.

If you have further questions, please feel free to contact Stephen Billy, Director, Office of Congressional, Legislative, and Intergovernmental Affairs, at (202) 606-1300.

Sincerely,

Dr. Jeff T.H. Pon
Director